

**UNDERWRITING AGREEMENT**

December 4, 2017

Glance Technologies Inc.  
Suite 200 - 1238 Homer Street  
Vancouver, BC V6B 2Y5

**Attention: Penny Green, Chairman, President and COO**

Dear Mesdames/Sirs:

Echelon Wealth Partners Inc. (“**Echelon**”) and PI Financial Corp. (“**PI**”), as co-lead underwriters (the “**Underwriters**” and each individually an “**Underwriter**”) hereby severally, and not jointly, nor jointly and severally, in their respective percentages set out in Section 18 below, offer to purchase from Glance Technologies Inc. (the “**Company**”) and the Company hereby agrees to issue and sell to the Underwriters, 3,684,000 units of the Company (the “**Base Units**”), on an underwritten basis, at the purchase price of \$3.00 per Base Unit (the “**Offering Price**”), for aggregate gross proceeds of \$11,052,000.00. Each Base Unit will consist of one common share in the capital of the Company (each, a “**Unit Share**”) and one unit purchase warrant (each, a “**Unit Warrant**”). Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one unit (each, a “**Subsequent Unit**”) at an exercise price of \$3.84, until 5:00 p.m. (Toronto time) on the date that is 12 months from the Closing Date (as defined herein). Each Subsequent Unit will consist of one common share in the capital of the Company (each, a “**Subsequent Unit Share**”) and one common share purchase warrant (each, a “**Subsequent Unit Warrant**”). Each Subsequent Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (each, a “**Subsequent Warrant Share**”) at an exercise price of \$5.00 until 5:00 p.m. (Toronto time) on the date that is 24 months from the Closing Date.

The Company hereby also grants to the Underwriters an option (the “**Over-Allotment Option**”) to purchase up to an additional 552,600 Units of the Company (the “**Additional Units**”) at the Offering Price for additional gross proceeds of up to \$1,657,800.00 upon the terms and conditions set forth herein for the purpose of covering over-allotments made in connection with the Offering (as defined herein) and for market stabilization purposes, if any. The Over-Allotment Option will be exercisable, in whole or in part, and from time to time, by the Underwriters, for a period of 30 days from and including the Closing Date by giving written notice to the Company, as more particularly described in Section 12 hereof. Pursuant to such notice, the Underwriters will purchase in their respective percentages set out in Section 18 below, and the Company will deliver and sell, the number of Additional Units indicated in such notice, in accordance with this Agreement. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire additional Unit Shares (the “**Additional Unit Shares**”) at a price per Additional Unit Share to be determined by the Company and the Underwriters acting reasonably and in good faith, and in accordance with applicable law; or (iii) to acquire additional Unit Warrants (the “**Additional Unit Warrants**”) at a price per Additional Unit Warrant to be determined by the Company and the Underwriters acting reasonably and in good faith, and in accordance with applicable law; or (iv) to acquire any combination of Additional Units, Additional Unit Shares and Additional Unit Warrants, so long as the aggregate number of Additional Unit Shares and Additional Unit Warrants which may be issued under the Over-Allotment Option does not exceed 552,600 Additional Unit Shares and 552,600 Additional Unit Warrants.

The Underwriters may arrange for substituted purchasers (the “**Substituted Purchasers**”) for the Offered Units (as defined herein), where such Substituted Purchasers are resident in the Selling Jurisdictions (as defined herein). Each Substituted Purchaser will purchase the Offered Units at the Offering Price, and to the extent that Substituted Purchasers purchase Offered Units, the obligations of the Underwriters to do so will be reduced by the number of Offered Units purchased by the Substituted Purchasers from the Company.

Subject to applicable law, including applicable Securities Laws (as defined herein) and the terms of this Agreement, the Offered Units may also be distributed outside of Canada, in each jurisdiction as mutually agreed to by the Company and the Underwriters where they may be lawfully sold by the Underwriters without: (i) giving rise to any requirement under the laws of such jurisdiction to prepare and/or file a prospectus, registration statement or document having similar effect; or (ii) creating any ongoing compliance or continuous disclosure obligations for the Company pursuant to the laws of such jurisdiction.

The Base Units and the Additional Units are collectively referred to herein as the “**Offered Units**” and the offering of the Offered Units by the Company is hereinafter referred to as the “**Offering**”. The price of any Offered Units sold under this Agreement will be the Offering Price.

The Underwriters will be entitled to appoint a selling group consisting of other registered investment dealers and brokers (the “**Selling Group**”) in accordance with applicable Securities Laws for the purposes of arranging for purchasers of the Offered Units. Any investment dealer or broker who is a member of any Selling Group formed by the Underwriters pursuant to the provisions of this Agreement or with whom any Underwriter has a contractual relationship with respect to the Offering, if any, will agree with such Underwriter to comply with the covenants and obligations given by the Underwriters herein. The fee payable to any such investment dealer who is a member of any selling group will be for the account of the Underwriters.

In consideration of the services to be rendered by the Underwriters in connection with the Offering, the Company agrees to pay to the Underwriters the Commission (as defined herein), which will be due and payable at the Closing Time (as defined herein).

## TERMS AND CONDITIONS

The following are additional terms and conditions of this Agreement between the Company and the Underwriters:

### Section 1 Definitions and Interpretation

- (1) Where used in this Agreement or in any amendment hereto, the following terms have the following meanings, respectively:

“**Additional Units**” has the meaning ascribed thereto in the second paragraph of this Agreement;

“**associate**”, “**affiliate**”, “**insider**” and “**person**” have the respective meanings given to them in the *Securities Act*;

“**Agreement**” means this underwriting agreement, as it may be amended from time to time;

“**Annual Financial Statements**” means the audited consolidated financial statements as at and for the financial years ended November 30, 2016 and 2015, together with the notes thereto and the Auditors’ reports thereon;

“**Applicable Laws**” means all applicable laws, rules, regulations, policies, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, awards, or guidelines, the terms and conditions of any Permits, including any judicial or administrative interpretation thereof, of any Governmental Authority;

“**Auditors**” means Saturna Group Chartered Professional Accountants LLP;

“**Authorizations**” means any current and active regulatory licences, approvals, permits, approvals, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Authority under Applicable Laws;

“**Base Units**” has the meaning ascribed thereto in the first paragraph of this Agreement;

“**Business**” means the business of the Company described in the Public Disclosure Record;

**“Business Assets”** means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or used, including all Intellectual Property, real property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Company and the Subsidiaries, as the case may be, in connection with the Business;

**“Business Day”** means a day, other than a Saturday, a Sunday or statutory or civic holiday in the city of Vancouver, British Columbia;

**“Buyatub Settlement Agreement”** means the settlement and mutual release agreement among the Company, Buyatub Online Inc., Desmond Griffin and Angela Griffin dated April 19, 2016;

**“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 CSE;

**“Claims”** has the meaning ascribed thereto in Section 13 of this Agreement;

**“Closing”** means the completion of the sale of the Offered Units and the purchase by the Underwriters of the Offered Units pursuant to this Agreement;

**“Closing Date”** means December 21, 2017 or such earlier or later date as may be agreed to in writing by the Company and the Underwriters, each acting reasonably;

**“Closing Time”** means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Company and the Underwriters;

**“Commission”** has the meaning ascribed thereto in Section 14 of this Agreement;

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

**“Compensations Units”** has the meaning ascribed thereto in Section 14 of this Agreement;

**“Company”** has the meaning ascribed thereto in the first paragraph of this Agreement;

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

**“Debt Instrument”** means any and all other loans, bonds, notes, debentures, indentures, promissory notes, mortgages, guarantees, security agreements or other instruments evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Company or its Subsidiaries are a party or to which their property or assets are otherwise bound;

**“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 financial statements, related management’s discussion and analysis, management information circulars, annual information forms, material change reports or other documents filed by the Company, whether before or after the date of this Agreement, that are required to be incorporated by reference into the Prospectus;

**“Employee Plans”** has the meaning ascribed thereto in Section 7(ww) of this Agreement;

**“Environmental Laws”** means all Applicable Laws relating to the environment or environmental issues (including air, surface, water and stratospheric matters), pollution or protection of human health and safety, including without limitation relating to the release, threatened release, manufacture, processing, blending, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

“**Final Prospectus**” means the (final) short form prospectus of the Company relating to the Offering, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and to be filed by the Company with the Securities Commissions in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Final Receipt has been issued;

“**Final Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in each of the Qualifying Jurisdictions;

“**Financial Statements**” means collectively: (i) the Annual Financial Statements; and (ii) the unaudited condensed interim financial statements as at and for the three and nine months ended August 31, 2017 of the Company, together with the notes thereto;

“**Government Official**” means: (i) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority; (ii) any salaried political party official, elected member of political office or candidate for political office; or (iii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;

“**Governmental Authority**” means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“**Hazardous Materials**” means chemicals, fluids, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products;

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

“**including**” means including but not limited to;

“**Indemnified Party**” or “**Indemnified Parties**” have the meanings ascribed thereto in Section 13 of this Agreement

“**Indemnitor**” has the meaning ascribed thereto in Section 13 of this Agreement;

“**Intellectual Property Assets**” means: (i) all functional business names, trade names, registered and unregistered trademarks, domain names, service marks, and applications; (ii) all patents, patent applications, and inventions, methods, processes and discoveries that may be patentable; (iii) all copyrights in both published works and unpublished works; (iv) know-how, trade secrets, confidential information, customer lists, software, technical information, data process technology, plans, drawings, and blue prints owned, used, or licensed by the Company as licensee or licensor (collectively, the “**Trade Secrets**”); and (v) other intellectual property;

“**Leased Premises**” means all premises which the Company and/or the Subsidiaries occupies as a tenant;

“**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, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

“**Losses**” has the meaning ascribed thereto in Section 13 of this Agreement;

“**marketing materials**” has the meaning ascribed thereto in NI 41-101;

“**Material Adverse Effect**” means any event, change, fact, or state of being which could reasonably be expected to have a significant and adverse effect on the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Company and the Subsidiaries considered on a consolidated basis;

“**Material Agreement**” means any and all contracts, commitments, agreements (written or oral), instruments, leases, or other documents, including licences, sub-licenses, joint venture agreements, supply agreements, manufacturing agreements, distribution agreements, sales agreements, or any other similar type agreements, to which the Company or the Subsidiaries is a party or to which their Business Assets are otherwise bound, and which is material to the Company and the Subsidiaries on a consolidated basis;

“**material change**”, “**material fact**” and “**misrepresentation**” have the respective meanings ascribed thereto in the *Securities Act*;

“**MI 11-102**” means Multilateral Instrument 11-102 – *Passport System*;

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

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

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

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

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“**Offering**” has the meaning ascribed thereto in the fifth paragraph of this Agreement;

“**Offered Units**” has the meaning ascribed thereto in the fifth paragraph of this Agreement;

“**Offering Documents**” means the Preliminary Prospectus, the Final Prospectus and any Supplementary Material;

“**Offering Price**” has the meaning ascribed thereto in the first paragraph of this Agreement;

“**Over-Allotment Option**” has the meaning ascribed thereto in the second paragraph of this Agreement;

“**Passport System**” means the system for review of prospectus filings set out in MI 11-102 and NP 11-202;

“**person**” will be broadly interpreted and will include any individual, corporation, partnership, joint venture, association, trust or other legal entity;

“**Preliminary Prospectus**” means the preliminary short form prospectus of the Company dated December 4, 2017, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Company in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Preliminary Receipt has been issued;

“**Preliminary Receipt**” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Preliminary Prospectus in each of the Qualifying Jurisdictions;

“**Principal Regulator**” means the British Columbia Securities Commission;

“**Prospectus**” means, collectively, the Preliminary Prospectus and the Final Prospectus;

“**provide**” in the context of sending or making available marketing materials to a potential investor of Offered Units has the meaning ascribed thereto under Securities Laws, whether in the context of a “**road show**” (as defined in NI 41-101) or otherwise;

“**Public Disclosure Record**” means collectively, all of the documents which have been filed on www.sedar.com by or on behalf of the Company with the Securities Commissions pursuant to the requirements of Canadian Securities Laws;

“**Purchasers**” means, collectively, each of the purchasers of Offered Units arranged by the Underwriters, including the Substituted Purchasers, in connection with the Offering, including, if applicable, the Underwriters;

“**Qualifying Jurisdictions**” means the Provinces of Alberta, British Columbia and Ontario;

“**Repayment Event**” means any event or condition which gives the holder of any Debt Instrument (or any person acting on such holder’s behalf) the right to require the repurchase, redemption or repayment of all or a material portion of such indebtedness by the Company or its subsidiaries;

“*Securities Act*” means the *Securities Act* (British Columbia);

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

“**Securities Laws**” means collectively, Canadian Securities Law and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Selling 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 of the Canadian Securities Administrators;

“**Selling Group**” has the meaning ascribed thereto in sixth paragraph of this Agreement;

“**Selling Jurisdictions**” means, collectively, each of the Qualifying Jurisdictions and any other jurisdictions outside of Canada as mutually agreed to by the Company and the Underwriters;

“**subsidiary**” or “**subsidiaries**” has the meaning ascribed thereto in the *Securities Act*;

“**Subsidiaries**” means Glance Pay Inc., a company incorporated under the laws of British Columbia, and Glance Pay USA, Inc., a company incorporated under the laws of Nevada;

“**Substituted Purchasers**” has the meaning ascribed thereto in the third paragraph of this Agreement;

“**Supplementary Material**” means, collectively, any amendment to the Preliminary Prospectus or the Final Prospectus, and any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Company under Securities Laws relating to the distribution of the Offered Units;

“**Underwriters**” has the meaning ascribed thereto in the first paragraph of this Agreement; and

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

- (2) Any reference in this Agreement to a section or subsection will refer to a section or subsection of this Agreement.
- (3) All words and personal pronouns relating thereto will be read and construed as the number and gender of the party or parties referred to in each case required and the verb will be construed as agreeing with the required word and/or pronoun.
- (4) Any reference in this Agreement to "\$" or to "dollars" will 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" Subsidiaries  
Schedule "B" Existing Rights

## **Section 2        Attributes of the Offered Units.**

The Offered Units to be sold by the Company hereunder will have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions set forth in the Offering Documents.

## **Section 3        Filing of Prospectus.**

- (1) The Company will:
  - (a) not later than 3:00 p.m. (Vancouver time) on the date hereof, have filed the Preliminary Prospectus pursuant to the Passport System with the Securities Commissions and obtained a Preliminary Receipt in respect thereof;
  - (b) promptly: (i) use commercially reasonable efforts to resolve all comments made and deficiencies raised in respect of the Preliminary Prospectus by the Principal Regulator; and (ii) file the Final Prospectus and obtain a Final Receipt not later than 5:00 p.m. (Vancouver time) on December 15, 2017, and otherwise fulfill all legal requirements to qualify the Offered Units for distribution to the public in the Qualifying Jurisdictions through the Underwriters or any other investment dealer or broker registered to transact such business in the applicable Qualifying Jurisdictions contracting with the Underwriters, and to qualify the grant of the Over-Allotment Option; and
  - (c) until the date on which the distribution of the Offered Units is completed, promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Units for sale to the public and the grant of the Over-Allotment Option to the Underwriters or, in the event that the Offered Units or the Over-Allotment Option have, for any reason, ceased to so qualify, to again so qualify the Offered Units and the Over-Allotment Option.
- (2) Prior to the filing of the Offering Documents and thereafter, during the period of distribution of the Offered Units, the Company will have allowed the Underwriters to participate fully in the preparation of, and to approve the form and content of, such documents and will have allowed the Underwriters to conduct all due diligence investigations (which will include the attendance of management of the Company, the Auditors and any experts or other consultants requested by the Underwriters at one or more due diligence sessions to be held) which they may reasonably require in order to fulfill their obligations as underwriters and in order to enable them to responsibly execute the certificate required to be executed by them at the end of the Prospectus.

**Section 4 Deliveries on Filing and Related Matters.**

- (1) The Company will deliver to each of the Underwriters:
  - (a) prior to the time of each filing thereof, a copy of the Preliminary Prospectus and the Final Prospectus each manually signed on behalf of the Company, by the persons and in the form signed and certified as required by Canadian Securities Laws;
  - (b) prior to the time of filing thereof, a copy of any Supplementary Material, or other document required to be filed with or delivered to, the Securities Commissions by the Company under Canadian Securities Laws in connection with the Offering, including any document incorporated by reference in the Final Prospectus (other than documents already filed publicly with a Securities Commission);
  - (c) prior to or concurrently with the filing of the Final Prospectus with the Securities Commissions, a “long-form” comfort letter of the Auditors, dated the date of the Final Prospectus (with the requisite procedures to be completed by such Auditors within two Business Days of the date of such letter), in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters, the Company and the board of directors of the Company, with respect to the verification of financial and accounting information and other numerical data of a financial nature contained in the Final Prospectus (including all Documents Incorporated by Reference) and matters involving changes or developments since the respective dates as of which specific financial information is given therein which letter will be in addition to the Auditors’ consent letter and comfort letter (if any) addressed to the Securities Commissions; and
  - (d) prior to the filing of the Final Prospectus with the Securities Commissions, a copy of the CSE conditional approval letter indicating that the application for the listing and posting for trading on the CSE of the Unit Shares, the Subsequent Unit Shares and the Subsequent Warrant Shares has been approved, subject only to satisfaction by the Company of the customary post-closing conditions as specified by the CSE.

Unless otherwise advised in writing, such deliveries will also constitute the Company’s consent to the Underwriters’ use of the Offering Documents in connection with the distribution of the Offered Units in compliance with this Agreement and Securities Laws.

- (2) The Company represents and warrants to the Underwriters with respect to the Offering Documents that as at their respective dates of delivery to the Underwriters as set out in Section 4(1) above:
  - (a) all information and statements in such documents (including information and statements incorporated by reference to the extent they have not been superseded by the information and statements in the Offering Documents) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company, the Offering and the Offered Units, as required by Canadian Securities Laws;
  - (b) no material fact or information in such documents (including information and statements incorporated by reference) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
  - (c) except with respect to information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus, the Prospectus and any Supplementary Material comply fully with the requirements of the Canadian Securities Laws.



- (3) The Company will cause commercial copies of the Preliminary Prospectus and the Final Prospectus, as the case may be, to be delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written instructions to the printer of such documents as soon as possible after obtaining the Preliminary Receipt or the Final Receipt, as the case may be, but, in any event on or before noon (Toronto time) on the next Business Day (or for delivery locations outside of Toronto, on the second Business Day). Such deliveries will constitute the consent of the Company to the Underwriters' use of the Preliminary Prospectus and the Final Prospectus for the distribution of the Offered Units in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws. The Company will similarly cause to be delivered commercial copies of any Supplementary Material and hereby similarly consents to the Underwriters' use thereof. The Company will cause to be provided to the Underwriters, without cost, such number of copies of any Documents Incorporated by Reference as the Underwriters may reasonably request for use in connection with the distribution of the Offered Units.
- (4) The Company and the Underwriters each covenant and agree that during the distribution of the Offered Units, it will not provide any potential investor of Offered Units with any marketing materials except for marketing materials that comply with, and have been approved in accordance with, NI 44-101. If requested by the Underwriter, the Company will cooperate, acting reasonably, with the Underwriters in approving any marketing materials to be used in connection with the Offering.
- (5) Subject to compliance with Canadian Securities Laws, during the period commencing on the date hereof and until completion of the distribution of the Offered Units, the Company will promptly provide to the Underwriters drafts of any press releases of the Company for review by the Underwriters prior to issuance and will obtain the prior approval of the Underwriters as to the content and form of any press release relating to the Offering prior to issuance, such approval not to be unreasonably withheld or delayed. If required by Securities Laws, any press release announcing or otherwise referring to the Offering disseminated outside the United States will include an appropriate notation on the face page as follows: "Not for distribution to the U.S. news wire services, or dissemination in the United States".
- (6) Notwithstanding any provision hereof, nothing in this Agreement will create any obligation of the Company to file a registration statement or otherwise register or qualify the Offered Units for sale or distribution outside of Canada.

**Section 5           Material Change.**

- (1) During the period from the date of this Agreement to the completion of the distribution of the Offered Units, the Company covenants and agrees with the Underwriters that it will promptly notify the Underwriters in writing with full particulars of:
  - (a) any material change (actual, anticipated, contemplated or threatened) in respect of the Company and the Subsidiaries considered on a consolidated basis;
  - (b) any material fact in respect of the Company which has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such document; and
  - (c) any change in any material fact (which for the purposes of this Agreement will be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents which fact or change is, or may be, of such a nature as to render any statement in such Offering Document misleading or untrue in any material respect or which would result in a misrepresentation in the Offering Document or which would result in any of the Offering Documents not complying (to the extent that such compliance is required) with Securities Laws.

The Company will promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriters, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws as a result of such fact or change; provided, however, that the Company will not file any Supplementary Material or other document without first providing the Underwriters with a copy of

such Supplementary Material or other document and consulting with the Underwriters with respect to the form and content thereof. The Company will in good faith discuss with the Underwriters any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is or could be reasonable doubt whether written notice need be given under this Section 5.

- (2) If during the period of distribution of the Offered Units there will be any change in Canadian Securities Laws or other laws which results in any requirement to file Supplementary Material, the Company will promptly prepare and file such Supplementary Material with the appropriate Securities Commissions where such filing is required, provided that the Company will have allowed the Underwriters and its counsel to participate in the preparation and review of any Supplementary Material.
- (3) During the period from the date of this Agreement to the completion of the distribution of the Offered Units, the Company will notify the Underwriters promptly:
  - (a) when any supplement to any of the Offering Documents or any Supplementary Material will have been filed;
  - (b) of any request by any Securities Commission to amend or supplement the Prospectus or for additional information;
  - (c) of the suspension of the qualification of the Offered Units or the Over-Allotment Option for offering, sale, issuance, or grant, as applicable, in any jurisdiction, or of any order suspending or preventing the use of the Offering Documents (or any Supplementary Material) or of the institution or, to the knowledge of the Company, threatening of any proceedings for any such purpose; and
  - (d) of the issuance by any Securities Commission or any stock exchange of any order having the effect of ceasing or suspending the distribution of the Offered Units 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. The Company will use its reasonable best efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use or such order ceasing or suspending the distribution of the Offered Units or the trading in the shares of the Company and, if any such order is issued, to obtain the lifting thereof at the earliest possible time.

## **Section 6 Regulatory Approvals.**

The Company will make all necessary filings, 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 cooperate with the Underwriters in connection with the qualification of the Offered Units for offer and sale, the grant of the Over-Allotment Option, under the Canadian Securities Laws and in maintaining such qualifications in effect for so long as required for the distribution of the Offered Units.

## **Section 7 Representations and Warranties of the Company.**

The Company represents and warrants to each of the Underwriters, and acknowledges that each of them is relying upon such representations and warranties in connection with the purchase of the Offered Units, that:

- (a) Good Standing of the Company. The Company: (i) is a corporation existing under the laws of British Columbia and is and will at the Closing Time be current and up-to-date with all material filings required to be made and in good standing under the *Business Corporations Act* (British Columbia); (ii) 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 now carried on by it or proposed to be carried on by it as described in the Offering Documents; and (iii) has all requisite corporate power and authority to issue and sell the Offered Units, to grant the Over-Allotment Option, and to execute, deliver and perform its obligations under this Agreement.

- (b) Good Standing of Subsidiaries. The Company's only subsidiaries are listed in Schedule "A" hereto, which schedule is true, complete and accurate in all respects. Each of the Subsidiaries is a corporation incorporated, organized and existing under the laws of the jurisdiction of incorporation set out in Schedule "A", 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 or proposed to be carried on by it as described in the Offering Documents, and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required. All of the issued and outstanding shares in the capital of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and are directly or indirectly beneficially owned by the Company, 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 any 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.
- (c) No Proceedings for Dissolution. No act or proceeding has been taken by or against the Company or the Subsidiary in connection with their liquidation, winding-up or bankruptcy, or to their knowledge are pending.
- (d) Share Capital of the Company. The authorized and issued share capital of the Company consists of an unlimited number of Common Shares of which 127,533,061 Common Shares as at the close of business on December 1, 2017. The description of the attributes of the authorized and issued share capital of the Company as set out under the heading "Description of Securities Being Distributed" in the Prospectus is true and correct. Neither the Company nor the Subsidiaries are party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any securities of the Company or the Subsidiaries.
- (e) Form of Share Certificates. The form of certificate respecting each of the Common Shares, the Unit Warrants and the Subsequent Unit Warrants has been approved and adopted by the board of directors of the Company and does not conflict with any applicable laws and complies with the rules and regulations of the CSE.
- (f) Common Shares are Listed. The Common Shares are listed and posted for trading on the CSE and the Company has applied to list the Unit Shares, the Subsequent Unit Shares and the Subsequent Warrant Shares on the CSE 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 on or from the CSE.
- (g) CSE Compliance. The Company is, and will at the Closing Time be, in compliance in all material respects with the by-laws, policies, rules and regulations of the CSE.
- (h) No Cease Trade Orders. No order ceasing or suspending trading in the securities of the Company or prohibiting the sale of securities by the Company has been issued by an exchange or securities regulatory authority, and no proceedings for this purpose have been instituted, or are, to the Company's knowledge, pending, contemplated or threatened.
- (i) Reporting Issuer Status. The Company is a "reporting issuer" in each of the Provinces of British Columbia, Alberta and Ontario and upon receiving the Final Receipt the Company will be a "reporting issuer" in each of the Qualifying Jurisdictions, within the meaning of Canadian Securities Laws in such jurisdictions and to the Company's knowledge is not currently in default of any requirement of the Canadian Securities Laws of such jurisdictions and the Company is not included on any public list of defaulting reporting issuers maintained by any of the Securities Commissions.

- (j) Offered Units Validly Issued. The Offered Units and the Compensation Units (including the Unit Shares and Unit Warrants issuable pursuant thereto) have been, or prior to the Closing Time will be, duly and validly authorized for issuance and sale pursuant to this Agreement and when issued and delivered by the Company pursuant to this Agreement, against payment of the consideration therefor, will each be validly issued as fully paid and non-assessable securities of the Company and all necessary corporate action will have been taken by the Company to authorize the issuance of the Subsequent Units (including the Subsequent Unit Shares and the Subsequent Unit Warrants (including the Subsequent Warrant Shares)) and the Subsequent Units (including the Subsequent Unit Shares and the Subsequent Unit Warrants (including the Subsequent Warrant Shares)) will each be reserved for issuance and upon exercise and payment of the consideration therefor, will each be validly issued as fully paid and non-assessable securities of the Company, and will have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Final Prospectus.
- (k) Qualified Investments. Subject to the qualifications and limitations described under “Eligibility for Investment” in the Final Prospectus, the Offered Units will be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, a registered disability savings plan and tax free savings accounts.
- (l) Transfer Agent. Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario has been duly appointed as the transfer agent and registrar for the Common Shares and prior to the Closing time will be duly appointed as warrant agent for the Unit Warrants and the Subsequent Unit Warrants.
- (m) Absence of Rights. No person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued shares of the Company or any other agreement or option, for the issue or allotment of any unissued shares of the Company or any other security convertible into or exchangeable for any such shares or to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Company except for the Existing Rights set out in Schedule “B” to this Agreement. The Offered Units, Compensation Units and Subsequent Units upon issuance, will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Company.
- (n) Corporate Actions. 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 this Agreement; (ii) to authorize the execution and filing, as applicable, of the Offering Documents; (iii) to validly issue and sell the Offered Units and the Compensation Units (including the Unit Shares and the Unit Warrants) as fully paid and non-assessable securities of the Company; (iv) to grant the Over-Allotment Option; and (v) to issue the Additional Units upon exercise of the Over-Allotment Option.
- (o) Valid and Binding Documents. This Agreement has been duly authorized and when executed and delivered by the Company, will constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, provided that enforcement thereof may be limited by laws affecting creditors’ rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, and that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitation Act* (British Columbia).
- (p) No Consents, Approvals etc. The execution and delivery of this Agreement and the fulfilment of the terms hereof by the Company and the issuance, sale and delivery of the Offered Units to be issued and sold by the Company, the issuance and delivery of the Compensation Units and the grant of the Over-Allotment Option, do not and will not require the consent, approval,

authorization, registration or qualification of or with any Governmental Authority, stock exchange or other third party (including under the terms of any Material Agreement or Debt Instrument), except: (i) those which have been obtained or those which may be required and will be obtained prior to the Closing Time under the Securities Laws or the rules of the CSE, including in compliance with the Securities Laws regarding the distribution of the Offered Units, Compensation Units and the Additional Units upon exercise of the Over-Allotment Option in the Qualifying Jurisdictions; and (ii) such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws in connection with the Offering.

- (q) Continuous Disclosure. The Company is in compliance in all material respects with its timely and continuous disclosure obligations under Canadian Securities Laws, including insider reporting obligations, and, without limiting the generality of the foregoing, there has been no material fact or material change relating to the Company which has not been publicly disclosed and the information and statements in the Public Disclosure Record were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations and no material facts have been omitted therefrom which would make such information materially misleading, and the Company has not filed any confidential material change reports which remain confidential as at the date hereof. There are no circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part 11.1 – Civil Liability for Secondary Market Disclosure of the *Securities Act* and analogous provisions under Securities Laws in the other Qualifying Jurisdictions.
- (r) Forward-Looking Information. With respect to forward-looking information contained in the Company's public disclosure documents, including for certainty the Documents Incorporated by Reference:
- (i) the Company has a reasonable basis for the forward-looking information;
  - (ii) all material forward-looking information is identified as such, and all such documents cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information; and
  - (iii) accurately states the material factors or assumptions used to develop forward-looking information.
- (s) Financial Statements. The Financial Statements:
- (i) present fairly, in all material respects, the financial position of the Company on a consolidated basis and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the Company on a consolidated basis for the periods specified in such Financial Statements;
  - (ii) have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved; and
  - (iii) do not contain any misrepresentations, with respect to the period covered by the Financial Statements.
- (t) Off-Balance Sheet Transactions. There are no off-balance sheet transactions, arrangements, obligations or liabilities of the Company or the Subsidiaries whether direct, indirect, absolute, contingent or otherwise.
- (u) Accounting Policies. There has been no change in accounting policies or practices of the Company or its Subsidiary since November 30, 2016, other than as disclosed in the Financial Statements.

- (v) Liabilities. None of the Company, or any of the Subsidiaries has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements, other than liabilities, obligations, or indebtedness or commitments: (i) incurred in the normal course of business; or (ii) which would not, individually or in the aggregate, have a Material Adverse Effect.
- (w) Independent Auditors. The Auditors who reported on and certified the Annual Financial Statements are independent with respect to the Company within the meaning of the rules of professional conduct applicable to auditors in Canada and there has never been a “reportable event” (within the meaning of NI 51-102) with the current, or to the best knowledge of the Company any predecessor, auditors of the Company during the last three years.
- (x) Accounting Controls. The Company maintains, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to monies and investments is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (y) Purchases and Sales. Except as disclosed in the Public Disclosure Record, none of the Company, or any of the Subsidiaries has approved, has entered into any agreement in respect of, or has any knowledge, as the case may be, of:
  - (i) the purchase of any Business Assets or any interest therein, or the sale, transfer or other disposition of any Business Assets or any interest therein currently owned, directly or indirectly, by the Company or any Subsidiary whether by asset sale, transfer of shares, or otherwise, other than as disclosed in the Prospectus;
  - (ii) a transaction which would result in the change of control (by sale or transfer of Common Shares or sale of all or substantially all of the assets of the Company or the Subsidiary or otherwise) of the Company or any Subsidiary; or
  - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares or common shares of any Subsidiary.
- (z) Title to Business Assets. The Company and the Subsidiaries have good, valid and marketable title to and have all necessary rights in respect of all of their material Business Assets as owned, leased, licensed, loaned, operated or used by them or over which they have rights, free and clear of Liens, and no other rights are necessary for the conduct of the Business as currently conducted or as proposed to be conducted. The Company knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Company or the Subsidiaries to use, transfer, lease, license, operate, sell or otherwise exploit such Business Assets and neither the Company nor the Subsidiaries have any obligation to pay any commission, license fee or similar payment to any person in respect thereof, other than as disclosed in the Offering Documents and there are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title or interests in the Business Assets.
- (aa) Compliance with Laws, Regulatory Approvals and Authorizations. All operations of the Company and the Subsidiaries in respect of or in connection with the Business Assets have been and continue to be conducted materially in accordance with best industry practices and in material compliance with all Applicable Laws. The Company and the Subsidiaries have obtained and are in material compliance with all Authorizations to permit them to conduct their Business as currently conducted or proposed to be conducted. All of the Authorizations issued to date are valid and in

full force and effect and none of the Company or any of the Subsidiaries has received any correspondence or notice from any Governmental Authority alleging or asserting material non-compliance with any Applicable Laws or Authorizations. Except as has been disclosed to the Underwriters in writing, none of the Company or any of the Subsidiaries have 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 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.

- (bb) Business Relationships. All agreements with third parties in connection with the Business have been entered into and are being performed by the Company and the Subsidiaries and, to the knowledge of the Company, by all other third parties thereto, in compliance with their terms, in all material respects. There exists no actual or, to the knowledge of the Company, 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 supplier, distributor, or customer, or any group of suppliers, distributors or customers whose business with or whose purchases or inventories/components provided to the business of the Company or the Subsidiaries are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Company or the Subsidiaries..
- (cc) Privacy Protection. Each of the Company and the Subsidiaries has security measures and safeguards in place, consistent with generally accepted industry practice and in compliance with Applicable Laws, to protect personal information it collects from registered customers, users of its technology 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. The Company and the Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Company and the Subsidiaries have taken reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse.
- (dd) Intellectual Property. The Company and the Subsidiaries own or possess the right to use all material patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights necessary for the conduct of their respective businesses, and, to the knowledge of the Company, there has not been any claim to the contrary or any challenge by any other person to the rights of the Company and the Subsidiaries with respect to the foregoing. To the knowledge of the Company, and except as has been disclosed to the Underwriters in writing, the Company's business, including that of the Subsidiaries, as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with in any material respect patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual property or franchise right of any person. No claim has been made against the Company or the Subsidiaries alleging the infringement by the Company or the Subsidiaries of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person.
- (ee) Licenses. Except as disclosed in the Public Disclosure Record, the Company has not assigned , or granted any licenses to use, any Intellectual Property Assets or Trade Secrets, and no person other than the Company and the Subsidiaries has any right, title or interest in or to the Intellectual Property Assets or Trade Secrets.
- (ff) Trade Secrets. The Company has taken reasonable precautions to protect the secrecy, confidentiality, and value of its Trade Secrets. The Company has good title and an absolute right to use the Trade Secrets. The Trade Secrets are not part of the public knowledge or literature, and

to the best knowledge of the Company, have not been used, divulged, or appropriated either for the benefit of any person or entity or to the detriment of the Company. No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way.

- (gg) Intellectual Property Assets. The Company is the owner of all right, title, and interest in and to each of the Intellectual Property Assets, free and clear of all liens, security interests, charges, encumbrances, and other adverse claims, and has the right to use, without payment to a third party, all of the Intellectual Property Assets. All former and current employees, contractors and consultants of the Company have executed written contracts, agreements or other undertakings with the Company that assign all rights to any inventions, improvements, discoveries, or information relating to the business of the Company to the Company. No current or former employee, director, officer, shareholder, consultant or contractor of the Company owns directly or indirectly in whole or in part, any Intellectual Property Asset which the Company is presently using or which is necessary for the conduct of its business as presently conducted and as proposed to be conducted.
- (hh) Royalties. The Company does not have any responsibility or obligation to pay any commission, royalty, license fee or similar payment to any person with respect to any Intellectual Property Assets, Trade Secrets or any other assets of the Company.
- (ii) Restrictions on Use. Except as has been disclosed to the Underwriters in writing, the Company is not aware of any reason as a result of which it is not entitled to make use of and commercially exploit its Intellectual Property Assets.
- (jj) No Violations. Except as has been disclosed to the Underwriters in writing, the Company has received no communication alleging that it has violated or, by conducting its business as proposed, would violate any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity.
- (kk) Restrictions on Business. Other than the Buyatab Settlement Agreement, there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which the Company is a party or by which the Company is otherwise bound that would now or hereafter in any way limit the business or operations of the Company in a particular manner or to a particular locality or geographic region or for a specified period of time.
- (ll) Leased Premises. With respect to any Leased Premises, the Company or its Subsidiaries have the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company or the Subsidiaries occupy the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases.
- (mm) Environmental and Workplace Laws. Each of the Company and the Subsidiaries is currently in compliance, in all material respects, with all Environmental Laws, including all reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of the Company, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws. Neither the Company nor the Subsidiaries have ever received any notice of any non-compliance in respect of Environmental Laws, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation under Environmental Laws or relating to any Hazardous Materials and there are no permits required under Environmental Laws for the conduct of the Business. The facilities and operations of the Company and the Subsidiaries are currently being conducted, and to the knowledge of the Company have been conducted, in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies.



- (nn) Insurance. The Company and the Subsidiaries maintain insurance by insurers of recognized financial responsibility, against such losses, risks and damages to their Business Assets in such amounts that are customary for the business in which they are engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring the Company, the Subsidiaries, and their respective directors, officers and employees, and the Business Assets, are in good standing and in full force and effect in all respects, and not in default. Each of the Company and the Subsidiaries is in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Company or the Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Company has no reason to believe that it will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue the Business at a cost that would not have a Material Adverse Effect, and neither the Company nor the Subsidiaries has failed to promptly give any notice of any material claim thereunder.
- (oo) Material Agreements and Debt Instruments. All Material Agreements and Debt Instruments have been described or disclosed in the Offering Documents and each Material Agreement and Debt Instrument is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Company and the Subsidiaries have, in all material respects, performed all obligations in a timely manner under, and are in compliance, in all material respects, with all terms and conditions (including any financial covenants) contained in each Material Agreement and Debt Instrument. None of the Company or any of the Subsidiaries are in material breach, violation or default nor has they received any notification from any party claiming that the Company or the Subsidiaries are in material breach, violation or default under any Material Agreement or Debt Instrument and no other party, to the knowledge of the Company, is in material breach, violation or default of any term under any Material Agreement or Debt Instrument.
- (pp) No Material Changes. Since November 30, 2016, other than as disclosed in the Offering Documents or disclosed in the Public Disclosure Record: (i) there has been no material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise) business, condition (financial or otherwise), properties, capital or results of operations of the Company and the Subsidiaries considered as one enterprise; and (ii) there have been no transactions entered into by the Company or the Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and the Subsidiaries considered as one enterprise.
- (qq) Absence of Proceedings. Other than as disclosed in the Offering Documents, there is no action, suit, claim, proceeding, inquiry or investigation before or brought by any Governmental Authority, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or the Business Assets (including in respect of any product liability claims) which if determined adversely, would reasonably be expected to have a Material Adverse Effect, or would reasonably be expected to materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Company or any Subsidiary is a party or of which any of their respective property or assets is subject, which are not described in the Offering Documents would not reasonably be expected to result in a Material Adverse Effect.
- (rr) Absence of Defaults and Conflicts. None of the Company or any of the Subsidiaries are in violation, default or breach of, and the execution, delivery and performance of this Agreement, the Offering Documents and the consummation of the transactions and compliance by the Company with its obligations hereunder and thereunder, the sale of the Offered Units, the grant of the Over-Allotment Option and the issuance of the Compensation Units do not and will not, whether with or without the giving of notice or passage of time, or both, result in a violation, default or breach of, or conflict with, or result in a Repayment Event or the creation or imposition of any Lien upon any

property or assets of the Company, including the Business Assets, or the Subsidiaries under the terms or provisions of: (i) any Material Agreements or Debt Instruments; (ii) the articles or by-laws or other constating documents or resolutions of the directors or shareholders of the Company or the Subsidiaries; (iii) any existing Applicable Laws, including Securities Laws; or (iv) any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or the Subsidiaries or any of their assets, properties or operations, other than, in each of the cases in clauses (i) to (iv), those that would not individually or in the aggregate have a Material Adverse Effect.

- (ss) Labour Matters. No material work stoppage, strike, lock-out, labour disruption, dispute grievance, arbitration, proceeding or other conflict with the employees of the Company or the Subsidiaries currently exists or, to the knowledge of the Company, is imminent or pending and the Company and its Subsidiaries are in material compliance with all provisions of all federal, national, regional, provincial and local laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours.
- (tt) Employment Standards. There are no material complaints against the Company or the Subsidiaries before any employment standards branch or tribunal or human rights tribunal, nor to the Company's knowledge any occurrence which would reasonably be expected to lead to a complaint under any human rights legislation or employment standards legislation that would be material to the Company. There are no outstanding decisions or settlements or pending settlements under applicable employment standards legislation which place any material obligation upon the Company or the Subsidiaries to do or refrain from doing any act. The Company and Subsidiaries are currently in material compliance with all workers' compensation, occupational health and safety and similar legislation, including payment in full of all amounts owing thereunder, and to the Company's knowledge there are no pending claims or outstanding orders of a material nature against either of them under applicable workers' compensation legislation, occupational health and safety or similar legislation nor has any event occurred which may give rise to any such material claim.
- (uu) Collective Bargaining Agreements. None of the Company or any of the Subsidiaries are party to any collective bargaining agreements with unionized employees. To the knowledge of the Company, no action has been taken or is being contemplated to organize or unionize any other employees of the Company or the Subsidiaries that would reasonably be expected to have a Material Adverse Effect.
- (vv) Employee Plans. 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 care, 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 for the benefit of any current or former director, officer, employee or consultant of the Company (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans.
- (ww) Taxes. All tax returns, reports, elections, remittances and payments of the Company and the Subsidiaries required by applicable law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be) and are true, complete and correct except where the failure to make such filing, election, or remittance and payment would not constitute a Material Adverse Effect, and all taxes of the Company and of the Subsidiaries have been paid or accrued in the Financial Statements (except as any extension may have been requested or granted and in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect). To the Company's knowledge there are no examinations of any tax return of the Company or the Subsidiaries currently in progress and there are no issues or disputes outstanding with any

governmental authority respecting any taxes that have been paid, or may be payable, by the Company or the Subsidiaries.

- (xx) Anti-Bribery Laws. Neither the Company nor the Subsidiaries nor, to the knowledge of the Company, any director, officer, employee, consultant, representative or agent of the foregoing, has: (i) violated any anti-bribery or anti-corruption laws applicable to the Company or the Subsidiaries, including but not limited to *Canada's Corruption of Foreign Public Officials Act*; or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value to: (A) any Government Official, whether directly or through any other person, for the purpose of: (1) influencing any act or decision of a Government Official in his or her official capacity; (2) inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; (3) securing any improper advantage; (4) inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or (5) assisting any representative of the Company or the Subsidiaries in obtaining or retaining business for or with, or directing business to, any person; or (B) any person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Company nor the Subsidiaries nor, to the knowledge of the Company, any director, officer, employee, consultant, representative or agent of foregoing, has: (i) conducted or initiated any review, audit, or internal investigation that concluded the Company, a subsidiary or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing; or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws.
- (yy) No Significant Acquisitions. The Company has not completed any "significant acquisition" nor is it proposing any "probable acquisitions" (within the meaning of such terms under NI 51-102) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus or the filing of a Business Acquisition Report pursuant to Canadian Securities Laws.
- (zz) Previous Acquisitions. All material acquisitions completed by the Company or the Subsidiaries have been properly disclosed in the Public Disclosure Record, were completed in material compliance with all applicable corporate and Securities Laws and all material corporate and regulatory approvals, consents, authorizations, registrations, and filings required in connection therewith were obtained and complied with.
- (aaa) Company Short Form Eligible. The Company is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to applicable Canadian Securities Laws and on the date of and upon filing of the Final Prospectus there will be no documents required to be filed under the Canadian Securities Laws in connection with the distribution of the Offered Units that will not have been filed as required.
- (bbb) Compliance with Laws. The Company has complied, or will have complied, in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Closing Time in connection with the Offering. The Company is not aware of any legislation or proposed legislation, which it reasonably anticipates will have a Material Adverse Effect.
- (ccc) No Loans. Except as disclosed in the Financial Statements, neither the Company nor the Subsidiaries have made any material loans to or guaranteed the material obligations of any person.
- (ddd) Directors and Officers. To the Company's knowledge none of the directors or officers of the Company are now, or have 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 a particular stock exchange.

- (eee) Minute Books and Records. The minute books and records of the Company and the Subsidiaries made available to counsel for the Underwriters in connection with their due diligence investigation of the Company for the periods requested to the date hereof are all of the minute books and material records of the Company and the Subsidiaries and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Company and the Subsidiaries, as the case may be, to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Company and the Subsidiaries to the date hereof not reflected in such minute books and other records, other than those which have been disclosed to the Underwriters or which are not material in the context of the Company and the Subsidiaries.
- (fff) No Dividends. During the previous 12 months, the Company has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing. There are no restrictions upon or impediment to, the declaration or payment of dividends by the directors of the Company or the payment of dividends by the Company in the constating documents or in any Material Agreements or Debt Instruments.
- (ggg) Fees and Commissions. Other than the Underwriters (and their selling group members) pursuant to this Agreement, there is no other person acting at the request of the Company, or to the knowledge of the Company, purporting to act who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein.
- (hhh) Entitlement to Proceeds. Other than the Company, there is no person that is or will be entitled to demand any of the net proceeds of the Offering.
- (iii) Related Parties. Except as described or disclosed in the Offering Documents, none of the directors, officers or employees of the Company, any known holder of more than 10% of any class of securities of the Company or securities of any person exchangeable for more than 10% of any class of securities of the Company, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the *Securities Act*), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected or is reasonably expected to materially affect the Company and the Subsidiaries, on a consolidated basis. Neither the Company nor the Subsidiaries have any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (within the meaning of the *Income Tax Act (Canada)*) with them.

## **Section 8      Covenants of the Company**

The Company covenants and agrees with the Underwriters, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Units, as follows:

- (1) Notification of Filings. The Company will advise the Underwriters, promptly after receiving notice thereof, of the time when the Offering Documents have been filed and receipts, as applicable, therefor have been obtained and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipts.
- (2) Standstill. The Company will not directly or indirectly, for a period commencing on the date of this Agreement and ending 90 days after the Closing Date, without the prior written consent of the

Underwriters, such consent not to be unreasonably withheld or delayed, issue, agree to issue, or announce an intention to issue any additional debt, Common Shares or any securities convertible into or exchangeable for shares of the Company other than: (a) pursuant to the Over-Allotment Option; (b) pursuant to the stock option plan or the employee purchase plan of the Company; or (c) in connection with the exchange, transfer, conversion or exercise rights of existing outstanding securities or existing commitments to issue securities, including the exercise rights pursuant to the Offered Units.

- (3) Lock-Up Agreements. The Company will cause each of Penny Green, Desmond Griffin and Angela Griffin to enter into lock-up agreements in a form satisfactory to the Company and the Underwriters, each acting reasonably pursuant to which each such person agrees, from the date of this Agreement until the Closing Date, not to directly or indirectly, offer, sell, transfer, pledge or otherwise dispose of or transfer any of the economic consequences of ownership (or announce any intention to do any of the foregoing), of any securities of the Company at a price below \$4.00 per Common Share, whether now owned directly or indirectly, or under their control or direction, without the prior written consent of the Underwriters.
- (4) Right of First Refusal. If, within six months after the Closing Date, the Company requires additional equity financing, the Company will offer to engage the Underwriters as its lead underwriters or private placement agents for 100% of the syndicate (50% for each Underwriter) in connection with such financing, which right will supersede and replace any and all rights of first refusal granted to either of the Underwriters prior to the date of this Agreement. The terms and conditions relating to any such services will be outlined in a separate engagement letter, underwriting agreement or agency agreement and the fees for such services will be in addition to the fees payable under this Agreement, will be negotiated separately and in good faith. If either of the Underwriters does not accept the terms and conditions contained in the Company's offer, the other Underwriter may take all or part of the portion such Underwriter declines. If both of the Underwriters do not accept the terms and conditions contained in the Company's offer, the Company may engage any other person as underwriter or private placement agent, provided that the terms and conditions of any such engagement shall be no more favourable to such other person as the terms and conditions offered by the Company to the Underwriters.
- (5) Maintain Reporting Issuer Status. The Company will use its commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of the Qualifying Jurisdictions, to the date that is at least 24 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Company.
- (6) Maintain Stock Exchange Listing. The Company will use its commercially reasonable best efforts to maintain the listing of the Common Shares (including those issuable pursuant to the Offering) on the CSE or such other recognized stock exchange or quotation system as the Underwriters may approve, acting reasonably, for a period of at least 24 months, following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Company.
- (7) Validly Issued Securities. The Company will, provided it receives payment therefor, ensure that at the Closing Time the Offered Units and the Compensation Units (including the Unit Shares and the Unit Warrants comprising such Compensation Units) have been duly and validly issued as fully paid and non-assessable securities of the Company.
- (8) Use of Proceeds. The Company will use the proceeds of the Offering in the manner specified in the Prospectus under the heading "Use of Proceeds".
- (9) Consents and Approvals. The Company will have made or obtained, as applicable, at or prior to the Closing Time, all consents, approval, permits, authorizations or filings as may be required by the Company under Securities Laws necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Securities Laws and the rules of the CSE.

- (10) Closing Conditions. The Company will have, at or prior to the Closing Time, fulfilled or caused to be fulfilled, each of the conditions set out in Section 10 hereof.

## **Section 9 Representations, Warranties and Covenants of the Underwriters**

- (1) Each Underwriter hereby severally, and not jointly, nor jointly and severally, represents and warrants to the Company, the following:
- (a) Registration. The Underwriters are, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder;
  - (b) Authority. The Underwriters have 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) Marketing Materials. The Underwriters have not provided any marketing materials to any potential investors in connection with the Offering.
- (2) The Underwriters hereby severally, and not jointly, nor jointly and severally, covenant and agree with the Company, the following:
- (a) Jurisdictions and Offering Price. During the period of distribution of the Offered Units by or through the Underwriters, the Underwriters will offer and sell the Offered Units to the public only in the Selling Jurisdictions where they may lawfully be offered for sale upon the terms and conditions set forth in the Offering Documents and this Agreement either directly or through its Selling Group. The Underwriters will be entitled to assume that the Offered Units are qualified for distribution in any Qualifying Jurisdiction where the Final Receipt will have been obtained following the filing of the Final Prospectus.
  - (b) Compliance with Securities Laws. The Underwriters will comply with applicable Securities Laws in connection with the offer and sale and distribution of the Offered Units.
  - (c) Sales. The Underwriters will not directly or indirectly, solicit offers to purchase or sell the Offered Units or deliver any Offering Document to purchasers so as to require registration of the Offered Units or the filing of a prospectus or registration statement with respect to the Offered Units under the Laws of any jurisdiction other than the Qualifying Jurisdictions.
  - (d) Completion of Distribution. The Underwriters will use their commercially reasonable best efforts to complete the distribution of the Offered Units as promptly as possible after the Closing Time. The Underwriters will notify the Company when the Underwriters have ceased the distribution of the Offered Units, and, within thirty days after the Closing Date, will provide the Company, in writing, with a breakdown of the number of Offered Units distributed: (i) in each of the Qualifying Jurisdictions; and (ii) in any other Selling Jurisdictions.
  - (e) Liability on Default. No Underwriter will be liable to the Company under this Section 9 with respect to a breach or default by the other Underwriter.

## **Section 10 Conditions of Closing**

The Underwriters' obligation to purchase the Offered Units pursuant to this Agreement (including the obligation to complete the purchase of the Base Units and the Additional Units, as the case may be) will be subject to the following conditions having been met at the Closing Time:

- (1) the Underwriters receiving favourable legal opinions from Stikeman Elliott LLP, counsel to the Company (who may rely, to the extent appropriate in the circumstances, acting reasonably, on the opinions of local

counsel acceptable to counsel to the Underwriters as to the qualification of the Offered Units 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 auditor or transfer agent of the Company), substantially to the effect set forth below, subject to customary assumptions, qualifications and limitations:

- (a) the Company is a corporation validly incorporated and existing under the *Business Corporations Act* (British Columbia) and has all requisite corporate power and capacity to carry on business and to own and lease properties and assets;
- (b) the Company has all necessary corporate power and authority to: (i) execute, deliver and perform its obligations under this Agreement; (ii) to issue and sell the Offered Units; (iii) to issue the Compensation Units; and (iv) to grant the Over-Allotment Option;
- (c) the authorized and issued capital of the Company;
- (d) all necessary corporate action has been taken by the Company to authorize the execution and delivery of this Agreement and the performance of its obligations thereunder and this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such 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 may be limited by applicable law;
- (e) the execution and delivery of this Agreement and the fulfilment of the terms thereof by the Company and the issuance, sale and delivery of the Offered Units and the Compensation Units and the grant of the Over-Allotment Option, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the articles and by-laws of the Company, any resolutions of the shareholders or directors of the Company, or any applicable corporate law or Canadian Securities Laws;
- (f) all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus and the Final Prospectus (and any Supplementary Material) and the filing thereof with the Securities Commissions in the Qualifying Jurisdictions;
- (g) the Offered Units have been validly issued as fully paid and non-assessable securities in the capital of the Company;
- (h) all necessary documents have been filed, all necessary proceedings have been taken and all necessary authorizations, approvals, permits, consents and orders have been obtained under Canadian Securities Laws to qualify the distribution to the public of the Offered Units and the Compensation Units (including the Unit Shares, Unit Warrants, Subsequent Unit Shares, Subsequent Unit Warrants and Subsequent Warrant Shares) in the Qualifying Jurisdictions by or through persons who are duly registered under the applicable Canadian Securities Laws and who have complied with the relevant provisions of such applicable Canadian Securities Laws and to qualify the grant of the Over-Allotment Option to the Underwriters;
- (i) subject to the qualifications and assumptions set out therein, the statements set forth in the Preliminary Prospectus and the Final Prospectus under the caption "Eligibility for Investment", insofar as they purport to describe the provisions of the laws referred to therein, are fair summaries of the matters discussed therein; and

- (j) subject only to the standard listing conditions, the Unit Shares, the Subsequent Unit Shares and the Subsequent Warrant Shares have been conditionally approved for listing on the CSE,  
in form and substance acceptable to the Underwriters and their counsel, acting reasonably;
- (2) the Underwriters receiving favourable legal opinions from Stikeman Elliott LLP, legal counsel to the Company, regarding each Subsidiary in form and substance acceptable to the Underwriters and their counsel, acting reasonably, substantially to the effect set out below:
  - (a) the Subsidiary having been incorporated and existing under its jurisdiction of incorporation;
  - (b) the Subsidiary having all requisite corporate power and capacity to carry on business and to own and lease properties and assets; and
  - (c) as to the authorized and issued share capital of the Subsidiary and to the ownership thereof;
- (3) the Underwriters having received certificates dated the Closing Date and signed by two senior officers of the Company as may be acceptable to the Underwriters, acting reasonably, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to:
  - (a) the constating documents of the Company;
  - (b) the resolutions of the directors of the Company relevant to the Offering Documents, the sale of the Offered Units, the grant of the Over-Allotment Option and the authorization of this Agreement and the transactions contemplated herein;
  - (c) the incumbency and signatures of signing officers for the Company; and
  - (d) such other matters as the Underwriters may reasonably request.
- (4) the Underwriters receiving certificates of status and/or compliance, where issuable under applicable law, for the Company and each of the Subsidiaries, each dated within one Business Day prior to the Closing Date;
- (5) the Underwriters receiving the auditors “bring down” comfort letter dated the Closing Date from the Auditors, in form and substance satisfactory to the Underwriters, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letters referred to in Section 4(1)(c) hereof;
- (6) the Underwriters receiving a certificate dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer or such other senior officer(s) of the Company as may be acceptable to the Underwriters, certifying for and on behalf of the Company and without personal liability, after having made due enquiries, that:
  - (a) the representations and warranties of the Company contained in this Agreement, and in any certificates of the Company delivered pursuant to or in connection with this Agreement, are true and correct in all material respects as of the Closing Time as if such representations and warranties were made as at the Closing Time, after giving effect to the transactions contemplated hereby;
  - (b) the Company has complied in all material respects with all the covenants and satisfied in all material respects all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
  - (c) no order, ruling or determination having the effect of suspending the sale or ceasing the trading or prohibiting the sale of the Offered Units or any other securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no



proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;

- (d) since the respective dates as of which information is given in the Final Prospectus: (i) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects or capital of the Company on a consolidated basis; and (ii) no transaction has been entered into by any of the Company or the Subsidiaries which is material to the Company on a consolidated basis, other than as disclosed in the Final Prospectus or the Supplementary Material, as the case may be; and
- (e) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Final Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or which would result in the Final Prospectus not complying with applicable Securities Laws;
- (7) the Underwriters receiving the executed lock-up agreements from each of Penny Green and Desmond Griffin in favour of the Underwriters in a form satisfactory to the Underwriters as required pursuant to Section 8(3) of this Agreement;
- (8) the Underwriters receiving a certificate from Computershare Investor Services Inc. as to the number of Common Shares and the number of warrants of the Company issued and outstanding as at the end of the Business Day on the date prior to the Closing Date;
- (9) 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 Units or any of the Company's issued securities being issued and no proceeding for such purpose being pending or, to the knowledge of the Company, threatened by any securities regulatory authority or the CSE;
- (10) the Company having delivered to the Underwriters evidence of the approval (or conditional approval) of the listing and posting for trading of the Unit Shares (including such Unit Shares issuable pursuant to the Compensation Units), the Subsequent Unit Shares and the Subsequent Warrant Shares on the CSE, subject only to satisfaction by the Company of standard listing conditions;
- (11) the Company complying with all of its covenants and obligations under this Agreement required to be satisfied at or prior to the Closing Time;
- (12) the Company having delivered to the Underwriters any and all third party consents required in order to complete the Offering as contemplated herein and to apply the proceeds as set forth in the Offering Documents;
- (13) the Underwriters not having exercised any rights of termination set forth herein; and
- (14) the Underwriters having received such further certificates, opinions of counsel and other documentation from the Company contemplated herein, provided, however, that the Underwriters or their counsel will request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Company to obtain and deliver such certificate, opinion or document.

## **Section 11 Closing**

- (1) Location of Closing. The Offering will be completed electronically, and concurrently at the offices of Stikeman Elliott LLP in Vancouver, British Columbia at the Closing Time.
- (2) Securities. At the Closing Time, subject to the terms and conditions contained in this Agreement, the Company will deliver to the Underwriters in Vancouver, British Columbia, the Offered Units and the

Compensation Units in electronic or certificated form, registered as directed by the Underwriters in writing not less than 24 hours prior to the Closing Time, against payment to the Company by the Underwriters of the aggregate Offering Price for the Offered Units being issued and sold hereunder by wire transfer or certified cheque, net of the Commission and expenses of the Underwriters payable by the Company as set out in this Agreement.

## **Section 12 Closing of the Over-Allotment Option**

- (1) Written Notice of Exercise. The Over-Allotment Option may be exercised for a period of 30 days from and including the Closing Date. The Underwriters will provide written notice to the Company of their election to exercise the Over-Allotment Option, which notice will set forth: (a) the aggregate number of Additional Units to be purchased; and (b) the closing date for the Additional Units; provided, however, that such closing date will not be less than three Business Days and no more than seven Business Days following the date of such notice, and in any event not later than the 30th day following the Closing Date.
- (2) Closing. The purchase and sale of the Additional Units, if required, will be completed at such time and place as the Underwriters and the Company may agree, and in accordance with Section 12(1) above.
- (3) Securities. At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement, the Company will deliver to the Underwriters the Additional Units and the Compensation Units issuable pursuant thereto, in electronic or certificated form, registered as directed by the Underwriters, against payment to the Company by the Underwriters of the aggregate Offering Price for the Additional Units being issued and sold by wire transfer or certified cheque, net of the Commission and any expenses of the Underwriters payable by the Company as set out in this Agreement.
- (4) Deliveries. The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 10 relating to closing deliveries) will apply mutatis mutandis to the Closing of the issuance of any Additional Units pursuant to any exercise of the Over-Allotment Option.
- (5) Adjustments. In the event that the Company will subdivide, consolidate, reclassify or otherwise change the Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Offering Price and to the number of Additional Units issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

## **Section 13 Indemnification and Contribution**

- (1) The Company and its subsidiaries or affiliated companies, as the case may be (collectively, the “**Indemnitor**”) agrees to indemnify and hold harmless each of the Underwriters, and each of their subsidiaries and affiliates and each of their respective directors, officers, employees, securityholders and agents (collectively, the “**Indemnified Parties**” and individually an “**Indemnified Party**”) to the full extent lawful, from and against all expenses, fees, losses, claims, actions, damages, obligations and liabilities, joint or several, of any nature (including the reasonable fees and expenses of their respective counsel and other expenses, but not including any amount for lost profits) (collectively, “**Losses**”) that are incurred in investigating, defending and/or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party (collectively, the “**Claims**”) or to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims arise out of or are based upon, directly or indirectly, 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, together with any Losses that are incurred in enforcing this indemnity. This indemnity will not be available to an Indemnified Party in respect of Losses incurred where a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted solely from the fraud, gross negligence or wilful misconduct of the Indemnified Party

- (2) If for any reason (other than a determination as to any of the events referred to immediately above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor will 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 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 will in any event contribute to the Losses paid or payable by an Indemnified Party as a result of such Claim, the amount (if any) equal to: (a) such amount paid or payable, minus (b) the amount of the Commission received by the Underwriters 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 will 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 Underwriters are responsible and the amount of the Commission received by the Underwriters.
- (3) The Indemnitor agrees that in case any Claim will be brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or will be required to respond to procedures designed to discover information regarding, in connection with or by reason of the performance of professional services rendered to the Company by the Indemnified Parties hereunder, the Indemnified Party will 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 for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and out-of-pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) will be paid by the Indemnitor as they occur.
- (4) The Underwriters will notify the Indemnitor promptly in writing after receiving notice of any Claim against the Underwriters or any other Indemnified Party or 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 hereunder, stating the particulars thereof, will provide copies of all relevant documentation to the Indemnitor and, unless the Indemnitor assumes the defence thereof, will keep the Indemnitor advised of the progress thereof and will discuss all significant actions proposed. The omission to so notify the Indemnitor will 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 materially prejudices the defence of such Claim or results in any material increase in the liability under this indemnity which the Indemnitor would otherwise have incurred had the Underwriters not so delayed in giving, or failed to give, the notice required hereunder.
- (5) The Indemnitor will be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by counsel of good standing acceptable to the Underwriters, on behalf of the Underwriters, acting reasonably. Upon the Indemnitor notifying the Underwriters, in writing of its election to assume the defence and retaining counsel, the Indemnitor will not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the Underwriters (in all cases on behalf of the Underwriters), will keep the Underwriters advised of the progress thereof and will discuss with the Underwriters all significant actions proposed.
- (6) Notwithstanding the foregoing paragraph, any Indemnified Party will also have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of any Claim if: (a) the employment of such counsel has been authorized by the Indemnitor; (b) the Indemnitor has not assumed the defence and employed counsel therefor promptly after receiving notice of the Claim; or (c) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor or that there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the Claim may not fall within

the indemnity set forth herein (in any of which events the Indemnitor will not have the right to assume or direct the defence on such Indemnified Party's behalf), provided that the Indemnitor will not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.

- (7) A party hereunder will not, without the other party's prior written consent, such consent not to be unreasonably withheld or delayed, settle, compromise, 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.
- (8) The rights accorded to the Indemnified Parties hereunder will 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 Underwriters are acting as trustees for each of the other Indemnified Parties of the Indemnitor's covenants under this indemnity and the Underwriters 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 will be in addition to any liability which the Indemnitor may otherwise have, will extend upon the same terms and conditions to the Indemnified Parties who are not signatories hereto and will be binding upon and enure to the benefit of any successors, permitted assigns, heirs and personal representatives of the Company and the Indemnified Parties.

#### **Section 14 Compensation of the Underwriters**

In consideration of the services to be rendered by the Underwriters in connection with the Offering, the Company will pay to PI, on behalf of the Underwriters, at the Closing Time: (i) 7.0% of the aggregate gross proceeds received from the sale of the Offered Units (including for certainty on any exercise of the Over-Allotment Option and Offered Unit orders under the President's List) payable in cash (the "**Commission**"); and (ii) 7.0% of the total number of Offered Units sold (including for certainty on any exercise of the Over-Allotment Option and Offered Unit orders under the President's List) under the Offering payable in Offered Units (the "**Compensation Units**"). The Commission will be netted out of the gross proceeds of the Offering.

#### **Section 15 Expenses**

Whether or not the purchase and sale of the Offered Units will be completed, all costs and expenses of or incidental to the sale and delivery of the Offered Units and of or incidental to all matters in connection with the transactions herein will be borne by the Company, including, without limitation, all expenses of or incidental to the issue, sale or distribution of the Offered Units, the fees and expenses of the Company's counsel, Auditors and independent experts, all costs incurred in connection with the preparation of documents relating to the Offering, and the reasonable expenses and fees incurred by the Underwriters which includes but is not limited to out-of-pocket and travel expenses in connection with due diligence and marketing meetings of the Underwriters and the reasonable fees and disbursements of the Underwriters' legal counsel and applicable taxes thereon. The Underwriters' expenses will be netted out of the gross proceeds of the Offering.

#### **Section 16 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 and each of the Company and the Underwriters will use its respective commercially reasonable efforts to cause all such conditions to be complied with. It is understood that the Underwriters 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 Underwriters in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing.

## **Section 17 Termination by Underwriters in Certain Events**

- (1) Each Underwriter will also be entitled to terminate its obligation to purchase the Offered Units by written notice to that effect given to the Company at or prior to the Closing Time if:
  - (a) Material Change Out - there is a material change or a change in a material fact or new material fact will arise, or there should be discovered any previously undisclosed material fact required to be disclosed in the Preliminary Prospectus, the Final Prospectus or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of the Underwriters (or any of them), a material adverse change or effect on the business or affairs of the Company or on the market price or value of the securities of the Company;
  - (b) Disaster Out - (i) there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Underwriters (or any one of them) acting reasonably, adversely or materially affects or involves or may adversely and materially affect or involve the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole or the market price or value of the securities of the Company; (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any one of the officers or directors of the Company or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the CSE or Securities Commissions which involves a finding of wrong-doing; or (iii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Company is made or threatened by a securities regulatory authority; or
  - (c) Breach Out - 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 or is false in any material respect.
- (2) If this Agreement is terminated by any of the Underwriters pursuant to Section 17(1), there will 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 13 and Section 15.
- (3) The right of the Underwriters or any of them to terminate their respective 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. A notice of termination given by one Underwriter under this Section 17 will not be binding upon the other Underwriter.

## **Section 18 Obligations of the Underwriters to be Several**

- (1) Subject to the terms and conditions hereof, the obligation of the Underwriters to purchase the Offered Units will be several and not joint. The percentage of the Offered Units to be severally purchased and paid for by each of the Underwriters will be as follows:

Echelon Wealth Partners Inc.	50%
PI Financial Corp.	50%

- (2) If an Underwriter will not complete the purchase and sale of its applicable percentage of the aggregate amount of the Offered Units at the Closing Time for any reason whatsoever, including by reason of Section 17 hereof, the other Underwriters will have the right, but will not be obligated, to purchase the Offered Units which would otherwise have been purchased by the Underwriter which fails to purchase. If,

with respect to the Offered Units, the non-defaulting Underwriters elect not to exercise such rights to assume the entire obligations of the defaulting Underwriter, then the Company will have the right to either: (a) proceed with the sale of the Offered Units (less the defaulted Offered Units) to the non-defaulting Underwriters; or (b) terminate its obligations hereunder without liability except pursuant to the provisions of Section 13 and Section 15 in respect of the non-defaulting Underwriters. No action taken pursuant to this Section 18 will relieve any defaulting Underwriter(s) from liability in respect of its default to the Company or to any non-defaulting Underwriter.

## **Section 19 Notices**

Any notice or other communication required or permitted to be given hereunder will be in writing and will be delivered, in the case of the Company, to:

Glance Technologies Inc.  
1238 Homer Street, Suite 200  
Vancouver, BC V6B 2Y5

Attention: Penny Green, President and COO  
Email: penny@glancepay.com

with a copy of any such notice to:

Stikeman Elliott LLP  
666 Burrard Street  
Vancouver, British Columbia V6C 3N1

Attention: Neville McClure  
Email: nmclure@stikeman.com

in the case of the Underwriters, to:

Echelon Wealth Partners Inc.  
The Exchange Tower  
130 King Street West, Suite 2500  
Toronto, Ontario M5X 2A2

Attention: David Anderson  
Email: danderson@echelonpartners.com

PI Financial Corp.  
Park Place  
666 Burrard Street  
Vancouver, British Columbia V6C 3N1

Attention: Blake Corbet  
Email: bcorbet@pifinancialcorp.com

with a copy of any such notice to:

Fasken Martineau DuMoulin LLP  
2900 - 550 Burrard Street  
Vancouver, British Columbia V6C 0A3

Attention: Michael Stephens  
Email: mstephens@fasken.com

The Company and the Underwriters may change their respective addresses for notices by notice given in the manner aforesaid. Any such notice or other communication will be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, will be given by physical delivery or by email and will be deemed to have been given when: (a) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (b) in the case of a notice delivered or given by email on the first business day following the day on which it is sent.

## **Section 20      Miscellaneous**

- (1)      Actions of Underwriters. Except with respect to Section 13, Section 17 and Section 18, all transactions and notices on behalf of the Underwriters hereunder or contemplated hereby may be carried out or given on behalf of the Underwriters by either Underwriter and the Underwriters will in good faith discuss with each other the nature of any such transactions and notices prior to giving effect thereto or the delivery thereof, as the case may be.
- (2)      Successors and Assigns. This Agreement will enure to the benefit of, and will be binding upon, the Underwriters and the Company and their respective successors and legal representatives.
- (3)      Governing Law. This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (4)      Time of the Essence. Time will be of the essence hereof and, following any waiver or indulgence by any party, time will again be of the essence hereof.
- (5)      Interpretation. The words, “**hereunder**”, “**hereof**” and similar phrases mean and refer to the Agreement formed as a result of the acceptance by the Company of this offer by the Underwriters to purchase the Offered Units.
- (6)      Survival. All representations, warranties, covenants and agreements of the Company and/or the Underwriters herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale herein contemplated will survive for a period ending on the date that is three years following the Closing Date. Notwithstanding the preceding sentence, Section 13 will survive the purchase and sale of the Offered Units and the termination of this Agreement and will continue in full force and effect for the benefit of the Underwriters or the Company, as the case may be, regardless of any subsequent disposition of the Offered Units or any investigation by or on behalf of the Underwriters with respect thereto without limitation other than any limitation requirements of applicable law. The Underwriters and the Company will be entitled to rely on the representations and warranties of the Company or the Underwriters, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriters or the Company may undertake or which may be undertaken on their behalf.
- (7)      Electronic Copies. Each of the parties hereto will be entitled to rely on delivery of a PDF copy of this Agreement and acceptance by each such party of any such PDF copy will be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.
- (8)      Severability. If one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (9)      Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which when taken together will constitute one and the same agreement.

- (10) Several and Joint. In performing their respective obligations under this Agreement, the Underwriters will be acting severally and not jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Underwriters.
- (11) Market Stabilization Activities. In connection with the distribution of the Offered Units, the Underwriters (or any of them) 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 Underwriters at any time.
- (12) No Fiduciary Duty. The Company acknowledges that in connection with the Offering, the Underwriter: (a) have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company or any other person; (b) owe the Company only those duties and obligations set forth in this Agreement; and (c) may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the Offering.
- (13) Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and will supersede any and all prior negotiations and understandings in respect of the Offering, including the engagement letter dated November 28, 2017. This Agreement may be amended or modified in any respect by written instrument only.
- (14) Further Assurances. Each of the parties hereto will do or cause to be done all such acts and things and will execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

*[Remainder of Page Intentionally Left Blank]*



If this Agreement accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to us.

Yours very truly,

**ECHELON WEALTH PARTNERS INC.**

By: (Signed) "Farooq Moosa"  
Name: Farooq Moosa  
Title: Managing Director, Investment Banking

**PI FINANCIAL CORP.**

By: (Signed) "Blake Corbet"  
Name: Blake Corbet  
Title: Head of Technology & Healthcare Investment Banking

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

**GLANCE TECHNOLOGIES INC.**

By: (Signed) "Penny Green"  
Penny Green  
President & COO

**SCHEDULE A  
SUBSIDIARIES**

*This is Schedule "A" to the underwriting agreement dated December 4, 2017 between Glance Technologies Inc. and Echelon Wealth Partners Inc. and PI Financial Corp.*

<b>Name</b>	<b>Jurisdiction of Incorporation</b>	<b>Authorized Share Capital</b>	<b>Issued and Outstanding Shares</b>
Glance Pay Inc.	British Columbia	Unlimited	31,500,000
Glance Pay USA, Inc.	Nevada, USA	100,000,000	50,00,000

**SCHEDULE B**  
**EXISTING RIGHTS**

*This is Schedule "B" to the underwriting agreement dated December 4, 2017 between Glance Technologies Inc. and Echelon Wealth Partners Inc. and PI Financial Corp.*

1. 5,472,822 options to acquire Common Shares pursuant to the Corporation's stock option plan, with exercise prices ranging from \$0.15 to \$2.60 and expiry dates ranging from May 17, 2018 to November 22, 2022.
2. 15,772,363 warrants to acquire Common Shares with exercise prices ranging from \$0.18 to \$1.10 and expiry dates ranging from November 29, 2017 to November 29, 2019.