

UNDERWRITING AGREEMENT

March 24, 2022

Neptra Foods Inc.
c/o Suite 1500 – 1055 West Georgia St.
Vancouver, BC
V6E 4N7

Attention: David Wood, Chief Executive Officer and Director

Canaccord Genuity Corp., as sole bookrunner and lead underwriter (the "**Underwriter**"), hereby offers to purchase from Neptra Foods Inc. (the "**Company**"), and the Company hereby agrees to issue and sell to the Underwriter, upon and subject to the terms hereof, an aggregate of 10,000,000 units (the "**Offered Units**") of the Company, on a overnight marketed basis, at a price of \$0.45 per Offered Unit (the "**Offering Price**") for aggregate gross proceeds of \$4,500,000. Each Offered Unit shall be comprised of one Common Share (as defined below) (a "**Unit Share**") and one Common Share purchase warrant (a "**Unit Warrant**"). Each Unit Warrant will be issued under the Warrant Indenture (as defined below) and will entitle the holder thereof to acquire one Common Share (a "**Warrant Share**") of the Company at a price of \$0.70 per Warrant Share for a period expiring the earlier of: (i) 36 months following the Closing Date (as defined below); and (ii) the date specified in the Warrant Acceleration Notice (as defined below). If the volume weighted average trading price of the Common Shares is equal to or greater than \$1.40 for any 10 consecutive trading day period on the Exchange (as defined below) (or such other stock exchange where the Common Shares are then listed) at any time following the Closing Date, the Company may provide notice to the warrant agent and the registered holders of the Unit Warrants (the "**Warrant Acceleration Notice**"), and issuing a concurrent press release stating, that the expiry of the Unit Warrants shall be accelerated to the date specified in such Warrant Acceleration Notice, provided such date shall not be less than 30 trading days after the date of such Warrant Acceleration Notice.

Upon and subject to the terms and conditions contained herein, and as more particularly described in Section 16, the Company hereby grants to the Underwriter an option (the "**Over-Allotment Option**") to purchase up to an additional number of Over-Allotment Units (as defined herein) as more particularly described in Section 16 for additional gross proceeds of up to \$675,000, upon the terms and conditions set forth herein for the purpose of covering over-allotments made in connection with the Offering (as defined below) and for market stabilization purposes. The Underwriter may elect to exercise the Over-Allotment Option for Over-Allotment Units, as more particularly described in Section 16. Unless the context requires otherwise, all references to "Common Shares" in this Agreement include Unit Shares, Warrant Shares, Over-Allotment Unit Shares (as defined herein) and Common Shares issuable upon the exercise of the Over-Allotment Unit Warrants (as defined herein) and all references to "Warrant Shares" includes the Common Shares issuable upon exercise of the Over-Allotment Unit Warrants.

The Offered Units (and, as the context requires, the securities comprising or underlying the Offered Units) and the Over-Allotment Units (and, as the context requires, the securities comprising or underlying the Over-Allotment Units) are collectively referred to herein as the "**Offered Securities**" and the offering of the Offered Securities by the Company is hereinafter referred to as the "**Offering**".

The Offering shall take place in each of the Qualifying Jurisdictions (as defined below) by the Underwriter pursuant to the Final Prospectus (as defined herein). The Offered Securities may also be offered and sold in the United States and to, or for the account or benefit of, U.S. Persons (as defined herein) to persons who are Qualified Institutional Buyers (as defined herein) on a private placement basis pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A (as defined herein) and similar exemptions under the applicable state securities laws. All offers and sales of the Offered Securities shall be made in compliance with Schedule "A" attached hereto, which forms part of this Agreement.

The undersigned understand that the Company has prepared and filed with each of the Canadian securities regulatory authorities (the "**Canadian Securities Commissions**") in each of the Qualifying Jurisdictions: (i) a preliminary short form prospectus dated March 10, 2022 (together with the Documents Incorporated by Reference (as hereinafter

defined) therein, the "**Bulleled Preliminary Prospectus**"), and that the Company has received a Prospectus Receipt (as hereinafter defined) for the Preliminary Prospectus on March 10, 2022; and (ii) an amended and restated preliminary prospectus dated March 11, 2022 (together with the Documents Incorporated by Reference therein, the "**A&R Preliminary Prospectus**"), and that the Company has received a Prospectus Receipt for the A&R Preliminary Prospectus on March 11, 2022.

In addition, the undersigned also understand that the Company will prepare and file on the date hereof, with the Canadian Securities Commissions, a final short form prospectus dated March 24, 2022 (together with the Documents Incorporated by Reference therein and any supplements or amendments thereto, the "**Final Prospectus**"), in order to qualify for distribution to the public the Offered Securities in all of the provinces of British Columbia, Alberta and Ontario (the "**Qualifying Jurisdictions**") through the Underwriter or any other investment dealer or broker registered to transact such business in the applicable Qualifying Jurisdictions contracting with the Underwriter.

Any reference herein to any "amendment" or "supplement" to the Final Prospectus shall be deemed to refer to and include (i) the filing of any document with the Canadian Securities Commissions after the date of such Final Prospectus which is incorporated therein by reference or is otherwise deemed to be a part thereof or included therein by the Canadian Securities Laws (as defined below), as applicable, and (ii) any such document so filed.

In consideration of the Underwriter's services to be rendered in connection with the Offering, including assisting and preparing documentation relating to the sale of the Offered Securities including the Bulleted Preliminary Prospectus, the A&R Preliminary Prospectus, the Final Prospectus (and any Supplementary Material (as defined below)) and distributing the Offered Securities, directly and through other investment dealers and brokers, the Company agrees to pay the Underwriting Fee (as defined herein) to the Underwriter at the Closing Time (as defined below) and, if applicable, the Over-Allotment Closing Time (as defined below).

The following are the terms and conditions of the agreement between the Company and the Underwriter:

TERMS AND CONDITIONS

Section 1 INTERPRETATION

(1) Definitions

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

"**affiliate**" has the meaning given to it in the BCBCA;

"**Agreement**" means this underwriting agreement, as it may be amended, restated or supplemented from time to time;

"**Anti-Money Laundering Laws**" has the meaning ascribed to such term in Section 7(1)(yy) of this Agreement;

"**Applicable Laws**" means, in relation to any person or persons, the Canadian Securities Laws and all other statutes, regulations, rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guidance document, of any Governmental Authority that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

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

"**associate**" and "**affiliate**" have the respective meanings given to them under Canadian Securities Laws;

"**Authorizations**" means any approval, consent, exemption, ruling, authorization, notice, permit, including an import permit, export permit or acknowledgement that may be required from any Governmental Authority pursuant to Applicable Laws, or which is otherwise required under Applicable Laws for the parties to perform the Company's obligations under this Agreement, the manufacture, sale or marketing of the products of the Company and its Subsidiaries or in relation to other aspects of the Business, including any review, approval or other authorization for a study or other authorizations related to other aspects of the Business;

"**A&R Preliminary Prospectus**" has the meaning given to it in the fifth paragraph of this Agreement;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**BCSC**" means the British Columbia Securities Commission;

"**Board of Directors**" means the board of directors of the Company;

"**Broker Unit**" has the meaning given to it in Section 11;

"**Broker Unit Share**" has the meaning given to it in Section 11;

"**Broker Unit Warrant Share**" has the meaning given to it in Section 11;

"**Broker Unit Warrant**" has the meaning given to it in Section 11;

"**Broker Warrants**" has the meaning given to it in Section 11;

"**Broker Warrant Certificates**" has the meaning given to it in Section 11;

"**Bulleed Preliminary Prospectus**" has the meaning given to it in the fifth paragraph of this Agreement;

"**Business**" means the operation of the business of the Company as described in the Prospectus in the jurisdictions in which the Company or any Subsidiary operate, including in the context of any research, development or other work;

"**Business Assets**" means all tangible and intangible property and assets owned (either directly or indirectly), leased, licenced, loaned, operated or used by the Company or any Subsidiary in connection with the Business, including all real property, fixed assets, facilities, equipment, inventories, accounts receivable and the Company IP;

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

"**Canadian Securities Commissions**" has the meaning given to it in the fifth paragraph of this Agreement;

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions, including the rules and policies of the Exchange;

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

"**CFIA**" means the Canadian Food Inspection Agency;

"**CFPOA**" means the *Corruption of Foreign Public Officials Act* (Canada), as amended;

"**Claim**" has the meaning ascribed to such term in Section 9 of this Agreement;

"**Closing**" means the completion of the sale of the Offered Securities and the purchase by the Underwriter of the Offered Securities pursuant to this Agreement;

"**Closing Date**" has the meaning given to it in Section 14;

"**Closing Time**" has the meaning given to it in Section 14;

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

"**Company**" or "**Nepra**" means Nepra Foods Inc., a company incorporated under the laws of British Columbia, and includes any successor company to or of the Company;

"**Company IP**" means the Intellectual Property Rights owned by the Company and each Subsidiary, whether through development, creation, conception or acquisition;

"**Company's Auditors**" means Dale, Matheson, Carr-Hilton, Labonte LLP;

"**Compensation Securities**" means the Broker Warrants, the Broker Units, the Broker Unit Warrants, the Broker Unit Shares and the Broker Unit Warrant Shares;

"**Condition of the Company**" means the Business, affairs, operations, assets, Business Assets, liabilities (contingent or otherwise), prospects or capital of the Company taken as a whole;

"**controlled**" and "**distribution**" have the respective meanings given to them under Canadian Securities Laws, except where otherwise specified in this Agreement;

"**Convertible Security**" has the meaning ascribed to such term in Section 7(1)(f) of this Agreement;

"**Criminal Code**" means the *Criminal Code* (Canada);

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws or any of them;

"**Documents Incorporated by Reference**" means all interim and annual financial statements, management's discussion and analysis, business acquisition reports, management information circulars, annual information forms, material change reports, marketing materials and other documents that are or are required by Canadian Securities Laws to be incorporated by reference into the Offering Documents, as applicable;

"**Engagement Letter**" means the engagement letter dated as of March 10, 2022 between the Underwriter and the Company;

"**Environmental Laws**" has the meaning ascribed to such term in Section 7(1)(ww) of this Agreement;

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

"**FALCPA**" means the *United States Food Allergen Labeling and Consumer Protection Act* of 2004, Public Law 108-282, Title II, as amended;

"**FCPA**" means the United States *Foreign Corrupt Practices Act* of 1977 (U.S.), as amended, and the rules and regulations thereunder;

"**FDA**" mean the *Food and Drugs Act* (Canada);

"**FDR**" means the Food and Drugs Regulations (Canada) of the FDA;

"**Final Prospectus**" has the meaning given to it in the sixth paragraph of this Agreement;

"**Governmental Authority**" means any:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency or instrumentality, domestic or foreign;
- (b) any subdivision, agent, commission, board or authority of any of the foregoing;
- (c) any provincial, state, territorial or federal government or review board with jurisdiction over pricing of patented products or with jurisdiction over competition aspects of pricing of products; or
- (d) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and any stock exchange or self-regulatory authority and, for greater certainty, includes Regulatory Authorities;

"**Hazardous Material**" has the meaning ascribed to such term in Section 7(1)(ww) of this Agreement;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**including**" means including but not limited to;

"**Indemnified Parties**" and "**Indemnified Party**" has the meaning ascribed to such term in Section 9 of this Agreement;

"**Indemnitors**" has the meaning ascribed to such term in Section 9 of this Agreement;

"**Intellectual Property Rights**" means all industrial and other intellectual property rights comprising or relating to (a) trademarks, trade dress, trade and business names, branding, brand names, logos, design rights, corporate names and domain names and other similar designations of source, sponsorship, association or origin, together with the goodwill symbolized by any of the foregoing; (b) internet domain names registered by any authorized private registrar or Governmental Authority, web addresses, web pages, website and URLs; (c) works of authorship, expressions, designs and industrial design registrations, whether or not copyrightable, including copyrights and copyrightable works, software and firmware, data, data files, and databases and other specifications and documentation; (d) inventions, discoveries, trade secrets, business and technical information, know-how, databases, data collections, patent disclosures and other confidential or proprietary information; (e) all industrial and other intellectual property rights, and all rights, interests and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing, however arising, in each case whether registered or unregistered, such registered rights including patent, trademark, industrial design and copyright, and including all registrations and applications for, and renewals or extensions of, such rights or forms of protection under the Applicable Law of any jurisdiction which the Company operates;

"**knowledge of**" (or similar phrases) means the actual knowledge of David Wood and Alex McAulay after appropriate inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers in the discharge of their duties;

"**Leased Properties**" has the meaning given to that term in Section 7(1)(vv) of this Agreement;

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise),

including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

"**Losses**" has the meaning ascribed to such term in Section 9 of this Agreement;

"**marketing materials**" has the meaning given to it in NI 41-101;

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

"**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto under Canadian Securities Laws;

"**NI 41-101**" means National Instrument 44-101 - *General Prospectus Requirements*;

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

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

"**OFAC**" has the meaning given to that term in Section 7(1)(zz) of this Agreement;

"**OFAC Person**" has the meaning given to that term in Section 7(1)(zz) of this Agreement;

"**Offered Securities**" has the meaning given to it in the fourth paragraph of this Agreement;

"**Offered Units**" has the meaning given to it in the first paragraph of this Agreement;

"**Offering**" has the meaning given to it in the fourth paragraph of this Agreement;

"**Offering Documents**" means each of the Final Prospectus, any Prospectus Amendment, including the Documents Incorporated by Reference, any marketing materials and the U.S. Placement Memorandum, if applicable;

"**Offering Price**" has the meaning given to it in the first paragraph of this Agreement;

"**Ordinary Course**" means, with respect to an action taken by a Person, that such action is consistent in all material respects with past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person, in each case, as is determined as of the relevant date;

"**Over-Allotment Closing Date**" has the meaning given to it in Section 16 of this Agreement;

"**Over-Allotment Closing Time**" has the meaning given to it in Section 16 of this Agreement;

"**Over-Allotment Option**" has the meaning given to it in the second paragraph of this Agreement;

"Over-Allotment Unit Shares" has the meaning given to it in Section 16 of this Agreement;

"Over-Allotment Units" has the meaning given to it in Section 16 of this Agreement;

"Over-Allotment Unit Warrants" has the meaning given to it in Section 16 of this Agreement;

"Permitted Liens" means:

- (a) Liens for taxes and other governmental charges and assessments not yet due or delinquent or being contested in good faith by appropriate proceedings;
- (b) Liens imposed by Applicable Laws and incurred in the ordinary course for obligations not yet due or delinquent;
- (c) Liens in respect of pledges or deposits under workers compensation, social security or similar laws, other than with respect to any amounts which are due or delinquent, unless such amounts are being contested in good faith by appropriate proceedings;
- (d) Liens for indebtedness arising in the ordinary course of business which is incurred to pay all or part of the purchase price of any personal or movable property; and
- (e) Liens described in the Offering Documents;

"Person" includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), company, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

"Preliminary Prospectus" means, collectively, the Bulleted Preliminary Prospectus and the A&R Preliminary Prospectus;

"President's List Purchasers" has the meaning given to it in Section 11;

"Proportionate Voting Shares" means the Class "A" common shares in the capital of the Company;

"Prospectus" means, collectively, the Preliminary Prospectus and the Final Prospectus;

"Prospectus Amendment" means any amendment to the Final Prospectus;

"Prospectus Receipt" means the receipt issued by the BCSC, which is deemed to also be a receipt of the other Canadian Securities Commission pursuant to Multilateral Instrument 11-102 – *Passport System* and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*, for the Bulleted Preliminary Prospectus, the A&R Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment, as the case may be;

"provide" in the context of sending or making available marketing materials to a potential investor of Offered Securities has the meaning ascribed thereto under Canadian Securities Laws;

"Public Record" has the meaning given to that term in Section 7(1)(jjjj) of this Agreement;

"Purchasers" means, collectively, each of the purchasers of the Offered Securities arranged by the Underwriter pursuant to the Offering;

"Qualified Institutional Buyer" means a qualified institutional buyer as defined in Rule 144A(a)(1) under the U.S. Securities Act;

"**Qualifying Jurisdictions**" means, collectively, the provinces of British Columbia, Ontario and Alberta;

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

"**Regulatory Authorities**" means the Securities Commissions and the Exchange;

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act;

"**Returns**" has the meaning ascribed to such term in Section 7(1)(nn)(i) of this Agreement;

"**Sanctioned Country**" has the meaning given to that term in Section 7(1)(zz) of this Agreement;

"**Sanctions**" has the meaning given to that term in Section 7(1)(zz) of this Agreement;

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

"**Securities Commissions**" means the securities regulatory authority in each of the Qualifying Jurisdictions;

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

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Selling Firm**" has the meaning given to it in Section 2(1);

"**Selling Jurisdictions**" means, collectively, each of the Qualifying Jurisdictions and may also include, the United States and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Company and the Underwriter;

"**SFCA**" means the *Safe Food for Canadians Act* S.C. 2012, c. 24;

"**SFCR**" means the *Safe Food for Canadians Regulations* SOR/2018-108;

"**subsidiary**" or "**subsidiaries**" has the meaning ascribed thereto in the BCBCA;

"**Subsidiary**" has the meaning ascribed thereto in Section 7(1)(i) of this Agreement;

"**Supplementary Material**" means, collectively, any amendment to the Offering Documents and any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Company under Canadian Securities Laws relating to the Offering and/or the distribution of the Offered Securities;

"**template version**" has the meaning ascribed to such term in NI 41-101 and includes any revised template version of marketing materials as contemplated by NI 41-101;

"**Transaction Documents**" means, collectively, this Agreement, the Warrant Indenture, the Warrant Certificates, the Broker Warrant Certificates and the certificates, if any, representing the Offered Securities, the Warrant Shares, the Broker Unit Warrant Shares, the Broker Unit Warrants, and any other documents or agreements executed in connection with the transactions contemplated hereunder;

"**Transfer Agent**" means Olympia Trust Company;

"**Underwriter**" has the meaning given to it in the first paragraph of this Agreement;

"**Underwriter's Expenses**" has the meaning given to it in Section 17;

"Underwriting Fee" has the meaning given to it in Section 11;

"Unit Share" has the meaning given to it in the first paragraph of this Agreement and, unless the context requires otherwise, includes the Over-Allotment Unit Shares issuable upon exercise of the Over-Allotment Option;

"Unit Warrant" has the meaning given to it in the first paragraph of this Agreement and, unless the context requires otherwise, includes the Over-Allotment Unit Warrants issuable upon exercise of the Over-Allotment Option;

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

"U.S. Affiliate" of any Underwriter means the U.S. registered broker-dealer affiliate of such Underwriter;

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

"U.S. Person" means a "U.S. person" as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;

"U.S. Placement Memorandum" means the final U.S. private placement memorandum (which shall include the Final Prospectus) and any amendment thereto used to make offers and sales of Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons, pursuant to Rule 144A in accordance with Schedule "A" hereto, and any exhibits, schedules or attachments thereto;

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

"U.S. Securities Laws" means all applicable securities legislation in the United States, including, without limitation, the U.S. Exchange Act and U.S. Securities Act;

"Warrant Acceleration Notice" has the meaning given to it in the first paragraph of this Agreement;

"Warrant Certificates" means the certificates representing the Unit Warrants and, as applicable, the Over-Allotment Warrants;

"Warrant Indenture" means the warrant indenture to be entered into between the Company and the Transfer Agent, as warrant agent, governing the terms of the Unit Warrants and, as applicable, the Over-Allotment Unit Warrants; and

"Warrant Share" has the meaning given to it in the first paragraph of this Agreement.

- (2) Any reference in this Agreement to a Section or Subsection shall refer to a section or subsection of this Agreement.
- (3) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.
- (4) Any reference in this Agreement to "\$" or to "dollars" shall refer to the lawful currency of Canada, unless otherwise specified.
- (5) The following are the schedules to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" - United States Offers and Sales

Section 2 DISTRIBUTION OF THE OFFERED SECURITIES

- (1) Subject to prior approval by the Company, the Underwriter shall be permitted to (a) appoint additional investment dealers or brokers (each, a "**Selling Firm**") as its agents in the Offering and (b) determine the remuneration payable to such Selling Firm. The Underwriter may offer the Offered Securities, directly and through Selling Firms or any duly registered affiliate of an Underwriter, in the Qualifying Jurisdictions, for sale to the public only in accordance with Canadian Securities Laws and in any jurisdiction outside of Canada (subject to Section 6 hereof) to purchasers permitted to purchase the Offered Securities only in accordance with Applicable Securities Laws and upon the terms and conditions set forth in the Offering Documents and in this Agreement. The Underwriter shall require any Selling Firm appointed by such Underwriter to agree to the foregoing and such Underwriter shall be responsible for the compliance by such Selling Firm with the provisions of this Agreement.
- (2) The Underwriter shall, and shall require any Selling Firm to agree to, distribute the Offered Securities in a manner that complies with all Applicable Securities Laws in each jurisdiction into and from which they may offer to sell the Offered Securities or distribute the Offering Documents, as applicable, in connection with the distribution of the Offered Securities and will not, directly or indirectly, offer, sell or deliver any Offered Securities or deliver the Offering Documents, as applicable, to any person in any jurisdiction other than in the Qualifying Jurisdictions and, in the case of the U.S. Placement Memorandum, the United States, or to or for the account or benefit of, U.S. Persons, in reliance on Rule 144A and exemptions under U.S. state securities laws, except in a manner which will not require the Company to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the Applicable Securities Laws, of such other jurisdictions.
- (3) For purposes of this Section 2, the Underwriter shall be entitled to assume that the Offered Securities are qualified for distribution in any Qualifying Jurisdiction where a Prospectus Receipt shall have been obtained following the filing of the Final Prospectus, unless otherwise notified in writing by the Company.
- (4) The Underwriter shall promptly notify the Company when, in their opinion, the distribution of the Offered Securities has ceased and will provide to the Company, as soon as practicable thereafter, a breakdown of the number of Offered Securities distributed in each of the Qualifying Jurisdictions, where such breakdown is required for the purpose of calculating fees payable to the Canadian Securities Commissions.
- (5) The Company acknowledges that the Underwriter may offer the Offered Units for sale to the public at a price less than the Offering Price after the Underwriter have made reasonable efforts to sell the Offered Units at the Offering Price, but for greater certainty, any sales of Offered Units at a price less than the Offering Price by the Underwriter shall not decrease the net proceeds payable to the Company for the Offered Securities.
- (6) The Underwriter shall not, in connection with the services provided hereunder, make any representations or warranties with respect to the Company or its securities, other than as set forth in the Offering Documents.
- (7) The Underwriter acknowledges that the Company is not taking any steps to qualify the Offered Securities for distribution or register the Offered Securities or the distribution thereof with any securities authority outside of the Qualifying Jurisdictions.
- (8) The Company and the Underwriter hereby acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States, or to or for the account or benefit of, U.S. Persons, except on a private placement basis to persons reasonably believed to be Qualified Institutional Buyers in accordance with Rule 144A and similar exemptions under U.S. state securities laws. Accordingly, the Company and each of the Underwriter hereby agree that offers and sales of the Offered Securities in the United States shall be conducted only in the manner specified in Schedule "A" hereto, which terms and conditions are hereby incorporated by reference in and form a part of this Agreement.

- (9) Any press release announcing or otherwise concerning the Offering shall comply with Rule 135e under the U.S. Securities Act and include an appropriate notation as follows: "NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION TO THE UNITED STATES". In addition, any such press release shall contain substantially the following disclaimer: "The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act") absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful."

Section 3 FILING OF PROSPECTUS; MARKETING MATERIALS; DUE DILIGENCE

- (1) During the period of the distribution of the Offered Securities, the Company shall cooperate in all respects with the Underwriter to allow and assist the Underwriter to participate fully in the preparation of, and allow the Underwriter to approve (acting reasonably) the form and content of, the Offering Documents and shall allow the Underwriter to conduct all "due diligence" investigations which the Underwriter may reasonably require to fulfil the Underwriter's obligations under Canadian Securities Laws as Underwriter and, in the case of the Final Prospectus and any Prospectus Amendment, to enable the Underwriter responsibly to execute any certificate required to be executed by the Underwriter.
- (2) Without limiting the generality of clause (1) above, during the distribution of the Offered Securities:
- (a) the Company shall prepare, in consultation with the Underwriter, and shall approve in writing, prior to the time that any such marketing materials are provided to potential Purchasers, a template version of any marketing materials reasonably requested to be provided by the Underwriter to any such potential Purchasers, and such marketing materials shall comply with Canadian Securities Laws and shall be acceptable in form and substance to the Underwriter and their counsel, acting reasonably;
 - (b) the Underwriter shall, on behalf of the Underwriter, approve a template version of any such marketing materials in writing prior to the time that such marketing materials are provided to potential Purchasers;
 - (c) the Company shall file a template version of any such marketing materials on SEDAR as soon as reasonably practical after such marketing materials are so approved in writing by the Company and the Underwriter and in any event on or before the day the marketing materials are first provided to any potential Purchaser, and any comparables shall be removed from the template version in accordance with NI 44-101 prior to filing such on SEDAR (provided that if any such comparables are removed, the Company shall deliver a complete template version of any such marketing materials to the Canadian Securities Commissions), and the Company shall provide a copy of such filed template version to the Underwriter as soon as practicable following such filing; and
 - (d) following the approvals and filings set forth in Section 3(2)(a) to (c) above, the Underwriter may provide a limited use version of such marketing materials to potential Purchasers in accordance with Canadian Securities Laws.
- (3) The Company and the Underwriter, on a several basis, covenants and agrees not to provide any potential Purchaser with any marketing materials except for marketing materials which have been approved as contemplated in Section 3(2).

Section 4 MATERIAL CHANGES

- (1) During the period from the date of this Agreement to the completion of the distribution of the Offered Securities, the Company covenants and agrees with the Underwriter that it shall promptly notify the Underwriter in writing of:
 - (a) any material change (actual, anticipated, contemplated or threatened) in or relating to the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Company;
 - (b) any material fact which has arisen or been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on or prior to the date of such document; or
 - (c) any change in any material fact (which for purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents, as they exist immediately prior to such change: (i) which fact or change is, or may reasonably be expected to be, of such a nature as to render any statement in such Offering Documents, as they exist taken together in their entirety immediately prior to such change, misleading or untrue in any material respect; (ii) which would result in the Offering Documents, as they exist immediately prior to such change, containing a misrepresentation; (iii) which would result in the Offering Documents, as they exist immediately prior to such change, not complying with the laws of any Qualifying Jurisdiction in which the Offered Securities are to be offered for sale; or (iv) which change would reasonably be expected to have a significant effect on the market price or value of any securities of the Company.
- (2) The Underwriter agrees, and will require each Selling Firm to agree, to cease the distribution of the Offered Securities upon the Underwriter receiving written notification of any change or material fact with respect to any Offering Document contemplated by this Section 4 and to not recommence the distribution of the Offered Securities until Supplementary Materials disclosing such change are filed in the Qualifying Jurisdictions.
- (3) The Company shall promptly comply with all applicable filing and other requirements under Canadian Securities Laws whether as a result of such change, material fact or otherwise; provided that the Company shall not file any Supplementary Material or other document without first providing the Underwriter with a copy of such Supplementary Material or other document and consulting with the Underwriter with respect to the form and content thereof.
- (4) If during the distribution of the Offered Securities there is any change in any Canadian Securities Laws, which results in a requirement to file a Prospectus Amendment, the Company shall, subject to the proviso in subsection (2) above, make any such filing under Canadian Securities Laws as soon as possible.
- (5) The Company shall in good faith discuss with the Underwriter any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 4.

Section 5 DELIVERIES TO THE UNDERWRITER

- (1) The Company shall deliver or cause to be delivered to the Underwriter, forthwith:
 - (a) copies of the Final Prospectus duly signed by the Company as required by the laws of all of the Qualifying Jurisdictions and any marketing materials;
 - (b) copies of any Prospectus Amendment required to be filed under Section 4 hereof duly signed as required by the laws of all of the Qualifying Jurisdictions;

- (c) copies of the U.S. Placement Memorandum and, if applicable, copies of any amended U.S. Placement Memorandum; and
 - (d) provided, that with respect to clauses (a) and (b) of this Section 5(1) if the documents are available on SEDAR, they shall be deemed to have been delivered to the Underwriter as required by this Section 5(1).
- (2) The Company shall as soon as practicable cause to be delivered to the Underwriter in such cities in the Qualifying Jurisdictions and in the United States as they may reasonably request, without charge, such numbers of commercial copies of the Final Prospectus and the U.S. Placement Memorandum, excluding in each case the Documents Incorporated by Reference, as the Underwriter shall reasonably require. The Company shall similarly cause to be delivered to the Underwriter commercial copies of any Prospectus Amendment or amendment to the U.S. Placement Memorandum, excluding in each case the Documents Incorporated by Reference. The Company agrees that such deliveries shall be effected as soon as possible and, in any event, in all cities with respect to the Final Prospectus, the U.S. Placement Memorandum, any Prospectus Amendment and any amendment to the U.S. Placement Memorandum by 9:00 a.m. (local time in the place of such delivery, as applicable) on the second Business Day following filing of the Final Prospectus or Prospectus Amendment, as the case may be, provided that the Underwriter have given the Company written instructions as to the number of copies required and the places to which such copies are to be delivered not less than 24 hours prior to the time requested for delivery. Such delivery shall also confirm that the Company consents to the use by the Underwriter and Selling Firms of the Offering Documents in connection with the distribution of the Offered Securities in compliance with the provisions of this Agreement.
- (3) By the act of having delivered the Offering Documents to the Underwriter, the Company shall have represented and warranted to the Underwriter that all information and statements (except information and statements relating solely to the Underwriter and provided by them in writing solely for inclusion therein) contained in such documents, at the respective dates of initial delivery thereof, comply with the Canadian Securities Laws and are true and correct in all material respects, and that such documents, at such dates, contain no misrepresentation or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and constitute full, true and plain disclosure of all material facts relating to the Company and the Offering as required by the Canadian Securities Laws.
- (4) The Company shall also deliver or cause to be delivered to the Underwriter, concurrently with the filing of the Final Prospectus with the Canadian Securities Commissions, a "long form" comfort letter of the Company's Auditors, in form and substance satisfactory to the Underwriter, acting reasonably, addressed to the Underwriter and the Board of Directors, with respect to certain financial and accounting information relating to the Company and affiliates contained in the Offering Documents, which letter shall be in addition to the Company's Auditors' report incorporated by reference in the Final Prospectus and the U.S. Placement Memorandum.
- (5) On or prior to the Closing Date, the Company shall deliver or cause to be delivered to the Underwriter evidence that the Unit Warrants have been conditionally approved for listing on the Exchange, subject to the Company fulfilling all of the requirements of the Exchange.

Section 6 REGULATORY APPROVALS

The Company will make all necessary filings, use its commercially reasonable efforts to obtain all necessary consents and approvals (if any) and pay all filing fees required to be paid in connection with the transactions contemplated by this Agreement. The Company will use its commercially reasonable efforts to qualify the Offered Securities for offering and sale under Canadian Securities Laws and maintain such qualifications in effect for so long as required for the distribution of the Offered Securities; provided, however, that (i) the Company shall not be obligated to make any material filing, file any prospectus, registration statement or similar document, consent to service of process, or qualify as a foreign corporation or as a dealer in securities in any of such other jurisdictions, or subject itself to taxation in respect of doing business in any of such other jurisdictions in which it is not otherwise so subject, or become subject to any additional periodic reporting or continuous disclosure obligations in such other jurisdictions, and (ii) the

Underwriter and the Selling Firms shall comply with the applicable laws in any such designated jurisdiction in making offers and sales of Offered Securities therein.

Section 7 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

- (1) The Company represents and warrants to the Underwriter that each of the following representations and warranties is true and correct on the date of this Agreement and acknowledges that each of them is relying upon such representations and warranties in connection with the purchase of the Offered Securities and the transactions contemplated by this Agreement:
 - (a) the Company and each Subsidiary has been duly incorporated, amalgamated or organized and is validly existing under the Applicable Laws of the jurisdiction in which it was incorporated, amalgamated or organized, as the case may be, has all requisite corporate power and authority and is duly qualified to carry on its Business as now conducted, and as described in the Offering Documents, and to own, lease or operate its properties and assets and no steps or proceedings have been taken by the Company or any Subsidiary or by any Person, voluntary or otherwise, requiring or authorizing its dissolution, liquidation or winding-up;
 - (b) the Company has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;
 - (c) this Agreement has been duly authorized, executed and delivered by the Company and upon such execution and delivery by the Company constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;
 - (d) neither the execution of this Agreement, nor the issuance, offering or sale of the Offered Securities, nor the consummation of any of the transactions contemplated herein, nor the compliance by the Company or any Subsidiary with the terms and provisions hereof will conflict with, or will result in a breach of, any of the terms and provisions of, or has constituted or will constitute a default under, or has resulted in or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any Subsidiary pursuant to the terms of any agreements, contracts, arrangements or understandings (written or oral) to which the Company or any Subsidiary may be bound or to which any of the property or assets of the Company or any Subsidiary is subject, except (i) such conflicts, breaches or defaults as may have been waived and (ii) such conflicts, breaches and defaults that would not reasonably be expected to have a Material Adverse Effect; nor will such action result (x) in any violation of the provisions of the organizational or governing documents of the Company or any Subsidiary, or (y) in any violation of the provisions of any statute or any order, rule or regulation applicable to the Company or any Subsidiary or of any Governmental Authority having jurisdiction over the Company or any Subsidiary, except such violations that would not reasonably be expected to have a Material Adverse Effect, either individually or in the aggregate;
 - (e) all Authorizations or filings as may be required to be made or obtained by the Company under Canadian Securities Laws necessary for the execution and delivery of the Transaction Documents, and the creation, issuance and sale, as applicable, of the Offered Securities and the securities issuable upon exercise of the Offered Securities, as applicable, and the consummation of the transactions contemplated hereby and thereby will have been made or obtained, as applicable (other than other than customary post closing filings required to be submitted within the applicable time frame pursuant to Applicable Securities Laws and the rules of the Exchange);
 - (f) the authorized and issued capital of the Company conforms to the description thereof in the Offering Documents and, other than as described in the Offering Documents, no person, firm, corporation or

other entity has, or will have at the Closing Time, an agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option or other conversion right (each a "**Convertible Security**"), for the purchase from the Company or the Subsidiaries of any unissued Common Shares or Proportionate Voting Shares of the Company or the Subsidiaries or any right to convert any obligation into or exchange any shares of the Company or any Subsidiaries, or for the purchase or acquisition of the assets or property of any kind of the Company or its Subsidiaries;

- (g) Common Shares or Proportionate Voting Shares issuable upon exercise or conversion of any outstanding Convertible Securities described in the Offering Documents have been, or prior to the Closing Time will be, duly and validly authorized for issuance and, upon receipt by the Company of the applicable purchase price therefor or conversion in accordance with the terms of such Convertible Securities, will be validly issued as fully paid and non-assessable Common Shares of the Company and will not be issued in violation of the pre-emptive or similar rights of any securityholder of the Company. All statements in the Offering Documents describing the Common Shares and any Convertible Securities are accurate in all material respects;
- (h) no act or proceeding has been taken by or against the Company in connection with its liquidation, winding-up or bankruptcy, or, to its knowledge, are pending;
- (i) the Company's only subsidiaries are listed in the Offering Documents (collectively, the "**Subsidiaries**"). Each Subsidiary is formed, organized and existing under the laws of the jurisdiction set out in the Offering Documents, is current and up-to-date with all material filings required to be made and has all requisite corporate power and capacity to own, lease and operate its properties and assets, including its Business Assets, and to conduct its Business as is now carried on by it, and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required in all material respects;
- (j) all of the issued and outstanding shares in the capital of the Subsidiaries have been duly authorized and validly issued, are fully paid and, except as set out in the Offering Documents, are directly or indirectly beneficially owned by the Company. All of the issued and outstanding shares in the capital of the Subsidiaries owned by the Company are owned free and clear of any Liens, and none of the outstanding securities of the Subsidiaries were issued in violation of the pre-emptive or similar rights of any security holder of the Subsidiaries. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Company to sell, transfer or otherwise dispose of any securities of the Subsidiaries;
- (k) (i) there has not been any material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the Condition of the Company or any Subsidiary, (ii) there have been no transactions entered into by the Company or any Subsidiary which are material with respect to the Company or any Subsidiary, as applicable, other than those in the Ordinary Course, and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company or any Subsidiary on any class of its respective shares, in each case, other than as set forth in the Offering Documents;
- (l) the form of certificates representing the Unit Shares, Unit Warrants, Warrant Shares, Broker Unit Shares, Broker Unit Warrants and Broker Unit Warrant Shares, to the extent that physical certificates are issued for such securities, will be in due and proper form and conform to the requirements of the constating documents of the Company and applicable requirements of the Exchange and CDS or will have been otherwise approved by the Exchange, if required, and will have been made eligible by CDS;
- (m) all of the issued and outstanding Common Shares and Proportionate Voting Shares of, or other equity interests in, the Company have been duly and validly authorized and issued, are fully paid and non-assessable, and are free and clear of any Liens;

- (n) the forms of the certificates representing the Offered Securities and Broker Warrants have been duly approved and adopted by the Company and comply in all respects with the applicable requirements of the BCBCA and the Exchange;
- (o) the holders of the Unit Warrants and the Broker Unit Warrants will be entitled to the benefit of the Warrant Indenture (subject to the terms of the Warrant Indenture), and no registration, filing or recording of, or with respect to, the Warrant Indenture is necessary in order to preserve or protect the validity or enforceability of the Warrant Indenture or the Unit Warrants and the Broker Unit Warrants issued under the Warrant Indenture;
- (p) the Company has taken, or will have taken prior to the Closing Time, all necessary corporate action, (i) to authorize the execution, delivery and performance of the Transaction Documents, (ii) to authorize the execution and filing, as applicable, of the Offering Documents, (iii) to validly issue and sell the Offered Securities, (iv) to validly issue the Broker Warrants; (v) to authorize and allot for issuance the Broker Unit Warrants and (vi) to authorize, reserve and allot for issuance the Warrant Shares, Broker Unit Shares and Broker Unit Warrant Shares upon due exercise of the Unit Warrants, Over-Allotment Unit Warrants, Broker Warrants and Broker Unit Warrants, as applicable, as fully paid and non-assessable Common Shares;
- (q) the Company has the power and capacity to enter into and perform its obligations under the Transaction Documents and to carry out the transactions contemplated in the Offering Documents. This Agreement is, and at the time of execution of the Warrant Indenture and the Broker Warrant Certificates, such documents will have been, duly authorized, executed and delivered by the Company and when executed will be legal, valid and binding obligations of the Company and each shall be enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;
- (r) the execution, delivery and performance by the Company of this Agreement and the Warrant Indenture, as applicable, and the fulfilment of the terms of such documents by the Company and the issuance, sale and delivery of the Offered Securities to be issued and sold by the Company, the issuance and delivery of the Broker Warrants to be issued by the Company, and the issuance and delivery of the Underwriting Fee to be issued by the Company does not require the consent, approval, Authorization, registration or qualification of or with any court, Governmental Authority or other third party, except: (i) those which have been obtained (or will be obtained prior to the Closing Time), or (ii) those as may be required (and will be obtained prior to the Closing Time) under applicable Canadian Securities Laws;
- (s) the issuance and delivery of the Offered Securities pursuant to this Agreement is not subject to any pre-emptive right in favour of any person that has not been complied with or waived; on the issuance thereof, the Offered Securities will not be subject to any right of first refusal, or similar right in favour of any person, that is imposed under any contract, agreement or understanding to which the Company or any Subsidiary is a party;
- (t) the Company has devised and maintained, or will devise and maintain upon Closing, by which it will be required to do so under applicable Canadian Securities Laws, a system of disclosure controls and procedures designed to ensure that information required to be disclosed by it under applicable Canadian Securities Laws will be recorded, processed, summarized and reported within the time periods specified in the applicable Canadian Securities Laws. Such disclosure controls and procedures will include controls and procedures designed to ensure that information required to be disclosed will be accumulated and communicated to the management of the Company, including one of the chief executive officers and the chief financial officer, or persons performing similar

functions, as appropriate to allow timely decisions regarding required disclosure and such disclosure controls and procedures are and will be effective;

- (u) other than as disclosed in the Offering Documents, no person (except for the Underwriter hereunder) has an agreement (oral or written) or option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement for the subscription or issuance by Company of any unissued shares of the Company or any Subsidiary, or for the purchase or acquisition, outside of the ordinary course of business, of any of the Business Assets or material property of any kind of the Company or any Subsidiary;
- (v) upon the completion of the transactions contemplated hereunder, any shareholders agreement or similar agreement to which the Company or any Subsidiary is a party or under which it is bound will be terminated or will automatically (based on the terms thereof) expire (except for lock-up, confidentiality and other provisions for the benefit of the Company or any Subsidiary that, by their terms, survive termination or expiry);
- (w) except for contracts, agreements or understandings expired in accordance with their terms prior to the date of this Agreement, there are no contracts, agreements or understandings between the Company or any Subsidiary and any person granting such person the right to require the Company or any Subsidiary to file a registration statement under the U.S. Securities Act or to file a prospectus under Canadian Securities Laws with respect to any securities of the Company or any Subsidiary owned or to be owned by such person or to require the Company or any Subsidiary to include such securities in the Offering to which the Final Prospectus relates;
- (x) the attributes of the Offered Securities will be consistent in all material respects with the description thereof in the Offering Documents;
- (y) the statistical, industry and market related data included in the Offering Documents is derived from sources which the Company reasonably believes to be accurate, reasonable and reliable, and such data is consistent with the sources from which it was derived;
- (z) neither the Company nor any Subsidiary is in violation of any Applicable Laws, in any material respect;
- (aa) the Company acknowledges that the Business is subject to restrictions, requirements and prohibitions under Applicable Laws in force (including the FDA, the FDR, the FALCPA, the Criminal Code, any applicable anti-money laundering statute), which may change from time to time. The Company and each Subsidiary has obtained, is in compliance with, has complied with, will continue to comply with or will have complied with, in all material respects with all Applicable Laws, including all Authorizations, prior to the Closing Time in connection with the Offering. All Authorizations issued to date are valid and in full force and effect and neither the Company nor any Subsidiary has received any correspondence or notice from the offices of Health Canada or any Governmental Authority alleging or asserting material non-compliance with any Applicable Law or Authorization. Neither the Company nor any Subsidiary has received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Authorizations or any notice advising of the refusal to grant any Authorization that has been applied for or is in process of being granted under Applicable Laws including the FDA, the FDR and the FALCPA, and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action. Neither the Company nor any Subsidiary is aware of any non-compliance with any Applicable Law, including the FDA, the FDR, the FALCPA, the Criminal Code or any provincial, territorial or municipal legislation that the Company or any Subsidiary has reason to believe could result in a Material Adverse Effect;
- (bb) all research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted or contemplated by the Company and any Subsidiary in connection with the Business are being or will be conducted in compliance, in all material respects,

with all industry, laboratory safety, management and training standards in the jurisdiction where such activities take place which are applicable to the Business, and all such processes, procedures and practices required in connection with such activities are or will be in place as necessary at the applicable time, and are or will be being complied with in all material respects;

- (cc) the Company and each Subsidiary possess all licences, permits, franchises, certificates, registrations and Authorizations necessary to conduct its Business and own its property and assets, including the Business Assets, and is not in default or breach of any of the foregoing;
- (dd) neither the Company nor any Subsidiary is in breach of, conflict with, or default under, and no event or omission has occurred which after notice or lapse of time or both, would constitute a breach of, conflict with, or default under, or would result in the acceleration or maturity of any material indebtedness or other material liabilities or obligations under any mortgage, hypothec, note, indenture, contract, agreement (written or oral), instrument, lease, licence or other document to which it is a party or is subject or by which it is bound;
- (ee) the Company is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part 16.1 – *Civil Liability for Secondary Market Disclosure of the Securities Act* (British Columbia) and analogous provisions under Canadian Securities Laws;
- (ff) there is no action, suit or proceeding before or by any Governmental Authority now pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary, or any of its properties or assets that is required to be disclosed in the Offering Documents or that would reasonably be expected to have a Material Adverse Effect on the Condition of the Company or any Subsidiary or the consummation of the transactions contemplated in this Agreement;
- (gg) neither any Governmental Authority, nor any stock exchange or comparable authority has issued any order preventing or suspending the use of the Prospectus, or preventing the suspending the offer, sale or distribution of the Offered Securities or other securities of the Company in the manner contemplated herein, if any, nor instituted proceedings for that purpose and no such proceedings are pending or, to the knowledge of the Company, contemplated or threatened;
- (hh) the financial statements contained in the Offering Documents fairly present in all material respects the consolidated financial position, results of operations, comprehensive income, shareholders equity and cash flow of the Company and each Subsidiary, respectively, as at the dates and for the periods indicated and does not contain a misrepresentation. Such financial statements have been prepared in conformity with IFRS on a basis consistent throughout the periods indicated and are in accordance with the books and records of the Company and the Subsidiaries;
- (ii) except as disclosed in the Offering Documents, there are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company or any Subsidiary with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, earnings, cash flow, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any Subsidiary or that would reasonably be expected to be material to an investor in making a decision to purchase the Offered Securities;
- (jj) except as disclosed in the Offering Documents, neither the Company nor any Subsidiary has any outstanding debentures, notes, mortgages or other indebtedness that is material to the Company or any Subsidiary;
- (kk) other than as disclosed in the Offering Documents, neither the Company nor any of its Subsidiaries has any contingent liabilities or obligations (whether accrued, absolute, contingent or otherwise) that continue to be outstanding that would be required to be disclosed under IFRS, in excess of the

liabilities that are either reflected or reserved against in the Company's or any Subsidiary's financial statements which would reasonably be expected to be material to the Condition of the Company or any Subsidiary;

- (ll) there are no business relationships, related-party transactions or off-balance sheet transactions involving the Company or its Subsidiaries or any other person required to be described in the Final Prospectus which have not been described as required under IFRS; and there are no contracts or other documents that are required to be described in the Final Prospectus under Canadian Securities Laws;
- (mm) the Company maintains a system of internal controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the financial statements to be fairly presented in accordance with IFRS and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) material information relating to the Company or any Subsidiary is made known to those within the Company responsible for the preparation of the financial statements during the period in which the financial statements have been prepared;
- (nn)
 - (i) all returns, declarations, reports, estimates, information returns, elections and statements ("**Returns**") of the Company and any Subsidiary related to income tax required to be filed in any jurisdiction pursuant to any Applicable Law have been filed, all such Returns are complete and accurate, and all amounts shown on such Returns or otherwise assessed in respect of such Returns which are due and payable have been paid, except tax assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided;
 - (ii) all other tax Returns of the Company or any Subsidiary required to be filed in any jurisdiction pursuant to any Applicable Law have been filed, all such Returns are complete and accurate, and all amounts shown on such Returns or otherwise assessed in respect of such Returns which are due and payable have been paid, except for such amounts, if any, as are being contested in good faith and as to which adequate reserves have been provided;
 - (iii) the Company and each Subsidiary have made instalments of taxes as and when required; and
 - (iv) the Company and each Subsidiary has duly and timely withheld from any amount paid or credited by it to or for the account or benefit of any person, including any employee, officer, director, or non-resident person, the amount of all taxes and other deductions required by Applicable Law to be withheld and has duly and timely remitted the withheld amount to the appropriate taxing or other authority, has duly and timely paid all taxes and similar amounts payable by the Company and each Subsidiary, respectively, in respect of such amounts paid or credited (including, for greater certainty, payroll-related contributions and premiums payable by the Company or each Subsidiary as an employer, as applicable), and has duly and timely issued tax reporting slips or Returns in respect of any amount so paid or credited by it as required by Applicable Law;
- (oo) the Offering Documents disclose to the extent required by applicable Canadian Securities Laws each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision case, drug, sick leave, disability, salary, continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Company or any

Subsidiary for the benefit of any current or former director, officer, employee or consultant of the Company or any Subsidiary;

- (pp) except as disclosed in the Offering Documents, there are no material bonuses payable outside the ordinary course of business by the Company or any Subsidiary to any current or former employee, officer or director of the Company or any Subsidiary after the Closing Date relating to their employment with the Company or any Subsidiary prior to the Closing Date;
- (qq) except as disclosed in the Offering Documents, neither the Company nor any Subsidiary has a pension, retirement or similar plans relating to current or former employees, officers or directors of the Company or any Subsidiary, whether written or oral;
- (rr) to the knowledge of the Company:
 - (i) no executive officer of the Company or any Subsidiary named in the Offering Documents has advised the Company or any Subsidiary of any current plans to terminate his or her employment,
 - (ii) no member of management of the Company or any Subsidiary, including the executive officers described in the Offering Documents, is subject to any secrecy or non-competition agreement or any other agreement or restriction of any kind that would impede in any way the ability of such member of management to carry out fully all activities of such employee in furtherance of the Business of the Company or any Subsidiary, and
 - (iii) no member of management of the Company or any Subsidiary, including the executive officers named in the Offering Documents or any other former executive, has any claim with respect to any Company IP;
- (ss) (i) the Company and each Subsidiary is in compliance with the provisions of applicable federal, provincial, state, local and foreign laws and regulations respecting employment; (ii) no labour dispute (including any strike, lock-out or work slow-down or stoppage) with the current or former employees of the Company or any Subsidiary exists or is pending or, to the knowledge of the Company is threatened or imminent, and neither the Company nor any Subsidiary has knowledge of any existing or imminent labour disturbance by the employees of the Company's or any Subsidiary's partners, vendors, value-added resellers or agents that would impact the Company or any Subsidiary; (iii) the labour relations of the Company and each Subsidiary are satisfactory; and (iv) no union has been accredited or otherwise designated to represent any employees of the Company or any Subsidiary and, to the knowledge of the Company, no accreditation request or other representation question is pending with respect to the employees of the Company or any Subsidiary and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the premises of the Company or any Subsidiary and none is currently being negotiated by the Company or any Subsidiary;
- (tt) except for Company IP, which is addressed separately, the Company and each Subsidiary has good, valid and marketable title to and has all necessary rights in respect of all of its Business Assets as owned, leased, licenced, loaned or used by the Company and each Subsidiary or over which it has rights, free and clear of Liens, other than: (i) those disclosed in the Offering Documents; or (ii) Permitted Liens, and no other rights or assets are necessary for the conduct of the Business of the Company and each Subsidiary as currently conducted or as proposed to be conducted, the Company and each Subsidiary knows of no claim or basis for any claim on the rights of the Company or any Subsidiary to use, transfer, licence, sell, operate or otherwise exploit such Business Assets and the Company and each Subsidiary does not have any obligation to pay any commission, licence fee or similar payment to any person in respect thereof, other than as disclosed in the Offering Documents;

- (uu) all agreements with third party contractors for the provision of products or services in connection with the Business and the Business Assets have been entered into and are being performed by the Company and each Subsidiary, as applicable, and, to the knowledge of the Company, by all other third parties thereto, in compliance with their terms and all standard, mandatory or necessary industry standards;
- (vv) (i) neither the Company nor any of the Subsidiaries owns any real (immovable) property; (ii) the real (immovable) property and buildings held under lease by the Company and the Subsidiaries (the "**Leased Properties**") are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the current use thereof by the Company and the Subsidiaries; (iii) the buildings, improvements, fixtures and other structures located on the Leased Properties, and the operation and maintenance thereof, as now operated and maintained, comply in all material respects with all applicable laws and regulations, municipal or otherwise (except where the failure to comply would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect); (iv) there are no expropriation or similar proceedings, actual or threatened, of which the Company or the Subsidiaries have received written notice against or in respect of the Leased Properties or any part thereof; (v) neither the Company nor any of its Subsidiaries is in default under any of the leases by which they lease the Leased Properties and no state of facts exists which after notice or lapse of time, or both, would constitute a default under such leases by the Company or any of its Subsidiaries, and, to the knowledge of the Company, none of the landlords under such leases is in default of their respective obligations thereunder (vi) all buildings, improvements, fixtures and other structures situated on the Leased Properties are adequate and suitable for the purposes for which they are currently being used, in all material respects; and (vii) to the knowledge of the Company, all of the Leased Properties have ingress thereto and egress therefrom, and such ingress and egress are sufficient and adequate for the operations of the Company and the Subsidiaries as presently conducted, or the Company and the Subsidiaries have title insurance which provides coverage for such ingress and egress;
- (ww) (i) the Company and each Subsidiary is not in violation of any Applicable Law relating to pollution or occupational health and safety, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including Applicable Laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), (ii) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Laws against the Company or any Subsidiary, and (iii) to the knowledge of the Company, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Authority or agency, against or affecting the Company or any Subsidiary relating to Hazardous Materials or any Environmental Laws;
- (xx) the Company and each Subsidiary and their respective affiliates, and, to the knowledge of the Company, any director, officer, agent, employee or other person acting on behalf of the Company or any Subsidiary has not, in the course of its actions for, or on behalf of, the Company or any Subsidiary: (i) made any direct or indirect unlawful payment to any foreign official (as defined in the FCPA or to any foreign public official (as defined in the CFPOA)); (ii) violated or is in violation of any provision of the FCPA, the CFPOA or similar Applicable Laws of any other jurisdiction; or (iii) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment. The Company and each Subsidiary has instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws;
- (yy) the operations of the Company and each Subsidiary are and have been conducted in material compliance with all applicable anti-money laundering laws of the jurisdictions in which the

Company and each Subsidiary conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Authority to which they are subject (collectively the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Company or any Subsidiary with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

- (zz) neither the Company nor its Subsidiaries nor any director, officer, agent, employee or affiliate of the Company or its Subsidiaries is an individual or entity (an "**OFAC Person**"), or is owned or controlled by an OFAC Person, that is currently the subject or target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**") or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), nor is the Company or its Subsidiaries located, organized or resident in a country or territory that is the subject or the target of Sanctions (each, a "**Sanctioned Country**"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other OFAC Person:
 - (i) to fund or facilitate any activities of or business with any OFAC Person that, at the time of such funding or facilitation, is the subject or the target of Sanctions;
 - (ii) to fund or facilitate any activities or business in any Sanctioned Country in violation of Sanctions; or
 - (iii) in any other manner that will result in a violation by any OFAC Person (including any OFAC Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. Since incorporation, the Company and its Subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any OFAC Person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country in violation of Sanctions;
- (aaa) the Company and each Subsidiary, and, to the Company's knowledge, any employee or agent of the Company or any Subsidiary, has not made any contribution or other payment to any official of, or candidate for, any federal, provincial, state, local or foreign office in violation of any Applicable Law or of the character required to be disclosed in the Offering Documents;
- (bbb) the Company and each Subsidiary, as applicable, is the legal and beneficial owner of; has good and marketable title to, and the right to use and exploit; and owns all rights, title and interest in all Company IP free and clear of all Liens except for Permitted Liens, covenants, conditions, options to purchase and restrictions or other adverse claims or interest of any kind or nature, and neither the Company nor any Subsidiary has knowledge of any claim of adverse ownership in respect thereof. No consent of any person is necessary to make, use, reproduce, licence, sell, modify, update, enhance or otherwise exploit any Company IP and none of the Company IP includes any licenced Intellectual Property Rights (including open source software), or any improvements to licenced Intellectual Property Rights, that would give any person rights to licence the Company IP or materially restrict the Company's or any Subsidiary's use of or ability to exploit the Company IP;
- (ccc) except in each case as disclosed in the Offering Documents: (i) no action, suit, proceeding or claim is pending, nor has the Company or any Subsidiary received any notice or claim (whether written, oral or otherwise), challenging the ownership, validity or right to use any of the Company IP or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect to Company IP that is material to the Business of the Company or any Subsidiary; (ii) to the knowledge of the Company, no Company IP that is material to the Business of the Company and each Subsidiary is being used or enforced by the Company and each Subsidiary

in a manner that would result in its abandonment, cancellation or unenforceability; and (iii) to the knowledge of the Company, no person is infringing upon, violating or misappropriating any material Company IP and neither the Company nor any Subsidiary is a party to any action or proceeding that alleges that any person has infringed, violated or misappropriated any Company IP;

- (ddd) (i) all applications for registration of Company IP have been properly filed and have been diligently prosecuted, maintained and pursued by the Company and each Subsidiary in the ordinary course of business; (ii) no application for registration of Company IP has been finally rejected or denied by the applicable reviewing authority; (iii) all material registrations of Company IP are in good standing and are recorded in the name of the Company and each Subsidiary in the appropriate offices to preserve the rights thereto; (iv) all fees or payments required to keep the Company IP in force or in effect have been paid; and (v) no registration of Company IP has expired, become abandoned, been cancelled or expunged, been dedicated to the public, or has lapsed for failure to be renewed or maintained;
- (eee) except in each case as disclosed in the Offering Documents:
 - (i) to the extent any Company IP that is material to the Business was invented, developed, modified, created, conceived, supported or reduced to practice, in whole or in part, by current or past employees or independent contractors of the Company or any Subsidiary, the Company and each Subsidiary has obtained written agreements providing for confidentiality, non-disclosure and assignment of inventions executed by all of such employees and independent contractors, including confirmatory assignments naming by serial number, title and any other relevant identifying information, any specific Company IP assets that are registered or for which registration is pending; and
 - (ii) the Company and each Subsidiary treats its software products, including all source code therein, as confidential and proprietary business information and have taken commercially reasonable steps to protect the source code as trade secrets;
- (fff) (i) the conduct of the Business of the Company and each Subsidiary as now conducted does not infringe, violate, misappropriate or otherwise conflict with any material Intellectual Property Rights of any person; and (ii) neither the Company nor any Subsidiary is party to any action or proceeding, and there is no action or proceeding threatened, that alleges that the Company or any Subsidiary has infringed, violated or misappropriated any material Intellectual Property Rights of any person;
- (ggg) the Company and each Subsidiary has security measures and safeguards in place to protect personal information it collects from patients, customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties, or will have such security measures and safeguards in place prior to possessing such information. To the knowledge of the Company, the Company and each Subsidiary has complied with all applicable privacy and consumer protection legislation, applicable to the Company and each Subsidiary and each applicable health information law and has not collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Company and each Subsidiary has taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse as required by Applicable Laws. Except as disclosed in the Offering Documents, there has been no loss, damage, or unauthorized access, intrusions, use modification, or other misuse of any information collected, controlled or held by the Company or any Subsidiary. To the knowledge of the Company, no person has provided any notice, made any claim, or commenced any proceeding with respect to loss, damage, or unauthorized access, use or modification, or other misuse of any such information by the Company or any Subsidiary; and there is no reasonable basis for any such notice, claim or proceeding. The execution and delivery of this Agreement and the performance of the transactions contemplated hereby does not violate any

privacy policy, terms of use, agreement or Applicable Laws relating to the use, dissemination, or transfer of any information;

- (hhh) except as described in or contemplated in the Offering Documents or as provided under the Applicable Laws applicable to the Company or any Subsidiary, the Company and each Subsidiary is not currently, and will not be immediately following the Closing, prohibited from paying any dividends or from making any other distributions on its share capital or repaying any loans, advances or other indebtedness;
- (iii) the information and statements contained in the Prospectus (except information and statements relating solely to the Underwriter and furnished by them in writing specifically for use therein) will, at the time of delivery of the Prospectus: (i) be true and correct in all material respects; (ii) contain no misrepresentation relating to the Company and its Subsidiaries or the Offering and will be in compliance with applicable Canadian Securities Laws in all material respects; and (iii) not omit any material fact or information which is necessary to make the statements or information contained therein not misleading in light of the circumstances under which they were made;
- (jjj) except as disclosed in the Offering Documents, to the knowledge of the Company, none of the directors or officers or employees of the Company or any Subsidiary, any person who owns or exercises control over, directly or indirectly, more than 10% of the Common Shares (on an as converted basis), or any associate or affiliate of any of the foregoing, has, or has had within the last three years, any material interest, direct or indirect, in any transaction, or in any proposed transaction (within the meaning of Item 11 of Form 51-102F5 – *Information Circular*), that has materially affected or will materially affect the Company or any Subsidiary;
- (kkk) to the knowledge of the Company, none of the Company's or any Subsidiary's directors or officers is now, or has ever been, subject to an order or ruling of any securities Regulatory Authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on any stock exchange;
- (lll) the minute books and corporate records of the Company and each Subsidiary made available to the Underwriter or its counsel, Bennett Jones LLP, in connection with due diligence investigations of the Company and each Subsidiary for the period from the date of incorporation to the date of examination thereof contain all material proceedings of the shareholders and the Board of Directors (and any committees of the Board of Directors) of the Company and each Subsidiary;
- (mmm) (i) the responses given by the Company and its officers at all oral due diligence sessions conducted by the Underwriter in connection with the Offering, as they relate to matters of fact, have been and shall continue to be true and correct in all material respects as at the time such responses have been or are given, as the case may be, and such responses taken as a whole have not and shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such response were given or shall be given, as the case may be; and (ii) where the responses reflect the opinion or view of the Company or its officers (including responses or portions of such responses which are forward-looking or otherwise relating to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable at the time they are given;
- (nnn) other than the Underwriter (and their selling group members), there is no person acting or purporting to act at the request of the Company or any Subsidiary, who is entitled to any commission, finder's fee, advisory fee, agent's commission or agency fee in connection with, or as a result of, the Offering;
- (ooo) the Company's Auditors are independent public accountants as required under Canadian Securities Laws and there has not been any disagreement (within the meaning of NI 51-102) with the present or any former auditors of the Company or any Subsidiary;

- (ppp) the Board of Directors has validly appointed an audit committee and the Board of Directors and its audit committee has adopted a charter that satisfies the requirements of National Instrument 52-110 – *Audit Committees*;
- (qqq) other than as disclosed in the Offering Documents, no acquisition has been made by the Company or any Subsidiary during the three most recently completed financial years of the Company or any Subsidiary that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Company or any Subsidiary has progressed to a state where a reasonable person would believe that the likelihood of the Company or any Subsidiary completing the acquisition is high and that, if completed by the Company or any Subsidiary at the date of the Offering Documents, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Offering Documents pursuant to such Applicable Laws;
- (rrr) the Company has a reasonable basis for disclosing any forward-looking information contained in the Offering Documents and is not, as of the date hereof, required to update such forward-looking information pursuant to NI 51-102;
- (sss) except as provided herein, the Company is in compliance in all material respects with its continuous and timely disclosure obligations under Canadian Securities Laws and has filed all documents required to be filed by it with the Securities Commissions or the Exchange under applicable Canadian Securities Laws, and no document has been filed on a confidential basis with the Securities Commissions that remains confidential at the date hereof. None of the documents filed in accordance with applicable Canadian Securities Laws contained, as at the date of filing thereof, a misrepresentation;
- (ttt) to its knowledge, the Company is not a "related issuer" or "connected issuer" (as those terms are defined in National Instrument 33-105 - *Underwriting Conflicts* of the Canadian Securities Administrators) of any of the Underwriter, except as disclosed in the Offering Documents;
- (uuu) the Company is, and will at the Closing Time be, in compliance in all material respects with the bylaws, policies, rules and regulations of the Exchange existing on the date hereof. The outstanding Common Shares and the Unit Warrants (including any Over-Allotment Unit Warrants and Broker Unit Warrants) will be listed and posted for trading on the Exchange at the Closing Time and neither the Company nor the Subsidiaries has taken any action which would reasonably be expected to result in the delisting or suspension of the Common Shares or the Unit Warrants (including any Over-Allotment Unit Warrants and Broker Unit Warrants) on or from the Exchange. All necessary notices and filings have been made with, and all necessary filings have been made by the Company with the Exchange and to ensure that the Unit Shares (including any Over-Allotment Unit Shares), Warrant Shares, Broker Unit Shares, Broker Unit Warrant Shares and the Unit Warrants (including any Over-Allotment Unit Warrants and Broker Unit Warrants) will be listed and posted for trading on the Exchange upon their issuance other than the filing of certain standard documents with the Exchange, which documents shall be filed as soon as possible after the Closing Date and in any event within any deadline imposed by the Exchange;
- (vvv) the Company currently intends to use the net proceeds from the issue and sale of the Offered Securities in accordance with the disclosure set out under the heading "*Use of Proceeds*" in the Offering Documents;
- (www) there are no reports or information that, in accordance with the requirements of the Securities Commissions and Canadian Securities Laws, must be made publicly available in connection with the Offering that have not been made publicly available as required; there are no documents required to be filed with any Securities Commissions in connection with the Offering Documents that have not been filed, or will be filed on or before the Closing Date, as required by the Canadian Securities Laws, there are no contracts or documents which are required by the Canadian Securities Laws to be described as material contracts in the Offering Documents which have not been so described;

- (xxx) neither the Company nor any Subsidiary has approved, entered into any agreement in respect of:
- (i) any purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by the Company or any Subsidiary whether by asset sale, transfer of shares, or otherwise;
 - (ii) any change of control of the Company or any Subsidiary whether by sale or transfer of voting or equity securities or sale of all or substantially all of the assets of the Company or any Subsidiary or otherwise; or
 - (iii) any proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares;
- (yyy) all agreements (for the avoidance of doubt, whether written or oral) with third parties in connection with the Business have been entered into and are being performed by the Company and the Subsidiaries and, by all other third parties thereto, in compliance with their terms. There exists no actual or pending or, threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Company or the Subsidiaries, with any strategic partner, supplier, wholesaler, manufacturer, contractor, service provider, consultant or customer, or any group thereof whose business with or whose assets, inventories, components or services provided to the business of the Company or the Subsidiaries are individually or in the aggregate material to the assets, business, properties, operations, financial condition or prospects of the Company (on a consolidated basis). All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Company or the Subsidiaries from conducting such business with any such third parties in the same manner in all material respects as currently conducted;
- (zzz) neither the Company nor its Subsidiaries is a party to any agreement restricting the Company or its Subsidiaries' freedom to operate within a particular area;
- (aaaa) all operations of the Company and its Subsidiaries, and all operations by third parties in respect of properties in which the Company or its Subsidiaries has an interest, have been conducted in accordance with good food industry practices and in compliance with all Applicable Laws, rules and regulations, orders and directions of governmental and other competent authorities, and, in particular, all applicable licensing and environmental legislation, regulations or bylaws or other lawful requirement of any governmental or regulatory bodies applicable to the Company, of each jurisdiction in which it carries on business, and the Company and its Subsidiaries hold all licences, permits, approvals, registrations, authorizations, consents and qualifications in all jurisdictions in which it carries on business, which are necessary or desirable to operate the assets and properties of the Company, and to carry on the business of the Company, as now conducted and as presently proposed to be conducted, and all such licences, permits, approvals, registrations, authorizations, consents and qualifications are valid and existing and in good standing, and none of such licences, permits, approvals, registrations, authorizations, consents and qualifications contains any burdensome term, provision, condition or limitation, which has or is likely to have any Material Adverse Effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any licence, permit, approval, registration, authorization, consent or qualification which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, and the Company is not aware of any legislation, regulation or rule presently in force or proposed to be brought into force with which the Company anticipates it will be unable to comply without having a Material Adverse Effect;
- (bbbb) the Company holds all required licences to manufacture, process, treat, preserve, grade, package and label food products for interstate trade and export under all Applicable Laws;

- (cccc) the Company, its Subsidiaries and their respective operations are all in material compliance with all Applicable Laws relating to health and safety and handling of food products including any applicable requirements relating to the manufacture, distribution, labelling and advertising of consumer food products required under any of the SFCA, SFCR, FDA, FDR or as mandated by the CFIA, as applicable;
- (dddd) the Company and each Subsidiary has not taken and will not take, any action which constitutes stabilization or manipulation of the price of any security of the Company or any Subsidiary;
- (eeee) the Warrant Shares, the Broker Unit Shares, Broker Unit Warrant Shares and Unit Warrants (including any Over-Allotment Unit Warrants and Broker Unit Warrants) are conditionally approved for listing and trading on the Exchange, subject to applicable Exchange policies;
- (ffff) the Company is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus in each of the Qualifying Jurisdictions and, on the date of and upon filing of the Prospectus, there will be no documents required to be filed under Canadian Securities Laws in connection with the distribution of the Offered Securities that will not have been filed as required;
- (gggg) the Company is currently a "reporting issuer" in British Columbia, Alberta and Ontario and is not currently in default of any requirement of Canadian Securities Laws of such jurisdictions and the Company is not included on a list of defaulting reporting issuers maintained by the Securities Regulators in British Columbia, Alberta and Ontario;
- (hhhh) the Transfer Agent at its office in Vancouver, British Columbia has been duly appointed as transfer agent and registrar for the Common Shares, and as at the Closing Time, will be duly appointed as warrant agent for the Unit Warrants (including any Over-Allotment Unit Warrants and Broker Unit Warrants);
- (iiii) the Company has not withheld from the Underwriter any fact or information relating to the Company, its Subsidiaries or to the Offering that would reasonably be expected to be material to the Underwriter;
- (jjjj) other than as disclosed in the Offering Documents, at the time of Closing, the Preliminary Prospectus, the Final Prospectus, the U.S. Private Placement Memorandum, if applicable, and all other documents and information as applicable filed under applicable Canadian Securities Laws and with the Exchange (collectively, the "**Public Record**") will be, at the respective dates thereof, in all material respects accurate and, at such dates, omit no facts, the omission of which makes the Public Record, or any particulars therein, incorrect or misleading; and
- (kkkk) the Documents Incorporated by Reference in the Offering Documents, when they were filed with the Canadian Securities Commissions, conformed in all material respects to the requirements of the Canadian Securities Laws; and any further Documents Incorporated by Reference in the Offering Documents prior to the completion of the distribution of the Offered Securities, when such documents are so filed, will conform in all material respects to the applicable requirements of Canadian Securities Laws and will not contain a misrepresentation or an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 8 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE UNDERWRITER

- (1) The Underwriter hereby represents and warrants to the Company that:
 - (a) it is, and will remain so, until the completion of the Offering, appropriately registered under Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder;

- (b) it has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
 - (c) this Agreement has been duly authorized, executed and delivered by the Underwriter and upon such execution and delivery by the Underwriter constitutes a legal, valid and binding obligation of the Underwriter enforceable against the Underwriter in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law.
- (2) The Underwriter hereby covenants and agrees with the Company to the following:
- (a) Jurisdictions. During the period of distribution of the Offered Securities, the Underwriter will offer and sell the Offered Securities, either directly or through a Selling Firm, only in the Selling Jurisdictions where they may lawfully be offered for sale upon the terms and conditions set forth in this Agreement.
 - (b) Compliance with Securities Laws. The Underwriter will comply with Applicable Securities Laws, (including Canadian Securities Laws) in connection with the distribution of the Offered Securities.
 - (c) Sales. The Underwriter will not, directly or indirectly, solicit offers to sell or sell the Offered Securities or deliver any Offering Document to Purchasers so as to require registration of the Offered Securities or the filing of a prospectus or registration statement with respect to the Offered Securities under Applicable Securities Laws or any jurisdiction other than the Qualifying Jurisdictions.
 - (d) Completion of Distribution. The Underwriter will use their commercially reasonable efforts to complete the distribution of the Offered Securities as promptly as possible after the Closing Time and, within 30 days after the Closing Date, will provide the Company, in writing, with a breakdown of the number of Offered Securities distributed (i) in each of the Qualifying Jurisdictions and (ii) in any other Selling Jurisdiction.

Section 9 INDEMNIFICATION

- (1) The Company and its Subsidiaries or affiliated companies, as the case may be (collectively, the "**Indemnitor**") hereby agrees to indemnify and hold the Agent and/or any of its affiliates and other syndicate members and their affiliates and each of their respective directors, officers, employees, partners, agents, shareholders, advisors, each other person, if any, controlling the Agent or any of its subsidiaries (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") harmless to the maximum extent permitted by Law from and against any and all losses, claims, actions (including shareholder actions, derivative or otherwise), suits, proceedings, damages, liabilities or expenses of whatever nature or kind (excluding loss of profits), whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, and the fees, disbursements, expenses and taxes of their counsel (collectively, the "**Losses**") that may be incurred in investigating or advising with respect to and/or defending or settling third party action, suit, proceeding, investigation or claim (collectively, the "**Claims**") that may be made or threatened against the Indemnified Parties or to which the Indemnified Parties may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such Losses and/or Claims arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Company by the Indemnified Parties hereunder or otherwise in connection with the matters referred to in this Agreement, including in connection with Claims relating to or arising from the following:
- (a) any information or statement (except any information or statement relating solely to or provided by the Agent) contained in the Offering Documents, which at the time and in light of the circumstances

under which it was made contains or is alleged to contain a misrepresentation or any omission or any alleged omission to state therein any fact or information (except facts or information relating solely to the Agent and provided by the Agent) required to be stated therein or necessary to make any of the statements therein not misleading in light of the circumstances in which they are made;

- (b) the omission or alleged omission to state in any certificate of the Company or of any officers of the Company delivered in connection with the Offering any material fact (except facts or information relating solely to the Agent and provided by the Agent) required to be stated therein where such omission or alleged omission constitutes or is alleged to constitute a misrepresentation;
 - (c) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority, stock exchange or by any other competent authority, based upon any misrepresentation or alleged misrepresentation (except a misrepresentation relating solely to the Agent and provided by the Agent in writing) in the Offering Documents based upon any failure or alleged failure to comply with Applicable Securities Laws (other than any failure or alleged failure to comply by the Agent) preventing and restricting the trading in or the sale of the Offered Shares in any of the Selling Jurisdictions;
 - (d) the non-compliance or alleged non-compliance by the Company with any material requirement of Applicable Securities Laws, including the Company's non-compliance with any statutory requirement to make any document available for inspection; or
 - (e) material breach of any representation, warranty or covenant of the Company contained in this Agreement or the failure of the Company to comply in all material respects with any of its obligations hereunder or thereunder, and to reimburse each Indemnified Party forthwith, upon demand for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim. Provided, however that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses were solely caused by the gross negligence, willful misconduct or fraud of the Indemnified Party.
- (2) If for any reason (other than a determination as to any of the events referred to above) the foregoing indemnity is unavailable to an Indemnified Party, or is insufficient to hold them harmless, then the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor or its shareholders on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations, provided that the Indemnitor shall in any event contribute to the Losses paid or payable by the Indemnified Party as a result of such Claim, the amount (if any) equal to: (i) such amount paid or payable; minus (ii) the amount of the Agent's Commission actually received by the Agent pursuant to this Agreement. In the event that the Indemnitor may be entitled to contribution from the Indemnified Parties under the provisions of any statute or Law, the Indemnitor shall be limited to contribution in any amount not exceeding the lesser of the portion of the Losses giving rise to such contribution for which the Agent is responsible and the amount of the Agent's Commission received by the Agent. However, no party shall be entitled to contribution under this subsection to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses for which contribution is being sought hereunder, were directly caused by the gross negligence, willful misconduct or fraud of such party.
- (3) Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agent will notify the Company in writing of the commencement thereof. The omission to so notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required results in the forfeiture by the Indemnitor of substantive rights or defences. The Indemnitor shall be entitled, at its own expense, to participate in and assume the defence of any Claim, provided such defence is conducted by

counsel of good standing acceptable to the Indemnified Party and the Indemnitor shall throughout the course thereof provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of all discussions and significant actions proposed in respect thereof. If such defence is not assumed by the Indemnitor, the Indemnified Parties shall throughout the course thereof provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of all discussions and significant actions proposed in respect thereof.

- (4) Notwithstanding the foregoing paragraph, any Indemnified Party shall also have the right to employ separate counsel in each relevant jurisdiction in any such Claim and participate in the defence thereof, and the fees and expenses of such counsel shall be borne by the Indemnified Party unless:
- (a) the employment of separate counsel has been specifically authorized in writing by the Company;
 - (b) the Company has failed, within a reasonable period of time after receipt of notice, to assume the defense of such Claim;
 - (c) the named parties to any such Claim include both the Indemnitor and any of the Indemnified Parties and such Indemnified Parties have been advised by their counsel that representation of both parties by the same counsel would be inappropriate due to an actual or a potential conflict of interest; or
 - (d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Indemnitor such that there may be a conflict of interest between the parties;

in which case such fees and expenses of such counsel to the Indemnified Parties shall be for the Indemnitor's account.

- (5) The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or any Indemnified Party by any governmental commission or Regulatory Authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or any such authority shall investigate the Indemnitor and/or any Indemnified Party and the personnel of such Indemnified Party shall be required to testify in connection therewith or shall be required to participate or respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Indemnified Parties, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party monthly for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out-of-pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Indemnitor as they occur.
- (6) A party hereunder shall not, without the other party's prior written consent, such consent not to be unreasonably withheld or delayed, settle, compromise or consent to the entry of any judgment or make an admission of liability with respect to any Claims or seek to terminate any Claims in respect of which indemnification may be sought hereunder. Neither party hereunder shall be liable for any such settlement of any Claim unless it has consented in writing to such settlement, such consent not to be unreasonably withheld.
- (7) The Indemnitor agrees to reimburse the Agent monthly for the time spent by the Agent's personnel in connection with any Claim at their reasonable per diem rates. The Indemnitor also agrees that if any Claim is brought against, or an investigation commenced in respect of the Company or the Company and an Indemnified Party, and personnel of the Indemnified Party shall be required to participate or respond in respect of or in connection with this Agreement, such Indemnified Party shall have the right to employ its own counsel in connection therewith and the Indemnitor will reimburse such Indemnified Party monthly for the time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of such Indemnified Party's counsel.

- (8) The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.
- (9) The Indemnitor agrees to waive any right the Indemnitor may have of first requiring the Indemnified Party to proceed against or enforce any right, power, remedy, security or claim payment from any other person before claiming under this indemnity. The Indemnitor hereby acknowledges that the Agent is acting as trustee for each of the other Indemnified Parties of the Indemnitor's covenants under this indemnity and the Agent agree to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (10) The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company and the Indemnified Parties.

Section 10 COVENANTS OF THE COMPANY

- (1) The Company covenants and agrees with the Underwriter that:
 - (a) the Company will advise the Underwriter, promptly after receiving notice thereof, of the time when each Offering Document has been filed, and will provide evidence satisfactory to the Underwriter of each such filing;
 - (b) between the date hereof and the date of completion of the distribution of the Offered Securities, the Company will advise the Underwriter, promptly after receiving notice or obtaining knowledge thereof, of:
 - (i) the issuance by any Canadian Securities Commission or U.S. securities regulator of any order suspending or preventing the use of any of the Offering Documents;
 - (ii) the issuance by any Canadian Securities Commission or the Exchange of any order having the effect of ceasing or suspending the distribution of the Offered Securities or the trading in any securities of the Company, or of the institution or, to the knowledge of the Company, threatening of any proceeding for any such purpose; or
 - (iii) any requests made by any Canadian Securities Commission for amending or supplementing any of the Offering Documents or for additional information;and the Company will use its commercially reasonable efforts to prevent the issuance of any order referred to in subparagraphs (b)(i), (b)(ii) or (b)(iii) above and, if any such order is issued, to obtain the withdrawal thereof at the earliest possible time;
 - (c) the Company will use its commercially reasonable efforts to obtain the conditional listing of the Unit Warrants (including any Over-Allotment Unit Warrants and Broker Unit Warrants) on the Exchange, subject to the Company fulfilling all of the requirements of the Exchange; and
 - (d) the Company will use the net proceeds from the Offering for the purposes described in the Offering Documents.
- (2) Prior to the completion of the distribution of the Offered Securities, the Company will file all documents required to be filed with or furnished to the Canadian Securities Commissions pursuant to Canadian Securities Laws.
- (3) Except as contemplated by this Agreement, the Company will not, without the prior written consent of the Underwriter (not to be unreasonably withheld), directly or indirectly issue, offer, pledge, sell, contract to sell, contract to purchase, purchase any option or contract to issue, sell, grant any option, right or warrant to

purchase or otherwise transfer, lend or dispose of directly or indirectly, any Common Shares or securities convertible into or having the right to acquire Common Shares or enter into any agreement or arrangement under which the Company would acquire or transfer to another, in whole or in part, any of the economic consequences of ownership of Common Shares, or agree to become bound to do so, whether that agreement or arrangement may be settled by the delivery of Common Shares or other securities or cash, or disclose to the public any intention to do so, during the period from the date hereof and ending 90 days following the Closing Date; provided that, notwithstanding the foregoing, the Company may issue securities in conjunction with (a) the grant or exercise of stock options and other similar issuances pursuant to the stock and incentive plan of the Company and other share compensation arrangements, (b) outstanding warrants and other convertible securities outstanding as of the Closing Date and disclosed in the Offering Documents, (c) obligations in respect of existing agreement disclosed in the Public Record, and (d) the issuance of securities in connection with asset or share acquisitions in the Ordinary Course.

Section 11 COMPENSATION OF THE UNDERWRITER

In consideration of the services rendered by the Underwriter in connection with the Offering, the Company shall: (i) pay to the Underwriter at the Closing Time and Over-Allotment Closing Time (as applicable), a cash commission (the "**Underwriting Fee**") equal to 7.0% of the aggregate gross proceeds raised from the sale of Offered Securities (including, if applicable, the sale of Over-Allotment Units pursuant to the exercise of the Over-Allotment Option), provided that the Underwriting Fee shall be reduced to 3.5% in respect of certain president's list purchasers designated by the Company and subject to agreement by the Underwriter (the "**President's List Purchasers**"), and (ii) issue to the Underwriter at the Closing Time and Over-Allotment Closing Time (as applicable), in aggregate, that number of compensation warrants (the "**Broker Warrants**") which is equal to 7.0% of the aggregate number of Offered Securities sold in the Offering (including, if applicable, Over-Allotment Units sold pursuant to the exercise of the Over-Allotment Option), provided that the number of Broker Warrants shall be reduced to 3.5% in respect of the President's List Purchasers. Each Broker Warrant entitles the Underwriter to acquire one unit of the Company (each, a "**Broker Unit**") comprised of one Common Share (a "**Broker Unit Share**") and one Common Share purchase warrant (a "**Broker Unit Warrant**") at an exercise price equal to the Offering Price at any time on or before the date which is 36 months from the Closing Date, pursuant to the terms of the broker warrant certificates (the "**Broker Warrant Certificates**"). Each Broker Unit Warrant will entitle the holder to purchase one Common Share (a "**Broker Unit Warrant Share**") at an exercise price of \$0.70, and such Broker Unit Warrants will have the same terms as the Unit Warrants and will be subject to the terms and conditions of the Warrant Indenture.

Section 12 ALL TERMS TO BE CONDITIONS

The Company agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company. Any breach or failure to comply with any of the conditions set out in this Agreement shall entitle any of the Underwriter to terminate their obligation to purchase the Offered Securities by written notice to that effect given to the Company at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable. It is understood that the Underwriter may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Underwriter in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on any Underwriter any such waiver or extension must be in writing and signed by such Underwriter.

Section 13 TERMINATION BY UNDERWRITER

- (1) The Underwriter shall be entitled to terminate its obligation to purchase the Offered Securities by written notice to that effect to the Company at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable, if after the date hereof and prior to the Closing Time or Over-Allotment Closing Time, as applicable:
 - (a) there should occur or commence or be announced or threatened any inquiry, action, suit, investigation or other proceeding (whether formal or informal) or any order or ruling is issued by any federal, provincial or other governmental authority (including, without limitation, the Canadian Securities Commissions or the Exchange), which in the reasonable opinion of the Underwriter would be expected to operate to prevent or restrict trading in the Company's securities or distribution

of the Offered Securities or adversely affects or will adversely affect the financial markets in Canada or the United States or the business, operations or affairs of the Company and its subsidiaries taken as a whole;

- (b) there should develop, occur or come into effect or existence, any event, action, state, condition or major financial occurrence of national or international consequence (including, without limitation, as a result of the COVID-19 pandemic to the extent that there are material adverse impacts related to COVID-19 after the date of this Agreement), or any new law or regulation or a change thereof which, in the opinion of an Underwriter, acting reasonably, seriously adversely affects, or involves, or is reasonably expected to seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company and its subsidiaries taken as a whole;
 - (c) the state of financial markets in Canada or the United States has materially deteriorated such that, in the reasonable opinion of an Underwriter, the Offered Securities cannot be marketed profitably;
 - (d) there should occur, be discovered by the Underwriter or be announced by the Company any material change or change in a material fact or a new material fact arises or is discovered which, in the opinion of the Underwriter, acting reasonably, would be expected to have a significant adverse effect on the market price or value of the Offered Securities; or
 - (e) the Company is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement becomes false in any material respect.
- (2) If this Agreement is terminated by any of the Underwriter pursuant to this Section 13, there shall be no further liability on the part of such Underwriter or of the Company to such Underwriter, except in respect of any liability which may have arisen or may thereafter arise under Section 9 (indemnification) or Section 17 (expenses).
- (3) The right of the Underwriter to terminate its obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement.

Section 14 CLOSING

- (1) The closing of the purchase and sale of the Offered Securities herein provided for shall be completed electronically, or as otherwise directed by the Underwriter, at 8:30 a.m. (Toronto time) (the "**Closing Time**") on March 30, 2022, or such other date and/or time as may be agreed upon in writing by the Company and the Underwriter (the "**Closing Date**").
- (2) At the Closing Time on the Closing Date, subject to the terms and conditions contained in this Underwriting Agreement, the Company shall deliver the Offered Securities to the Underwriter as an electronic deposit representing the Offered Units pursuant to the noncertificated inventory system of CDS, against payment of the Offering Price set out in this Underwriting Agreement by wire transfer on the Closing Date payable to the Company. The Company will, at the Closing Time on the Closing Date and upon such payment of the aggregate Offering Price to the Company, make payment in full of the Underwriting Fee which shall be made by the Company directing the Underwriter to withhold the Underwriting Fee from the payment of the aggregate Offering Price. Electronic evidence of non-certificated issuance of the Offered Units shall be registered in such names as the Underwriter may request provided such request is made two (2) Business Days prior to each Closing Date.
- (3) Notwithstanding Section 14(2), the may Company deliver all of part of the Offered Securities in such other form as reasonably directed by Underwriter, including without limitation certificated form.

Section 15 CONDITIONS OF CLOSING AND OVER-ALLOTMENT CLOSING

- (1) The obligations of the Underwriter under this Agreement are subject to the accuracy of the representations and warranties of the Company contained in this Agreement both as of the date of this Agreement, the Closing Time and the applicable Over-Allotment Closing Time, as the case may be, the performance by the Company of its obligations under this Agreement and receipt by the Underwriter, at the Closing Time or applicable Over-Allotment Closing Time, as the case may be, of the following, other than as provided below:
- (a) the Underwriter receiving favourable legal opinions from McMillan LLP, counsel to the Company (who may provide the opinions of local counsel acceptable to counsel to the Underwriter as to the qualification of the Offered Securities for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the provinces in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials or of the Company's Auditors or Transfer Agent of the Company), substantially to the effect set forth below, subject to customary assumptions, qualifications and limitations:
 - (i) the Company is a company existing under the BCBCA and has not been dissolved under the BCBCA;
 - (ii) the Company has the corporate power and corporate capacity under the BCBCA and the constating documents of the Company to (i) carry on its Business and activities and to own, lease and operate its properties and assets, as described in the Prospectus, (ii) execute and deliver the Transaction Documents and Offering Documents, as applicable, and perform its obligations hereunder and thereunder, (iii) create, offer, issue and sell the Offered Securities, (iv) create, offer, issue and deliver the Compensation Securities, and (v) grant the Over-Allotment Option to the Underwriter;
 - (iii) as to the authorized share capital of the Company;
 - (iv) all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Transaction Documents and the performance by the Company of its obligations under the Transaction Documents, and the Transaction Documents have been duly authorized, executed and delivered by the Company and constitute legal, valid and binding obligations of the Company, enforceable against it in accordance with their terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to other standard assumptions and qualifications, including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement and the Warrant Indenture may be limited by Applicable Laws;
 - (v) all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Preliminary Prospectus, the Final Prospectus, the U.S. Memorandum and any Supplementary Material and the filing of such documents, as applicable, under Canadian Securities Laws;
 - (vi) the execution and delivery of the Transaction Documents and the performance by the Company of its obligations thereunder, including the issuance, sale and delivery of the Offered Securities, the issuance and delivery of the Broker Warrants and the grant of the Over-Allotment Option in accordance with the terms of the Transaction Documents, do not and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under (i) constating documents of the Company, (ii) resolutions of the directors or shareholders of the Company, or (iii) the BCBCA;

- (vii) the Unit Shares have been validly issued as fully paid and non-assessable Common Shares;
- (viii) the Unit Warrants have been validly created and issued as warrants of the Company;
- (ix) the Broker Unit Warrants have been authorized and allotted for issuance;
- (x) the Broker Warrants have been validly created and issued as warrants of the Company;
- (xi) the Over-Allotment Option has been duly and validly authorized and granted by the Company, and the Over-Allotment Unit Shares and Over-Allotment Unit Warrants issuable upon the exercise of the Over-Allotment Option have been duly and validly created, allotted and reserved for issuance by the Company and, upon the exercise of the Over-Allotment Option, including receipt by the Company of payment in full therefor, the Over-Allotment Unit Shares and Over-Allotment Unit Warrants will be duly and validly created, authorized, issued and outstanding and the Over-Allotment Unit Shares will be fully paid and non-assessable shares;
- (xii) the Warrant Shares, the Broker Unit Shares and Broker Unit Warrant Shares have been duly and validly authorized, allotted and reserved for issuance, and upon due exercise of the Unit Warrants, the Over-Allotment Unit Warrants, Broker Warrants and Broker Unit Warrants, as applicable, in accordance with their respective terms, the Warrant Shares, the Broker Unit Shares and the Broker Unit Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;
- (xiii) all necessary documents have been filed, all requisite proceedings have been taken and all necessary authorizations, approvals, permits and consents have been obtained by the Company under Applicable Securities Laws in order to qualify the distribution of the Offered Securities in the Qualifying Jurisdictions by or through dealers who are duly and properly registered in the appropriate category under Applicable Securities Laws and who have complied with all relevant provisions of such Applicable Securities Laws and the terms of their registration;
- (xiv) the issuance of the Warrant Shares issuable upon exercise of the Unit Warrants and the Over-Allotment Unit Warrants, as applicable, will be exempt from the prospectus requirements of applicable Canadian Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under applicable Canadian Securities Laws to permit such issuance;
- (xv) the issuance of the Broker Unit Shares and Broker Unit Warrants issuable upon exercise of the Broker Warrants and the Broker Unit Warrant Shares issuable upon the exercise of the Broker Unit Warrants will be exempt from the prospectus requirements of applicable Canadian Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under applicable Canadian Securities Laws to permit such issuance;
- (xvi) the first trade in, or resale of, the Warrant Shares, the Broker Unit Shares and the Broker Unit Warrant Shares is exempt from, or is not subject to, the prospectus requirements of Canadian Securities Laws in the Qualifying Jurisdictions and no filing, proceeding or approval will need to be made, taken or obtained under such laws in connection with any such trade or resale, provided that the trade or resale is not a "control distribution" (as defined in National Instrument 45-102 – Resale of Securities) and the Company is a reporting issuer at the time of the trade;

- (xvii) the Company is a "reporting issuer" under Canadian Securities Laws in each of the Qualifying Jurisdictions and it is not listed as in default of applicable Canadian Securities Laws in any of the Qualifying Jurisdictions which maintain such a list;
- (xviii) the Unit Shares, the Warrant Shares, the Broker Unit Shares, the Broker Unit Warrant Shares, the Unit Warrants and the Broker Unit Warrants have been approved for listing on the Exchange, subject to the Company fulfilling all of the requirements of the Exchange;
- (xix) the Transfer Agent has been duly appointed as registrar and transfer agent of the Common Shares and as warrant agent under the Warrant Indenture;
- (xx) subject to the limitations, qualifications and assumptions set out therein, the statements set forth in the Prospectus under the headings "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations", insofar as they purport to describe the provisions of the laws referred to therein, are fair summaries of the matters discussed therein;
- (xxi) the attributes of the Offered Securities and the Compensation Securities conform in all material respects with the description thereof contained in the Final Prospectus; and
- (xxii) the form of Broker Warrant Certificate has been duly approved and adopted by the Board of Directors and complies in all material respects with the constating documents of the Company,

in form and substance acceptable to the Underwriter and its counsel, acting reasonably;

- (b) the Underwriter receiving legal opinions from counsel to each Subsidiary (who may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials related to each Subsidiary), in form and substance acceptable to the Underwriter and its counsel, acting reasonably, substantially to the effect set forth below, subject to customary assumptions, qualifications and limitations:
 - (i) each of the Subsidiaries is a corporation or other form of entity existing under the laws of the jurisdiction in which it was incorporated, organized, formed, amalgamated or continued, as the case may be;
 - (ii) each of the Subsidiaries has the corporate capacity and power to own and lease its properties and assets and to conduct its business as currently being conducted;
 - (iii) all of the issued and outstanding shares or other ownership interests or rights of the Subsidiaries are registered, directly or indirectly, in the name of the Company or a subsidiary of the Company; and
 - (iv) each Subsidiary being current with all corporate filings required to be made under its jurisdiction of incorporation, organization or formation, as the case may be;
- (c) if any of the Offered Securities are offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, the Underwriter shall have received at the Closing Time a customary and favourable legal opinion from McMillan LLP, counsel to the Company, dated the Closing Date in form and substance reasonably satisfactory to the Underwriter to the effect that no registration is required under the U.S. Securities Act in connection with the offer, sale and resale of the Offered Securities, provided, in each case, that such offer, sale and resale and delivery of Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons is made in compliance with this Agreement and the terms set out in Schedule "A" hereto and provided further that it is understood that no opinion is expressed as to any subsequent resale of any Offered Securities. In

providing the foregoing opinion, such counsel may rely upon the covenants, representation and warranties of the Company and the Underwriter set forth in this Agreement and Schedule "A" hereto, and upon the covenants, representation and warranties of any purchasers in the United States;

- (d) certificates or evidence of registration representing, in the aggregate, the Offered Securities issuable on such date registered in the name of CDS or its nominee or in such other name(s) as the Underwriter shall have directed;
- (e) the Company's Auditors' comfort letter dated the Closing Date or the applicable Over-Allotment Closing Date, as the case may be, updating the comfort letter referred to in Section 5(4) above with such changes as may be necessary from the comfort letter delivered previously to bring the information therein forward to a date which is within two (2) Business Days of such date;
- (f) the Underwriter shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at the end of the Business Day on the date prior to the Closing Date and, if applicable, the Over-Allotment Closing Date;
- (g) the applicable Underwriting Fee payable to the Underwriter in accordance with Section 11;
- (h) on the Closing Date, evidence satisfactory to the Underwriter, that the Unit Shares, the Warrant Shares, the Broker Unit Shares, the Broker Unit Warrant Shares, the Unit Warrants and the Broker Unit Warrants shall have been conditionally approved for listing on the Exchange, subject only to satisfaction of customary conditions;
- (i) a certificate, dated the Closing Date or the applicable Over-Allotment Closing Date, as the case may be, and signed on behalf of the Company, but without personal liability, by the Chief Executive Officer and by the Chief Financial Officer of the Company, or such other officers of the Company as may be reasonably acceptable to the Underwriter, certifying that:
 - (i) the Company having complied with all the covenants, in all material respects, and satisfied all the terms and conditions of this Underwriting Agreement on its part to be complied with and satisfied at or prior to such Closing Time or applicable Over-Allotment Closing Time;
 - (ii) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Offered Securities or any of the Company's issued securities having been issued, and no proceeding for such purpose, to the knowledge of such officers, being pending or threatened;
 - (iii) subsequent to the date of this Underwriting Agreement, there having not occurred a material change that could reasonably be expected to result in a Material Adverse Effect in respect of the Company, or the coming into existence or discovery of a new material fact, other than as disclosed in the Final Prospectus or any Supplementary Material, as the case may be;
 - (iv) subsequent to the date of this Underwriting Agreement, no material change relating to the Company having occurred since the date of this Underwriting Agreement other than as disclosed in the Final Prospectus or in any Supplementary Material; and
 - (v) the representations and warranties of the Company contained in this Underwriting Agreement, the Warrant Indenture, the Broker Warrant Certificates and in any certificates of the Company delivered pursuant to or in connection with this Underwriting Agreement, being true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects) as at the Closing Time, with the same force and effect as if made on and as at such Closing Time, except for such representations and warranties which are in respect of a specific date in which case such representations

and warranties shall be true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Underwriting Agreement.

- (j) a certificate dated the Closing Date or the applicable Over-Allotment Closing Date, as the case may be, signed on behalf of the Company, but without personal liability, by the Chief Executive Officer of the Company or another officer acceptable to the Underwriter, acting reasonably, in form and content satisfactory to the Underwriter, acting reasonably, with respect to the constating documents of the Company; the resolutions of the directors of the Company relevant to the Offering, including the allotment, issue (or reservation for issue) and sale of the Offered Securities and the grant of the Over-Allotment Option, the authorization of this Agreement, the listing of the Unit Shares, the Warrant Shares, the Broker Unit Shares, the Broker Unit Warrant Shares, the Unit Warrants and the Broker Unit Warrants on the Exchange and transactions contemplated by this Agreement; and the incumbency and signatures of signing officers of the Company;
- (k) at the Closing Time, the Company's directors and officers, shall have entered into lock-up agreements in form and substance satisfactory to the Underwriter, acting reasonably, evidencing their agreement to not, without the consent of the Underwriter, which consent shall not be unreasonably withheld or delayed, issue, sell, grant any option for the sale of, or otherwise dispose or monetize, or offer to announce any intention to do so, in a public offering or by way of private placement or otherwise, any Offered Securities or any securities convertible or exchangeable into Offered Securities for a period of 120 days after the Closing Date;
- (l) a certificate of status (or equivalent) for the Company and each Subsidiary dated within one (1) Business Day (or such earlier or later date as the Underwriter may accept) of the Closing Date or applicable Over-Allotment Closing Date; and
- (m) all Authorizations or filings as may be required by any Governmental Authority, or any other third party necessary to complete the sale of the Offered Securities as contemplated herein shall have been made or obtained; and
- (n) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the sale of the securities underlying the Offered Securities or any of the Company's issued securities shall have been issued and no proceeding for such purpose shall be pending or, to the knowledge of the Company, threatened by any Regulatory Authority.

Section 16 OVER-ALLOTMENT OPTION

- (1) The Company hereby grants to the Underwriter the Over-Allotment Option to purchase additional Units, at the Offering Price, up to an aggregate of 1,500,000 Offered Units (the "**Over-Allotment Units**") as is equal to fifteen percent (15%) of the aggregate number of Offered Units issued pursuant to the Offering (the "**Over-Allotment Option**"). Each Over-Allotment Unit is comprised of one Unit Share (an "**Over-Allotment Unit Share**") and one Unit Warrant (an "**Over-Allotment Unit Warrant**"), and the terms of such Over-Allotment Unit Shares and Over-Allotment Unit Warrants shall be the same as those Unit Shares and Unit Warrants, respectively, comprising the Offered Units.
- (2) The Over-Allotment Option may be exercised, in whole or in part, and from time to time prior to its expiry in accordance with the provisions of this Underwriting Agreement, by the Underwriter, by delivering written notice of exercise to the Company, which notice must be received by the Company not later than 5:00 p.m. (Vancouver time) on the date that is thirty (30) days after the Closing Date, such notice to set forth: (a) the aggregate number of Over-Allotment Units to be purchased by the Underwriter; and (b) the closing date for the purchase of Over-Allotment Units (the "**Over-Allotment Closing Date**"), provided that such closing date shall not be less than three (3) Business Days and no more than seven (7) Business Days following the date of such notice. Upon the furnishing of the notice, the Underwriter shall be committed to purchase the Over-Allotment Units and the Company shall be committed to issue and sell in accordance with and subject to the provisions of this Underwriting Agreement, the number of Over-Allotment Units indicated in the notice.

Over-Allotment Units may be purchased by the Underwriter only for the purpose of satisfying over-allotments made in connection with the distribution of the Offered Units and for market stabilization purposes permitted pursuant to Canadian Securities Laws.

- (3) In the event that the Over-Allotment Option is exercised in accordance with its terms, the closing of the issuance and sale of that number of Over-Allotment Units in respect of which the Underwriter is exercising the Over-Allotment Option shall take place electronically or as may be otherwise agreed to by the Underwriter and the Company at 8:30 a.m. (Toronto time) on the applicable Over-Allotment Closing Date or at such other time on the Over-Allotment Closing Date as may be agreed upon in writing by the Company and the Underwriter (the "**Over-Allotment Closing Time**").
- (4) At the Over-Allotment Closing Time, if any, for the exercise of the Over-Allotment Option, subject to the terms and conditions contained in this Underwriting Agreement, the Company shall deliver to the Underwriter a certificate or certificates (or electronic evidence of non-certificated issuance) representing Over-Allotment Units against payment of the aggregate Offering Price therefor by wire transfer on such Over-Allotment Closing Date payable to the Company or if requested, utilize CDS. The Company will, at the Over-Allotment Closing Time, and upon such payment of the aggregate Offering Price for the Over-Allotment Units to the Company, make payment in full of the Underwriting Fee which shall be made by the Company directing the Underwriter to withhold the Underwriting Fee from the payment of the aggregate Offering Price therefor. Certificates representing the Over-Allotment Units shall be registered in such names as the Underwriter may request provided such request is made two (2) Business Days prior to an Over-Allotment Closing Date.
- (5) The obligation of the Underwriter to make any payment or delivery contemplated by this Section 16 is subject to satisfaction of the conditions set forth in Section 15.

Section 17 EXPENSES

Whether or not the Offering is completed, the Company will pay all reasonable expenses and fees in connection with the Offering, including, without limitation, all reasonable expenses of, or incidental to, the creation, issue, sale or distribution of the Offered Units; all costs incurred in connection with the preparation of documents or certificates relating to the Offering; and all fees incurred by the Underwriter, including (i) the out-of-pocket costs and expenses of the Underwriter without the prior approval of the Company (such consent not to be unreasonably withheld); and (ii) the reasonable and documented fees and expenses of the Underwriter's legal counsel which, without limitation of the Indemnification Provisions attached hereto, in the case of the Underwriter's Canadian counsel shall not exceed \$125,000 plus applicable taxes and disbursements without the Company's consent, not to be unreasonably withheld (collectively, the "**Underwriter' Expenses**"). All fees and expenses incurred by the Underwriter or on their behalf shall be payable by the Company immediately upon receiving an invoice from the Underwriter and shall be payable whether or not the Offering is completed or this Agreement is executed by all of the parties hereto. The Underwriter' Expenses (including the Underwriter' legal counsel fees and expenses and taxes payable thereon) may be deducted by the Underwriter from the gross proceeds of the Offering immediately prior to those proceeds being distributed to the Company.

Section 18 NO ADVISORY OR FIDUCIARY RELATIONSHIP

The Company acknowledges and agrees that (a) the purchase and sale of the Offered Securities pursuant to this Agreement, including the determination of the Offering Price, the Offered Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company, on the one hand, and the Underwriter, on the other hand, (b) in connection with the Offering and the process leading to such transaction the Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company or its shareholders, creditors, employees or any other party, (c) the Underwriter has not assumed nor will it assume an advisory or fiduciary responsibility in favour of the Company with respect to the Offering or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Company on other matters) and the Underwriter has no obligation to the Company with respect to the Offering except the obligations expressly set forth in this Agreement, (d) the Underwriter and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (e) the Underwriter has not provided any legal, accounting, regulatory or tax advice

with respect to the Offering and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deems appropriate.

Section 19 NOTICES

(1) Any notice to be given hereunder shall be in writing and may be given by hand delivery or email and shall be addressed and emailed or delivered to:

(a) in the case of the Company:

Neptra Foods Inc.
7025 S. Revere Parkway, Unit 100
Centennial, Colorado, USA 80112

Attention: David Wood, CEO, Neptra Foods Inc.
Email Address: david.wood@neptrafoods.com

with a copy (which shall not constitute notice) to:

McMillan LLP
Royal Centre, 1055 W. Georgia St., Suite 1500
Vancouver, BC V6E 4N7
PO Box 11117

Attention: Michael Shannon
Email: michael.shannon@mcmillan.com

(b) In the case of the Underwriter:

Canaccord Genuity Corp.
161 Bay Street, Suite 3000
Toronto, ON M5J 2S1

Attention: Jason Sleeth
Email: jsleeth@cgf.com

with a copy (which shall not constitute notice) to:

Bennett Jones LLP
One First Canadian Place
100 King Street West, Suite 3400
Toronto, Ontario M5X 1A4

Attention: Christopher Travascio
Email: travascioc@bennettjones.com

(2) The Company and the Underwriter may change their respective addresses for notice by notice given in the manner referred to above.

Section 20 SURVIVAL

The representations, warranties, obligations and agreements of the Company and of the Underwriter contained herein or delivered pursuant to this Agreement shall survive the purchase by the Underwriter of the Offered Securities for a period of two years after the Closing Date and shall continue in full force and effect notwithstanding any subsequent disposition by the Underwriter of the Offered Securities and the Underwriter shall be entitled to rely on the

representations and warranties of the Company contained in or delivered pursuant to this Agreement notwithstanding any investigation which the Underwriter may undertake or which may be undertaken on the Underwriter's behalf.

Section 21 MARKET STABILIZATION

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

Section 22 ENTIRE AGREEMENT

Any and all previous agreements with respect to the purchase and sale of the Offered Securities, whether written or oral, including without limitation the Engagement Letter, are hereby terminated, and this Agreement constitutes the entire agreement between the Company and the Underwriter with respect to the purchase and sale of the Offered Securities.

Section 23 GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Ontario and the federal laws of Canada applicable therein.

Section 24 TIME OF THE ESSENCE

Time shall be of the essence of this Agreement. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

Section 25 RIGHT OF FIRST REFUSAL

From the date hereof until the date that is one (1) year from the Closing Date, the Underwriter shall be provided with the exclusive right and opportunity to act as sole lead agent or underwriter, as applicable, and sole bookrunner for any offering of securities of the Company to be issued and sold in Canada or the United States by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Company is intending to proceed with any such issuance or has received a proposal for any such issuance, the Company shall provide to the Underwriter with notice of the proposed terms thereof (including the commission payable to that agent) and the Underwriter shall have an opportunity to respond to the Company within five (5) Business Days that they are desirous of acting as agent or underwriter, as applicable, or participating as the case may be, in such offering on behalf of the Company on the terms and conditions contained therein. If the Underwriter either declines in writing, or fails to respond in writing within five (5) Business Days, the Company may proceed with such offering through another agent or underwriter, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter (it being acknowledged and agreed by the Underwriter that if the Company issues any securities to which the foregoing would apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Offered Securities pursuant to the Offering).

Section 26 ALTERNATIVE TRANSACTION

In the event that the Company does not complete the Offering, but the Company or any affiliate or Subsidiary thereof announces or completes any debt or equity financing transaction (excluding a bank loan from commercial bank lenders) prior to the date that is 180 days following the date of the Engagement Letter (any such transaction, an "**Alternative Transaction**") in respect of which the Underwriter is not the lead underwriter, placement agent, arranger or initial purchaser, or in respect of which the Underwriter does not receive at least the same amount of compensation pursuant to the Alternative Transaction as to which they would have been entitled under the Offering, the Underwriter shall be entitled to receive immediately upon the completion of such Alternative Transaction the lesser of (i) the

amount of compensation assuming completion of the Offering in the amount of \$3,000,000 (including, for greater certainty, the exercise of the Over-Allotment Option), and (ii) the Underwriting Fee and Compensation Securities calculated based on the amount raised pursuant to the Alternative Transaction; provided, however, that the Underwriter shall not be entitled to any amount under this paragraph in the event the Underwriter voluntarily terminates this Agreement (other than as a result of a material breach by the Company of its obligations hereunder) or the Company voluntarily terminates this Agreement as a result of a material breach by the Underwriter of its obligations hereunder. If the Company and the Underwriter, acting reasonably and in good faith, are unable to complete the Offering due to market conditions or otherwise and the Company voluntarily terminates this Agreement, the Underwriter shall only be entitled to the compensation described above in connection with proceeds raised by the Company in an Alternative Transaction from investors introduced to the Company by the Underwriter in the process of the Offering.

[Signature page follows.]

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

Yours very truly,

CANACCORD GENUITY CORP.

By: (s) "Jason Sleeth"
Name: Jason Sleeth
Title: Managing Director, Capital Markets
Origination

The foregoing is in accordance with our understanding and is accepted by us.

NEPRA FOODS INC.

By: (s) "David Wood"
Name: David Wood
Title: Chief Executive Officer and
Director

SCHEDULE "A"
UNITED STATES OFFERS AND SALES

1. Definitions

As used in this and related exhibits, capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Underwriting Agreement to which this Schedule "A" is annexed and to which it forms a part, and the following terms shall have the meanings indicated:

- (a) **"Directed Selling Efforts"** means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S;
- (b) **"Foreign Issuer"** means a foreign issuer as that term is defined in Rule 902(e) of Regulation S;
- (c) **"General Solicitation"** and **"General Advertising"** mean "general solicitation" and "general advertising", as used under Rule 502(c) under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over the internet, radio, or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- (d) **"Offshore Transaction"** means Offshore Transaction as that term is defined in Rule 902(h) of Regulation S;
- (e) **"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act;
- (f) **"SEC"** means the United States Securities and Exchange Commission; and
- (g) **"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings given to them in the Agreement to which this Schedule is attached and of which this Schedule forms a part.

2. Representations, Warranties and Covenants of the Company

The Company represents, warrants and covenants to the Underwriter (including for the benefit of the U.S. Affiliates) that:

- (a) The Company is and on the Closing Date and any Over-Allotment Closing Date will be a Foreign Issuer that reasonably believes that there is no Substantial U.S. Market Interest in any class of its equity securities.
- (b) None of the Company, any of its affiliates, or any person acting on its or their behalf (other than the Underwriter, their U.S. Affiliates, any Selling Firm and any person acting on any of their behalf, as to which the Company makes no representation, warranty, covenant or agreement) has offered or sold, or will offer or sell, any of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons, except for offers and sales made through the Underwriter and their U.S. Affiliates in compliance with this Underwriting Agreement, including this Schedule "A".
- (c) None of the Company, any of its affiliates, or any person acting on its or their behalf (other than the Underwriter, their U.S. Affiliates, any Selling Firm and any person acting on their behalf, as to which the Company makes no representation, warranty, covenant or agreement) (i) has made or will make any Directed Selling Efforts in the United States with respect to the Offered Securities, (ii) has engaged or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Offered Securities in the United States, or (ii) has offered or will offer the

Offered Securities in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act, in connection with the offer or sale of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons.

- (d) None of the Company, any of its affiliates, or any person acting on their behalf (other than the Underwriter, their U.S. Affiliates, any Selling Firm and any person acting on any of their behalf, as to which the Company makes no representation, warranty, covenant or agreement) has taken or will take any action that would cause the exclusion from the registration requirements of the U.S. Securities Act provided by Rule 903 of Regulation S or the exemption from such registration requirements provided by Rule 144A, to be unavailable for the offer and sale of Offered Securities pursuant to this Underwriting Agreement, including this Schedule "A".
- (e) All offers and sales of Offered Securities made by the Company, its affiliates or any persons acting on its or their behalf (other than the Underwriter, their U.S. Affiliates, any Selling Firm and any person acting on any of their behalf, as to which the Company makes no representation, warranty, covenant or agreement) outside the United States to non-U.S. Persons have been made and will be made in Offshore Transactions and otherwise in accordance with Rule 903 of Regulation S.
- (f) For so long as any of the Offered Securities are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Company is not subject to and in compliance with the reporting requirements of Section 13 or Subsection 15(d) of the U.S. Exchange Act or exempt from such requirements pursuant to Rule 12g3-2(b) thereunder, the Company will provide to any holder of those such securities, or to any prospective purchaser of such securities designated by such holder, upon the request of such holder or prospective purchaser, at or prior to the time of sale, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, provided that the delivery of such information is required in order to permit sales of the such securities pursuant to Rule 144A.
- (g) The Offered Securities are not, and as of the Closing Date and any Over-Allotment Closing Date will not be, and no securities of the same class as the Offered Securities are or will be: (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act; (ii) quoted in a "U.S. automated inter-dealer quotation system", as such term is used in Rule 144A under the U.S. Securities Act; or (iii) convertible or exchangeable into, or exercisable for, securities so listed or quoted at an effective conversion or exercise premium (calculated as specified in paragraph (a)(6) and (a)(7) of Rule 144A) of less than ten percent for securities so listed or quoted.
- (h) The Company further acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any United States state securities laws and can be offered and sold in the United States only to Qualified Institutional Buyers in compliance with Rule 144A under the U.S. Securities Act and exemptions under applicable state securities laws.

3. Representations, Warranties and Covenants of the Underwriter

The Underwriter represents and warrants to and covenants with the Company on its own behalf and on behalf of its U.S. Affiliates (if any) that:

- (a) It acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any United States state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable United States state securities laws. It has offered and sold and will offer and sell the Offered Securities only (i) outside the United States to non-U.S. Persons in Offshore Transactions and otherwise in accordance with Rule 903 of Regulation S, or (ii) in the United States and to, or for the account or benefit of, U.S. Persons, in transactions in accordance with the requirements of Rule 144A and applicable state securities laws,

and as further provided in this Schedule "A". Accordingly, neither the Underwriter, nor its U.S. Affiliate, nor any Selling Firm or any person acting on its or their behalf: (i) have engaged or will engage in any Directed Selling Efforts in connection with the offer and sale of the Offered Securities; or (ii) except as permitted by this Schedule "A", have made or will make any offers to sell Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person; or (iii) except as permitted by this Schedule "A", have made or will make any sales of Offered Securities unless at the time the purchaser made its buy order therefor, the Underwriter, its U.S. Affiliate or the applicable Selling Firm or other person acting on any of their behalf reasonably believe that such purchaser was outside the United States and not acting for the account or benefit of a U.S. Person or a person within the United States.

- (b) All offers and sales of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons, have been and will be made only to Qualified Institutional Buyers in transactions that are exempt from registration under the U.S. Securities Act pursuant to Rule 144A and exempt from qualification under applicable state securities laws, and will be effected by its U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliate is, was and will be on the date of each offer and sale of Offered Securities in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.
- (c) It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its U.S. Affiliate, any Selling Firm or with the prior written consent of the Company. The Underwriter shall require its U.S. Affiliate and each Selling Firm through which it effects offers and sales to agree in writing, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that each U.S. Affiliate and Selling Firm complies with, the provisions of this Schedule "A" applicable to such Underwriter as if such provisions applied to such U.S. Affiliate or Selling Firm.
- (d) None of it, its U.S. Affiliate, any Selling Firm or any person acting on any of their behalf has engaged or will engage in any action that would cause the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A to be unavailable for offers and sales of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons or the exemption from the registration requirements of the U.S. Securities Act provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities in an Offshore Transaction.
- (e) Offers and sales of the Offered Securities in the United States and to, or for the account or benefit of, U.S. Persons by the Underwriter or their U.S. Affiliate shall not be made and have not been made by any form of General Solicitation or General Advertising, any Directed Selling Efforts, or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
- (f) Any offer or sale of, or solicitation of an offer to buy, the Offered Securities that has been made or will be made in the United States or to U.S. Persons (or to or for the account or benefit of a person in the United States or U.S. Person) was or will be made only to Qualified Institutional Buyers in accordance with Rule 144A.
- (g) Each offeree in the United States or acting for the account or benefit of a person in the United States or a U.S. Person shall be provided with a copy of the U.S. Placement Memorandum and any exhibits or attachments thereto in connection with the offer and sale of the Offered Securities.
- (h) Immediately prior to soliciting offerees in the United States or acting for the account or benefit of U.S. Persons, the Underwriter had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer, and at the time of completion of each sale to a person in the

United States, a person offered the Offered Securities in the United States, or a person purchasing for the account or benefit of a U.S. Person, the Underwriter, its U.S. Affiliate, and any person acting on its or their behalf will have reasonable grounds to believe and will believe, that each such purchaser purchasing the Offered Securities from such Underwriter or its U.S. Affiliate is a Qualified Institutional Buyer.

- (i) All purchasers of the Offered Securities in the United States, that were offered the Offered Securities in the United States, or that is purchasing for the account or benefit of a U.S. Person, shall be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder.
- (j) Prior to the completion of any sale of the Offered Securities in the United States to a person offered the Offered Securities within the United States, or to, or for the account or benefit of, a U.S. Person, each such purchaser will be required to provide to the Underwriters, or to their U.S. Affiliates selling the Offered Securities, an executed Qualified Institutional Buyer Representation Letter in the form attached to the U.S. Placement Memorandum.
- (k) At least two business days prior to any Closing Date and/or Over Allotment Closing Date, as applicable, the Underwriter shall provide the Company with a list of all offerees and purchasers of the Offered Securities pursuant to Rule 144A and copies of all Qualified Institutional Buyer Representation Letters.
- (l) At or prior to the Closing Date or Over Allotment Closing Date, if applicable, the Underwriter together with its U.S. Affiliate that offered or sold the Offered Securities in the United States, will provide to the Company a certificate in the form of Exhibit "I" to this Schedule "A" relating to the manner of the offer and sale of the Offered Securities in the United States or to U.S. Persons or will be deemed to have represented and warranted, with the same force and effect, that neither it nor its U.S. Affiliate offered or sold Offered Securities in the United States or to U.S. Persons (or to or for the account or benefit of, a person in the United States or U.S. Person).
- (m) Neither the Underwriter, their affiliates, including its U.S. Affiliate, or any person acting on its behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

EXHIBIT 1
TO SCHEDULE "A" UNDERWRITER'S CERTIFICATE

In connection with the private placement in the United States of the Offered Securities (the "**Securities**") of Nepra Foods Inc. (the "**Company**") pursuant to the underwriting agreement dated as of March 24, 2022 among the Company and the Underwriter named therein (the "**Underwriting Agreement**"), the undersigned Underwriter and its United States broker-dealer affiliate (the "**U.S. Affiliate**") do hereby certify as follows:

- (a) the U.S. Affiliate was on the date of each offer or sale of Securities was made in the United States, and is on the date hereof, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale was made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;
- (b) all offers and sales of the Securities made by us in the United States were made only through the U.S. Affiliate in compliance with all applicable U.S. federal and state broker-dealer requirements;
- (c) each offeree who is, or is acting for the account or benefit of, a person in the United States or U.S. Person was provided with a copy of the U.S. Placement Memorandum (and exhibits thereto), and not other written material as used in connection with the offer and sale of the Securities in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons;
- (d) immediately prior to our transmitting the U.S. Placement Memorandum (and any exhibits thereto) to any person in the United States or to a person acting for the account or benefit of a U.S. Person or a person in the United States, we had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each purchaser of Securities in the United States, each purchaser that was offered Securities in the United States, and each purchaser that is acting for the account or benefit of a U.S. Person or a person in the United States, is a Qualified Institutional Buyer;
- (e) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Securities in the United States;
- (f) no Directed Selling Efforts were engaged in with respect to the offer or sale of the Securities;
- (g) prior to the sale of Securities by us to persons in the United States, persons offered Securities in the United States, or persons acting for the account or benefit of U.S. Persons or persons in the United States, we caused each such purchaser to execute a Qualified Institutional Buyer Representation Letter in the form attached to the U.S. Placement Memorandum; and
- (h) all offers and sales of the Offered Securities have been conducted by it in accordance with the terms of the Underwriting Agreement, including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein. This Underwriter's Certificate may be relied upon by counsel to the Company as if originally issued to such counsel. A newly executed copy of this Underwriter Certificate shall be provided in connection with any subsequent closing date, including, but not limited to, any Over-Allotment Closing Date, as applicable.

CANACCORD GENUITY CORP.

By: _____
Name:
Title:

CANACCORD GENUITY LLC

By: _____
Name:
Title: