UNDERWRITING AGREEMENT

February 28, 2017

iAnthus Capital Holdings, Inc.
420 Lexington Avenue
Suite 300
New York, New York 10170
United States

Attention: Hadley Ford, Chief Executive Officer

Dear Sirs:

Canaccord Genuity Corp. (the "Lead Underwriter") and Beacon Securities Limited (together with the Lead Underwriter, the "Underwriters") understand that iAnthus Capital Holdings, Inc. (the "Corporation") proposes to issue and hereby offers to sell, and the Underwriters hereby severally, and not jointly or jointly and severally, offer to purchase, on a "bought deal", private placement basis, or find Substituted Purchasers (as hereinafter defined) to purchase on their behalf, $20,000,000 aggregate principal amount of 8% senior unsecured convertible debentures (the "Debentures") of the Corporation maturing February 28, 2019 (the "Maturity Date"), at a price of $1,000 per Debenture (the "Purchase Price"), for aggregate gross proceeds to the Corporation of $20,000,000, subject to the terms and conditions set out below (the "Offering").

Each Debenture will be dated as of the Closing Date (as hereinafter defined) and will bear interest at a rate of 8% per annum (on the basis of a 360-day year composed of twelve 30-day months) from the date of issue, payable semi-annually in arrears on the last day of February and August in each year, commencing August 31, 2017. Subject to any required regulatory approval and provided no event of default has occurred and is continuing, the Corporation shall have the option to pay such interest by delivering such number of freely tradable, pursuant to Canadian Securities Laws, common shares of the Corporation (the "Common Shares") as may be required to the Trustee (as hereinafter defined) for sale, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest owed from the proceeds of the sale of such requisite number of Common Shares by the Trustee. The Debentures will be convertible into Common Shares at the option of the holder at any time prior to the close of business on the earlier of: (i) the last Business Day (as hereinafter defined) immediately preceding the Maturity Date, and (ii) the date fixed for redemption, at a conversion price of $3.10 per Common Share, subject to acceleration and adjustment in certain events (the "Conversion Price"). Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion. Beginning on the date that is four months plus one day following the Closing Date, the Corporation may force the conversion of all of the principal amount of the then outstanding Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than $4.50 for any 10 consecutive trading days. The Debentures shall be duly and validly created and issued pursuant to, and governed by, a trust indenture (the "Indenture") to be entered into between Computershare Trust Company of Canada (the "Trustee"), in its capacity as debenture trustee thereunder, and the Corporation, to be dated as of the Closing Date. The description of the Debentures herein is a summary only and is subject to the specific attributes and detailed provisions of the Debentures to be set forth in the Indenture. In case of any inconsistency between the description of the Debentures in this Agreement (as hereinafter defined) and the terms of the Debentures as set forth in the Indenture, the provisions of the Indenture shall govern.

The Corporation understands that although this Agreement is presented on behalf of the Underwriters as the purchasers, the Underwriters will have the right to solicit orders and obtain substituted purchasers (the "Substituted Purchasers") in the Offering Jurisdictions (as hereinafter defined) where the Debentures may be lawfully sold pursuant to the terms and conditions hereof, in which case (a) the Corporation will sell such Debentures (or part thereof) to such Substituted Purchasers, and (b) the obligation of the Underwriters to purchase the Debentures from the Corporation shall be reduced by the number of Debentures purchased by the Substituted Purchasers.

The Underwriters shall be entitled to appoint a soliciting dealer group consisting of other registered dealers subject to acceptance by the Corporation (each a "Selling Firm") as their agents to assist in the Offering. Any fee payable to such dealer(s) shall be for the account of the Underwriters and shall be negotiated between the Underwriters and the Selling Firm(s).

In consideration of the services to be rendered by the Underwriters hereunder, the Corporation shall pay to the Underwriters at the Closing (as hereinafter defined) a cash commission equal to 5% of the gross proceeds of the Offering (the "Commission"); provided that the Commission will be reduced to 2.5% in respect of subscriptions received, to a maximum of $750,000 of Debentures, from persons included on a president's list to be provided by the Corporation. The obligation of the Corporation to pay the Commission shall arise at Closing (as hereinafter defined) and the Commission shall be fully earned by the Underwriters at the Closing Time (as hereinafter defined).

The parties acknowledge that Debentures, the Common Shares issuable upon conversion of the Debentures and any Common Shares issuable in satisfaction of the interest obligations of the Corporation (collectively, the "**Underlying Securities**") have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) and the Debentures may not be offered or sold in the United States (as hereinafter defined) or to, or for the account or benefit of, U.S. Persons (as hereinafter defined) or persons in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws in the manner specified in this Agreement. All actions to be undertaken by the Underwriters in the United States in connection with the matters contemplated herein will be undertaken through the U.S. Placement Agents (as hereinafter defined).

Terms and Conditions

Section 1 Definitions

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

"**affiliate**", "**associate**", "**distribution**", "**misrepresentation**", "**material fact**" and "**material change**" shall have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

"**Agreement**" means the agreement resulting from the acceptance by the Corporation of the offer made by the Underwriters hereby, including all schedules hereto, as amended or supplemented from time to time;

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

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

"**Claims**" shall have the meaning ascribed thereto in subsection 10(1);

"**Closing**" means the closing on the Closing Date of the transaction of purchase and sale in respect of the Debentures as contemplated by this Agreement and the Subscription Agreements;

"**Closing Date**" means the date of Closing in respect of the Debentures, which shall be on February 28, 2017, or such other date on which a Closing occurs as agreed to between the Corporation and the Lead Underwriter;

"**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as agreed to between the Corporation and the Lead Underwriter;

"**Common Shares**" means the common shares of the Corporation which the Corporation is authorized to issue as constituted on the date hereof;

"**Corporation**" has the meaning given to that term in the first paragraph of this Agreement;

"**Corporation's Auditors**" means BDO Canada LLP, or such other firm of chartered accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

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

"**Disclosure Documents**" means, collectively, all of the documentation which has been filed by or on behalf of the Corporation on or after January 1, 2016 with the relevant Securities Regulators pursuant to the applicable Securities Laws;

"**Engagement Letter**" means the letter agreement dated as of February 6, 2017 between the Corporation and the Lead Underwriter relating to the Offering, as amended;

"**FWR Loan Agreement**" means a loan agreement dated June 23, 2015, between iAnthus Capital Management LLC, as lender, and FWR Inc., as borrower, in the principal amount of up to US$915,000;

"**Governmental Authority**" means and includes, without limitation, any national, 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;

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

"**Intellectual Property**" means all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, licenses, industrial designs, know-how (including trade secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), computer software, inventions, designs and other industrial or intellectual property of any nature whatsoever;

"**Investments**" means each of the investments of the Corporation disclosed in the Disclosure Documents;

"**Laws**" means the Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

"**Material Adverse Effect**" or "**Material Adverse Change**" means any change, event, violation, inaccuracy, circumstance, development or effect that is materially adverse to the business, assets (including intangible assets), capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of the Corporation and its Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business;

"**Maturity Date**" means February 28, 2019;

"**NI 45-102**" means National Instrument 45-102 – *Resale of Securities*;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*;

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

"**Offering Jurisdictions**" means the Qualifying Provinces, the United States and such other jurisdictions consented to by the Corporation and the Lead Underwriter where the Debentures are sold pursuant to this Agreement and such other jurisdictions as the Underwriters determine, in their discretion, provided such sales are made in accordance with applicable Laws and do not obligate the Corporation to file a prospectus, become a reporting issuer or become subject to continuous disclosure requirements (or their equivalents in such jurisdictions in each case);

"**Permits**" means all licences, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or otherwise);

"**person**" shall mean any individual, company, corporation, partnership, limited partnership, limited liability company, joint venture, sole proprietorship, association, trust, trustee or other legal entity;

"**Purchasers**" means, collectively, the persons (which may include the Underwriters) who are Substituted Purchasers or Qualified Institutional Buyers who, as purchasers or beneficial purchasers, acquire the Debentures by duly completing, executing and delivering the Subscription Agreements and any other required documentation and permitted assignees or transferees of such persons from time to time;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as that term is defined in Rule 144A;

"**Qualifying Provinces**" means each of the provinces of Canada where the Debentures are sold pursuant to this Agreement;

"**Regulation S**" means Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"**Reporting Provinces**" means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Newfoundland and Labrador;

"**Rule 144A**" means Rule 144A adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;

"**Securities Laws**" means, unless the context otherwise requires, all applicable securities laws in each of the Qualifying Provinces, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, multilateral and national instruments, orders, blanket rulings, notices and other regulatory instruments of the securities regulatory authorities in such jurisdictions and, in connection with the offer and sale of the Debentures in the United States, all applicable securities laws in the United States, including the U.S. Securities Act and the securities laws of any state of the United States, any territory or possession of the United States or the District of Columbia;

"**Securities Regulators**" means, collectively, the CSE and the securities commissions or other securities regulatory authorities in the Offering Jurisdictions;

"**Subscription Agreements**" means, collectively, the subscription agreements or, in the case of Purchasers that are Qualified Institutional Buyers, qualified institutional buyer investment letters, in the respective forms agreed to by the Underwriters and the Corporation pursuant to which Purchasers agree to purchase the Debentures as contemplated herein, and shall include, for greater certainty, all schedules and exhibits thereto;

"**subsidiary**" means a subsidiary for purposes of the *Securities Act* (British Columbia);

"**Subsidiaries**" means, collectively, iAnthus Transfer Corp., iAnthus Formation Corp., iAnthus Capital Management LLC, Scarlet Globemallow, LLC and Bergamot Properties, LLC and "**Subsidiary**" means any one of them;

"**Transaction Documents**" means, collectively, this Agreement, the Subscription Agreements, the Indenture, and the certificates, if any, representing the Debentures;

"**Trustee**" means Computershare Trust Company of Canada, as trustee under the Indenture;

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

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

"**U.S. Placement Agent**" means any U.S.-registered broker-dealer affiliate of an Underwriter; and

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

Section 2 Offering and Sale of the Debentures

(1) **Bought Deal**. Upon and subject to the terms and conditions set forth herein, the Underwriters, severally and not jointly nor jointly and severally, in the respective percentages set out in Section 12, hereby agree to purchase from the Corporation, and the Corporation hereby agrees to issue and sell to the Underwriters, all (but not less than all) of the Debentures at the Closing Time for the Purchase Price.

(2) **Sale on Exempt Basis to the Purchasers.** The Corporation understands that, although the offer to act as Underwriters with respect to the Debentures is made hereunder by the Underwriters to the Corporation as purchasers, the Underwriters have the right to:

(a) arrange for the Debentures to be purchased by the Purchasers:

(i) in the Qualifying Provinces on a private placement basis in compliance with applicable Securities Laws;

(ii) in such other jurisdictions (other than the United States), as may be agreed upon between the Corporation and the Lead Underwriter, on a private placement basis in compliance with all applicable securities laws of such other jurisdictions provided that (i) no prospectus, registration statement or similar document is required to be filed in such jurisdiction, (ii) no registration or similar requirement would apply with respect to the Corporation in such other jurisdictions, and (iii) the Corporation does not thereafter become subject to on-going continuous disclosure obligations in such other jurisdictions; and

(b) resell any Debentures to, or for the account or benefit of, Purchasers that are persons in the United States or U.S. Persons (through the U.S. Placement Agent) pursuant to transactions that are exempt from registration under the U.S. Securities Act and applicable state securities laws, all such offers and sales under this Agreement to be carried out and completed in accordance with the terms and conditions set out in Schedule "A" to this Agreement and applicable Securities Laws.

(3) **Filings.** The Corporation undertakes to file, or cause to be filed, all forms or undertakings required to be filed by the Corporation in connection with the purchase and sale of the Debentures so that the distribution of the Debentures may lawfully occur without the necessity of filing a prospectus or offering memorandum in Canada (but on terms that will permit the Debentures acquired by the Purchasers in the Offering Jurisdictions to be sold by such Purchasers in the Offering Jurisdictions subject to, and in compliance with, applicable hold periods and other restrictions under applicable Securities Laws) and the Underwriters undertake to use their commercially reasonable efforts to cause Purchasers to complete any forms required by applicable Securities Laws (as supplied by the Corporation) or applicable securities laws of the other Offering Jurisdictions. All fees payable in connection with such filings under applicable Securities Laws shall be at the expense of the Corporation.

(4) **No Offering Memorandum.** Neither the Corporation nor the Underwriters shall: (i) provide to prospective purchasers of the Debentures any document or other material or information that

would constitute an offering memorandum within the meaning of applicable Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Debentures, including but not limited to, causing the sale of the Debentures to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or the internet or conduct any seminar or meeting relating to the offer and sale of the Debentures whose attendees have been invited by general solicitation or advertising.

Section 3 Covenants of the Corporation

(1) The Corporation hereby covenants to the Underwriters and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Debentures, that it will:

(a) allow the Underwriters and their representatives to conduct all due diligence regarding the Corporation and the Subsidiaries which the Underwriters may reasonably require to be conducted prior to the Closing Time;

(b) until the Maturity Date, use its commercially reasonable efforts to remain a corporation validly subsisting under the laws of British Columbia, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable Laws of each such jurisdiction;

(c) until the Maturity Date, use commercially reasonable efforts to maintain its status as a "reporting issuer" under the Securities Laws of a jurisdiction of Canada, not in default of any requirement of such Securities Laws, provided that this clause shall not be construed as limiting or restricting the Corporation to agree to a consolidation, amalgamation, takeover bid, merger or other like transaction that would result in the Corporation ceasing to be a reporting issuer;

(d) until the Maturity Date, use commercially reasonable efforts to maintain the listing of the Common Shares on the CSE or another recognized stock exchange or quotation system in Canada, provided that this clause shall not be construed as limiting or restricting the Corporation to agree to a consolidation, amalgamation, takeover bid, merger or other like transaction that would result in the Corporation ceasing to be listed on a recognized stock exchange or quotation system in Canada;

(e) duly execute and deliver the Transaction Documents at or prior to the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;

(f) fulfill or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 6;

(g) fulfill all legal requirements to permit the creation and issuance of the Debentures at the Closing Time and the issuance of the Underlying Securities issuable thereunder, all as contemplated by the Transaction Documents, and file or cause to be filed all forms,

notices, documents, applications, undertakings or certificates required to be filed by the Corporation in connection with the Offering so that the distribution of such securities may lawfully occur without the necessity of filing a prospectus in Canada or a registration statement in the United States or similar document in any other Offering Jurisdiction;

(h) ensure that, at the Closing Time, the Debentures shall be validly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;

(i) ensure that, at all times prior to the Maturity Date, a sufficient number of Common Shares are allotted and reserved for issuance upon the due conversion of, or payment of interest in respect of, the Debentures, in each case, in accordance with their terms;

(j) file or cause to be filed with the CSE all necessary documents and take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals to list the Underlying Securities on the CSE;

(k) subject to applicable Law, provide the Lead Underwriter with a reasonable opportunity to comment upon the content and form of any press release relating to the Offering;

(l) use the net proceeds of the Offering to fund the loan agreement with The Green Solution LLC and for other general corporate purposes;

(m) for the period of 120 days following the Closing Date, not, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation, without the prior written consent of the Lead Underwriter (such consent not to be unreasonably withheld or delayed), other than in conjunction with: (A) the grant of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements, provided that the exercise price thereof shall not be less than the Conversion Price; (B) the exercise of outstanding stock options and warrants; (C) obligations of the Corporation in respect of existing agreements; or (D) the issuance of securities by the Corporation in connection with acquisitions in the normal course of business; and

(n) prior to the Closing Time, cause each of the directors and senior officers of the Corporation to enter into a lock-up undertaking in favour of the Underwriters pursuant to which such person shall agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 120 days after the Closing Date, without the prior written consent of the Lead Underwriter (such consent not to be unreasonably withheld or delayed), other than in conjunction with: (A) transfers by any such person to its affiliates for tax or other *bona fide* tax or estate planning purposes, provided that each transferee

shall, as a condition precedent to such transfer, agree to enter into a substantially similar undertaking; or (B) in order to accept a *bona fide* take-over bid made to all securityholders of the Corporation or similar business combination transaction; provided, however, it is acknowledged and agreed that such undertaking will not apply in respect of the Class A convertible restricted voting shares of the Corporation pledged by the Chief Executive Officer of the Corporation.

Section 4 Representations and Warranties of the Corporation

(1) The Corporation represents and warrants to the Underwriters and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the Offering, that:

(a) the Corporation and each of the Subsidiaries has been duly incorporated and organized and is validly existing as a corporation under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be, and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Corporation or any of the Subsidiaries;

(b) the Corporation and each of the Subsidiaries is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification (except for such jurisdictions where the failure to be so qualified would not result in a Material Adverse Effect) and has all requisite corporate power and authority to conduct its business and to own, lease and operate its properties and assets and to execute, deliver and perform its obligations under the Transaction Documents and any other document, filing, instrument or agreement delivered in connection with the Offering;

(c) neither the Corporation nor any of the Subsidiaries is (i) in violation of its constating documents or (ii) in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, except in the case of clause (ii) for any such violations or defaults that would not result in a Material Adverse Effect;

(d) the Corporation has no direct or indirect material subsidiaries other than the Subsidiaries, nor any investment in any person, except for the FWR Loan Agreement, a promissory note from Mayflower Medicinals Inc. in the amount of US $2.2 million, an investment in Reynold Greenleaf and Associates LLC in the amount of US $2.3 million and the proposed credit facility to Beacon Holdings LLC in the amount of $7.5 million, which, for the year ended December 31, 2016 accounted for more than five percent of the assets or revenues of the Corporation or would otherwise be material to the business and affairs of the Corporation. The Corporation owns, directly or indirectly, all of the issued and outstanding shares of the Subsidiaries, all of the issued and outstanding shares of the Subsidiaries are issued as fully paid and non-assessable shares, free and clear of all Liens whatsoever, and no person, firm or corporation has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or any of the Subsidiaries of any interest in any of the shares in the capital of the Subsidiaries;

(e) except as disclosed in the Disclosure Documents, the Corporation and the Subsidiaries (i) each conducted and have each been conducting their business in compliance in all material respects with all applicable Laws of each jurisdiction in which its business is carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws, (ii) are not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation or any of the Subsidiaries, as applicable, and (iii) hold all, and are not in breach of any, Permits that enable its business to be carried on as now conducted; except in each case where the failure to be in such compliance or to hold such Permits could not reasonably be expected to result in a Material Adverse Effect;

(f) except as disclosed in the Disclosure Documents, the Corporation and each of the Subsidiaries is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof as described in the Disclosure Documents, and no other material property or assets are necessary for the conduct of the business of the Corporation or the Subsidiaries as currently conducted, (B) the Corporation does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or the Subsidiaries to use, transfer or otherwise exploit such property or assets, and (C) other than in the ordinary course of business and as disclosed in the Disclosure Documents, neither the Corporation nor any of the Subsidiaries has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;

(g) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under applicable Securities Laws and the rules and regulations of the CSE necessary for the execution and delivery of the Transaction Documents and the creation, issuance and sale, as applicable, of the Debentures and the Underlying Securities, and the consummation of the transactions contemplated by this Agreement, will have been made or obtained, as applicable (other than the filing of reports required under applicable Securities Laws within the prescribed time periods and the filing of standard documents with the CSE, which documents shall be filed as soon as practicable after the Closing Date and, in any event, within 10 calendar days of the Closing Date or within such other deadline imposed by applicable Securities Laws or the CSE);

(h) the Debentures and the Underlying Securities have been authorized and reserved and allotted for issuance;

(i) at the Closing Time, the Debentures will be duly and validly issued and created;

(j) upon the due conversion of the Debentures in accordance with the provisions thereof, the Common Shares issuable upon the conversion thereof will be duly and validly issued as fully paid and non-assessable Common Shares of the Corporation on payment of the purchase price therefor;

(k) at the Closing Time, each of the Transaction Documents shall have been duly authorized and executed and delivered by the Corporation and upon such execution and delivery, and assuming the Transaction Documents are valid, legal and binding obligations of the other parties hereto or thereto, each shall constitute a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as

enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

(l) each of the execution and delivery of this Agreement and the Indenture, the performance by the Corporation of its obligations hereunder and thereunder, the sale of the Debentures hereunder by the Corporation and the consummation of the transactions contemplated in this Agreement, (i) do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule, regulation or Law applicable to the Corporation or any one of the Subsidiaries; (B) the constating documents, by-laws or resolutions of the directors or shareholders of the Corporation or the Subsidiaries; (C) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or any of the Subsidiaries is a party or by which it is bound; or (D) any judgment, decree or order binding the Corporation or any one of the Subsidiaries or the property or assets thereof, except where such conflict, breach, violation or default would not result in a Material Adverse Effect; and (ii) do not affect the rights, duties and obligations of any parties to any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or any of the Subsidiaries is a party or by which it is bound (including, for greater certainty, any such agreements relating to the Investments), nor give a party the right to terminate any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or any of the Subsidiaries is a party or by which it is bound, by virtue of the application of terms, provisions or conditions therein, except where those rights, duties or obligations, or rights to terminate, are affected in a manner that would not result in a Material Adverse Effect;

(m) the authorized capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of Class A convertible restricted voting shares and an unlimited number of preferred shares, of which, as at the close of business on February 27, 2017, 15,988,769 common shares and 11,255,000 Class A convertible restricted voting shares of the Corporation, were issued and outstanding as fully paid and non-assessable shares in the capital of the Corporation;

(n) the terms and the number of options to purchase Common Shares granted by the Corporation currently outstanding conforms to the description thereof contained in the Disclosure Documents and, other than as contemplated by this Agreement, and options granted to directors, officers, employees and consultants of the Corporation to purchase Common Shares as described in the Disclosure Documents, no person, firm or corporation has any agreement or option, right or privilege (contractual or otherwise) capable of becoming an agreement (including convertible or exchangeable securities and warrants) for the purchase or acquisition from the Corporation or any Subsidiary of any interest in any Common Shares or other securities of the Corporation or any Subsidiary whether issued or unissued;

(o) except as described in the Disclosure Documents, there are no voting trusts or agreements, shareholders' agreements, buy sell agreements, rights of first refusal agreements, agreements relating to restrictions on transfer, pre-emptive rights

agreements, tag-along agreements, drag-along agreements or proxies relating to any of the securities of the Corporation or the Subsidiaries, to which the Corporation or any of the Subsidiaries is a party;

(p) the Underlying Securities have been, or prior to the Closing Time will be, duly reserved for issuance and, when issued, delivered and paid for in full, will be validly issued and fully paid shares in the capital of the Corporation, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

(q) the Trustee, at its principal office in Vancouver, British Columbia, will be, at the Closing Date, duly appointed as the registrar and transfer agent of the Corporation with respect to the Common Shares and as debenture trustee with respect to the Debentures;

(r) the Corporation is a reporting issuer in good standing in the Reporting Provinces under the Securities Laws;

(s) the outstanding Common Shares are listed and posted for trading on the CSE, and all necessary notices and filings have been made with, and all necessary consents, approvals and authorizations have been obtained by the Corporation from, the CSE to ensure that the Underlying Securities will be listed and posted for trading on the CSE upon their issuance;

(t) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;

(u) the Debentures and the Common Shares issuable upon conversion thereof will not be subject to a restricted period or to a statutory hold period under Canadian Securities Laws or to any resale restriction under the policies of the CSE which extends beyond four months and one day after the Closing Date, subject to the conditions set forth in Section 2.5 of NI 45-102;

(v) the Corporation is in compliance in all material respects with its continuous and timely disclosure obligations under applicable Securities Laws and the rules and regulations of the CSE and has filed all documents required to be filed by it with the Securities Regulators under applicable Securities Laws, and no document has been filed on a confidential basis with the Securities Regulators that remains confidential at the date hereof. None of the documents filed in accordance with applicable Securities Laws contained, as at the date of filing thereof, a misrepresentation;

(w) no Securities Regulator, stock exchange or comparable authority has issued any order preventing the distribution of the Debentures in any Qualifying Province nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;

(x) except as has been publicly disclosed in the Disclosure Documents, neither the Corporation nor the Subsidiary has approved or has entered into any agreement in respect of:

(i) the purchase of any material assets or any interest therein or the sale, transfer or other disposition of any material assets or any interest therein currently owned, directly or indirectly, by the Corporation or the Subsidiary whether by asset sale, transfer of shares or otherwise;

(ii) any change in control (by sale, transfer or other disposition of shares or sale, transfer, lease or other disposition of all or substantially all of the property and assets of the Corporation or the Subsidiary) of the Corporation or the Subsidiary; or

(iii) any proposed or planned disposition of any of the outstanding shares of the Subsidiary by the Corporation;

(y) the audited consolidated financial statements of the Corporation, and the notes thereto, for the year ended December 31, 2015, together with the auditors' report thereon, and the interim consolidated financial statements for the nine months ended September 30, 2016, and the notes thereto (collectively, the "Financial Statements"), have been prepared in accordance with IFRS and present fully, fairly and correctly in all material respects, the financial condition of the Corporation and its Subsidiaries as at the dates thereof and the results of the operations and the changes in the financial position of the Corporation for the periods then ended, on a basis consistent throughout the periods indicated and in accordance with the books and records of the Corporation;

(z) the financial information included in Disclosure Documents presents fairly in all material respects the consolidated financial position, results of operations, deficit and cash flow of the Corporation, respectively, as at the dates and for the periods indicated;

(aa) to the knowledge of the Corporation, the Corporation's auditors are independent public accountants as required under applicable Canadian Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Corporation and such auditors or, to the knowledge of the Corporation, any former auditors of the Corporation;

(bb) subject to the exemption included in Part 6 of National Instrument 52-110 – *Audit Committees*, the responsibilities and composition of the Corporation's audit committee comply with NI 52-110;

(cc) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in all material respects in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with international financial reporting standards and to maintain accountability for assets; and (iii) access to assets is permitted only in accordance with management's general or specific authorization;

(dd) except as disclosed in the Disclosure Documents, none of the directors, executive officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Common Shares on a fully-diluted basis or any known associate or affiliate of any such person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Corporation which, as the

case may be, materially affects, is material to or will materially affect the Corporation on a consolidated basis;

(ee) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "Taxes") due and payable by the Corporation and the Subsidiaries have been paid, except where the failure to pay Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation and its Subsidiaries have been filed with all appropriate authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, except where the failure to file such documents would not have a Material Adverse Effect. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any of the subsidiaries is 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 Corporation or its subsidiaries, except where such examinations, issues or disputes would not have a Material Adverse Effect;

(ff) there are no material liabilities of the Corporation whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the Financial Statements that are not disclosed or reflected in the Financial Statements, except those disclosed in the Disclosure Documents or those incurred in the ordinary course of business since September 30, 2016;

(gg) there are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Corporation or any Subsidiary with unconsolidated entities or other persons that could reasonably be expected to have a Material Adverse Effect;

(hh) the Corporation (A) has designed disclosure controls and procedures to provide reasonable assurance that financial information relating to the Corporation and the Subsidiaries is accurate and reliable, is made known to the Chief Executive Officer and Chief Financial Officer of the Corporation by others within those entities, particularly during the period in which filings are being prepared, (B) has designed internal controls to provide reasonable assurance regarding the accuracy and reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS, and (C) has disclosed in the management's discussion and analysis for its most recently completed financial year, for each material weakness relating to such design existing at the financial year-end (x) a description of the material weakness, (y) the impact of the material weakness on the Corporation's financial reporting and internal controls over financial reporting, and (z) the Corporation's further plans, if any, or any actions already undertaken, for remediating the material weakness;

(ii) other than as disclosed in the Disclosure Documents, neither the Corporation nor any of its Subsidiaries has made any loans to or guaranteed the obligations of any person;

(jj) to the knowledge of the Corporation, the interest rate of each interest rate bearing Investment complies with applicable federal or provincial Laws and other requirements pertaining to usury and, to the knowledge of the Corporation, any requirements of any federal, provincial or local Law;

(kk) except as disclosed in the Disclosure Documents, there has been no material change in the value of the Investments since September 30, 2016;

(ll) no legal or governmental proceedings or inquiries are pending to which the Corporation or any Subsidiary is a party or to which their property or assets are subject that would result in the revocation or modification of any certificate, authority, Permit or license necessary to conduct the business now owned or operated by the Corporation or any of the Subsidiaries which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Corporation, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Corporation, any of the Subsidiaries or their property or assets;

(mm) there are no actions, suits, judgments, investigations, inquires or proceedings of any kind whatsoever outstanding (whether or not purportedly on behalf of the Corporation or the Subsidiaries), or, to the knowledge of the Corporation, pending or threatened against or affecting the Corporation, the Subsidiaries or any of their respective directors or officers, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the knowledge of the Corporation, there is no basis therefor and neither the Corporation nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority which, either separately or in the aggregate, could reasonably be expected to have Material Adverse Effect or could adversely affect the ability of the Corporation to perform its obligations under the Transaction Documents;

(nn) all of the material contracts and agreements of the Corporation (including, for greater certainty, any contracts and agreements relating to the Investments) have been disclosed in the Disclosure Documents and, if required under the Canadian Securities Laws, have or will be filed with the Securities Regulators. Neither the Corporation nor any of its Subsidiaries has received any notification from any party that it intends to terminate any such material contract;

(oo) each of the material agreements and other documents and instruments pursuant to which the Corporation holds its Investments, property and assets and conducts its business is a valid and subsisting agreement, document and instrument in full force and effect, enforceable in accordance with the terms thereof, the Corporation is not in default of any of the material provisions of any such agreements, instruments or documents nor has any such default been alleged, and such Investments and assets are in good standing under the applicable statutes and regulations of the governing jurisdiction;

(pp) to the knowledge of the Corporation, the Corporation and each of its Subsidiaries owns or has the right to use all of the Intellectual Property owned or used by their respective businesses as currently conducted. Neither the Corporation nor any of its Subsidiaries has received any notice nor is it aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Corporation or the Subsidiary therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect;

(qq) with respect to each premises of the Corporation or the Subsidiaries which is material to the Corporation or any Subsidiary and which the Corporation or the Subsidiary occupies as tenant (the "Leased Premises"), the Corporation or such Subsidiary occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation and/or any Subsidiary occupies the Leased Premises is in good standing and in full force and effect;

(rr) the Corporation is in compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where any non-compliance could not reasonably be expected to have a Material Adverse Effect, and neither the Corporation nor any of the Subsidiaries has engaged in any unfair labour practice;

(ss) there has not been in the last year and there is not currently any labour disruption or conflict between the Corporation or the Subsidiaries and the employees of the Corporation or any of the Subsidiaries;

(tt) no material labour dispute with current and former employees of the Corporation or any of the Subsidiaries exists, or, to the knowledge of the Corporation, is imminent and the Corporation is not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of the Corporation or any of the Subsidiaries that would have a Material Adverse Effect;

(uu) no union has been accredited or otherwise designated to represent any employees of the Corporation or any of the Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or the Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or the Subsidiaries and none is currently being negotiated by the Corporation or any of its Subsidiaries;

(vv) other than usual and customary health and related benefit plans for employees, the Disclosure Documents disclose, to the extent required by applicable Securities Laws to be disclosed in the Disclosure Documents, 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 Corporation or the Subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Corporation or any Subsidiary, as applicable (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) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments of the Corporation and the Subsidiaries have been recorded in accordance with generally accepted accounting principles in Canada or IFRS, as applicable, and are reflected on the books and records of the Corporation;

(xx) the minute books and records of the Corporation and the Subsidiaries made available to counsel for the Underwriters in connection with its due diligence investigation of the Corporation for the periods from the respective dates of incorporation of the Corporation and each Subsidiary to the date hereof are all of the minute books and records of the Corporation and each Subsidiary and contain copies of all significant proceedings of the shareholders and the boards of directors of the Corporation and the Subsidiaries to the date hereof and there have not been any other formal meetings, resolutions or proceedings of the shareholders or boards of directors of the Corporation or the Subsidiaries to the date hereof not reflected in such minute books and other records other than those which have been disclosed in writing to the Underwriters or at or in respect of which no material corporate matter or business was approved or transacted;

(yy) the operations of the Corporation and the Subsidiaries have been conducted at all times in compliance with the applicable federal and state laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including the financial recordkeeping and reporting requirements of The Bank Secrecy Act of 1970, as amended; Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"); the Foreign Corrupt Practices Act; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), and neither of the Corporation nor any Subsidiary is (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person with which the Purchasers are prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or (v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") at its official website or any replacement website or other replacement official publication of such list or any other person (including any foreign country and any national of such country) with whom the United States Treasury Department prohibits doing business in accordance with OFAC regulations. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or any Subsidiary with respect to Anti-Terrorism Laws is pending or, to the knowledge of the Corporation or the Subsidiary, threatened;

(zz) the Corporation and each Subsidiary is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; and the Corporation has no reason to believe that it will not be able to renew the existing insurance coverage of the Corporation and the Subsidiary as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect;

(aaa) the form and terms of the certificates representing the Common Shares and the Debentures have been approved and adopted by the board of directors of the Corporation and do not and will not conflict with any applicable Laws or the rules and policies of the CSE;

(bbb) the Corporation has not withheld and will not withhold from the Underwriters prior to the Closing Time, any material facts relating to the Corporation, any of its Subsidiaries or the Offering;

(ccc) other than the Underwriters pursuant to this Agreement, there is no person acting or purporting to act at the request of the Corporation or any of its Subsidiaries who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the transactions contemplated herein; and

(ddd) the Corporation is a "foreign private issuer" as such term is defined in Rule 405 under U.S. Securities Laws, and the Company is aware of no restriction on the ability of the Underwriters to offer the Debentures for resale in the United States, through their respective U.S. Placement Agents, to Qualified iInstitutional Buyers in accordance with the terms and subject to the conditions of Schedule "A" to this Agreement.

(2) **Representations, Warranties and Covenants of the Underwriters.** Each of the Underwriters hereby severally and not jointly or jointly and severally represents, warrants and covenants to the Corporation, and acknowledges that the Corporation is relying upon such representations, warranties and covenants, that:

(a) in respect of the offer and sale of the Debentures to Purchasers (including the Substituted Purchasers), the Underwriters will, and will require any Selling Firm (if any) and will cause the U.S. Placement Agents to agree to comply with applicable Securities Laws and the applicable securities Laws of the Offering Jurisdictions outside of Canada in connection with the Offering, and will only offer the Debentures for sale to Substituted Purchasers on a "private placement" basis directly, and if deemed appropriate by the Underwriters, through Selling Firms, upon the terms and conditions of this Agreement;

(b) the Underwriters and the U.S. Placement Agents have not and will not, and the Underwriters have required and will require any Selling Firm to agree not to, engage in or authorize any form of general solicitation or general advertising in connection with or in respect of the Debentures in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or on the internet or broadcast over radio or television or by means of the internet or otherwise or conduct any seminar or meeting concerning the offer or sale of the Debentures whose attendees have been invited by any general solicitation or general advertising;

(c) the Underwriters and the U.S. Placement Agents have not and will not, and the Underwriters have required and will require any Selling Firm to agree not to, directly or indirectly, offer, sell or solicit offers to purchase or sell the Debentures so as to require the filing of a prospectus or registration statement or offering memorandum or similar document with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501 – *Definitions*) or a statutory right of action under the laws of any jurisdiction;

(d) the Underwriters and the U.S. Placement Agents have not and will not, and the Underwriters have required and will require any Selling Firm to agree not to, solicit subscriptions for Debentures except in accordance with the terms and conditions of this Agreement;

(e) the Underwriters will obtain a duly completed and executed Subscription Agreement (in the applicable form) from each Purchaser along with all other applicable forms, reports, undertakings and/or documentation required under applicable Securities Laws that are provided to the Underwriters by the Corporation for execution by the Purchasers relating to the issuance and sale of the Debentures; and

(f) each of the Underwriters is registered under applicable Canadian Securities Laws to conduct the activities contemplated by this Agreement.

Section 5 Closing Deliveries

The purchase and sale of the Debentures shall be completed at the Closing Time at the offices of McMillan LLP in Vancouver, British Columbia, or at such other place as the Lead Underwriter (on behalf of the Underwriters) and the Corporation may agree. At the Closing Time, the Corporation shall cause the Trustee to electronically deposit the Debentures to CDS or its nominee on behalf of the Underwriters registered in the name of "CDS & Co." or in such other name or names as the Underwriters may notify the Corporation in writing not less than 24 hours prior to the Closing Time to be held by CDS as a non-certificated inventory in accordance with the rules and procedures of CDS, against payment by the Underwriters to the Corporation, at the direction of the Corporation, as applicable, of the aggregate purchase price for the Debentures less an amount equal to the Commission and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters and their counsel payable pursuant to Section 14, by wire transfer, or if permitted by applicable Law, certified cheque or bank draft, in Canadian currency payable at par in Vancouver, British Columbia, together with a receipt signed by the Lead Underwriter (on behalf of the Underwriters) for such electronic deposit and for receipt of the Commission and such estimated expenses. As soon as practicable following the Closing Time, the Underwriters shall submit an invoice with respect to the actual reasonable out of-pocket fees and expenses of the Underwriters and their counsel payable by the Corporation pursuant to Section 14. In the event that the actual reasonable out-of-pocket fees and expenses of the Underwriters and their counsel payable by the Corporation is less than the estimated amount thereof paid to the Underwriters on Closing, the Underwriters shall reimburse the Corporation for the amount of such difference. In the event that the actual reasonable out-of-pocket fees and expenses of the Underwriters and their counsel payable by the Corporation is greater than the estimated amount thereof paid to the Underwriters on Closing, the Corporation shall promptly pay the amount of such difference to the Underwriters.

Section 6 Closing Conditions

(1) The Underwriters' obligations under this Underwriting Agreement (including the obligation to complete the purchase of the Debentures or to arrange for the Purchasers to purchase the Debentures on their behalf) at the Closing Time shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

(a) the Underwriters shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, or such other officers of the Corporation as the Lead Underwriter may agree, certifying for and on behalf of the Corporation, to the best of the knowledge, information and belief of the persons so signing but without personal liability, that:

(i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation 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;

(ii) since September 30, 2016, (A) there has been no material adverse change, financial or otherwise, in the assets or liabilities (contingent or otherwise), business, condition (financial or otherwise), capital or prospects of the Corporation and the Subsidiaries, taken as a whole, that has not been generally disclosed, and (B) no material transactions have been entered into by the Corporation or any of the Subsidiaries, other than in the ordinary course of business, except as has been disclosed in the Disclosure Documents;

(iii) the Corporation has complied in all material respects (except where already qualified by a materiality or Material Adverse Effect qualification, in which case the Corporation has complied in all respects) with all the covenants and satisfied in all material respects (except where already qualified by a materiality or Material Adverse Effect qualification, in which case the Corporation has satisfied in all 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; and

(iv) the representations and warranties of the Corporation contained in this Agreement and any certificate of the Corporation delivered hereunder are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time, with the same force and effect as if made on and as at the Closing Time, after giving effect to the transactions contemplated by this Agreement.

(b) the Underwriters shall have received, at the Closing Time, a certificate dated as of the Closing Date, signed by an appropriate officer or officers of the Corporation and addressed to the Underwriters, with respect to the constating documents and articles of the Corporation, all resolutions of the Corporation's board of directors relating to Offering and the Transaction Documents and the incumbency and specimen signatures of signing officers;

(c) the Underwriters shall have received satisfactory evidence that all requisite consents, approvals and acceptances of the appropriate regulatory authorities (including, for greater certainty, the CSE) required to be made or obtained by the Corporation in order to complete the Offering have been made or obtained;

(d) this Agreement, the Subscription Agreements, the Indenture and the certificates representing the Debentures, if any, or other evidences of ownership thereof will have been executed, endorsed or authenticated, as applicable, and delivered by the parties thereto in form and substance satisfactory to the Underwriters, acting reasonably;

(e) the Common Shares issuable upon conversion of the Debentures shall have been approved for listing by the CSE;

(f) the Underwriters shall have received a certificate from Computershare Investor Services Inc. as to the number of Common Shares issued and outstanding as at a date not more than two Business Days prior to the Closing Date;

(g) the Underwriters shall have received legal opinions addressed to the Underwriters and the Purchasers, in form and substance satisfactory to the Underwriters, acting reasonably, dated the Closing Date, from McMillan LLP, counsel to the Corporation and, where appropriate, from other counsel in the Offering Jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Corporation, as appropriate, with respect to the following matters:

(i) that the Corporation is a reporting issuer under applicable Securities Laws in each of the Reporting Provinces and is not on the list of defaulting issuers maintained under such legislation;

(ii) that the Corporation is a company incorporated under the laws of the Province of British Columbia and has the corporate power and capacity to own or lease its properties and assets, carry on its business as it is currently conducted, to execute, deliver and perform its obligations under the Transaction Documents and to issue the Debentures and the Underlying Securities;

(iii) that the authorized share capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of Class A convertible restricted voting shares and an unlimited number of preferred shares and specifying the number of issued and outstanding Common Shares and Class A convertible restricted voting shares immediately prior to the Closing Time;

(iv) that all necessary corporate actions have been taken by the Corporation to authorize the execution and delivery of the Transaction Documents, the performance by the Corporation of its obligations thereunder and the issuance of the Debentures and the Underlying Securities;

(v) that the Transaction Documents have been duly authorized, executed and delivered on behalf of the Corporation, and constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their terms, subject to customary limitations on enforceability;

(vi) that the execution and delivery of the Transaction Documents by the Corporation and the performance by the Corporation of its obligations thereunder, including the issuance and sale of the Debentures and the issuance of the Underlying Securities, does not and will not conflict with or result in any breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both: (A) any of the terms, conditions or provisions of the articles or by-laws of the Corporation, or any resolution of any of the directors (or committees of directors) or shareholders of the Corporation; or (B) any Laws having force in the Province of British Columbia;

(vii) that the Debentures have been validly issued and created by the Corporation;

(viii) that the Underlying Securities have been duly authorized and validly allotted for issuance by the Corporation and, when issued in accordance with the terms of the Debentures, will be outstanding as fully paid and non-assessable Common Shares of the Corporation;

(ix) that the issuance and sale of the Debentures by the Corporation are exempt from the prospectus requirements of applicable Securities Laws, and no documents are required to be filed (other than specified forms accompanied by requisite filing fees), proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws to permit such issuance and sale of the Debentures;

(x) that the issuance of the Underlying Securities is exempt from the prospectus requirements of applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws to permit such issuances;

(xi) that no other documents will be required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws in connection with the first trade by the Purchasers or the Underwriters of the Debentures or the Underlying Securities, provided that four months have lapsed since the Closing Date and subject to the standard assumptions and qualifications;

(xii) that the form and terms of the definitive certificates representing the Debentures have been approved by the board of directors of the Corporation;

(xiii) that the Trustee, at its principal office in the City of Vancouver, has been duly appointed as the transfer agent and registrar for the Common Shares and as debenture trustee in respect of the Debentures; and

(xiv) the CSE has approved the listing of the Common Shares issuable upon conversion of the Debentures.

(h) the Underwriters receiving at the Closing Time on the Closing Date, legal opinions to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, from each of the Subsidiaries respective counsel (who 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 auditors or transfer agent of each Subsidiary, as applicable), that (A) the Subsidiary is a corporation existing under the laws of its jurisdiction of incorporation or amalgamation, as the case may be, and has all requisite corporate capacity, power and authority to carry on its business as now conducted and to own, lease and operate its property and assets; and (B) all of the issued and outstanding shares of capital of such Subsidiary are registered in the name of the Corporation;

(i) if any Debentures are sold to Purchasers in the United States, the Underwriters receiving, at the Closing Time on the Closing Date, a legal opinion dated the Closing Date, addressed to the Underwriters, in form and substance acceptable to the Underwriters, of McMillan LLP, United States legal counsel to the Corporation (who 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 auditors or transfer agent of the Corporation), to the effect that the offer and sale of the Debentures in the United States and the issuance of the Underlying Securities are not required to be registered under the U.S. Securities Act, provided such offers and sales are made in accordance with Schedule "A" hereto; it being understood that such counsel need not express its opinion with respect to any resale of the Debentures or the Underlying Securities;

(j) the Underwriters shall have received a certificate of status (or the equivalent) with respect to the jurisdiction in which the Corporation is incorporated, amalgamated or continued, as the case may be;

(k) the Underlying Securities are listed and posted for trading on the CSE, subject only to the standard listing conditions of the CSE;

(l) the Underwriters shall have received the Commission in respect of the Debentures; and

(m) each of the directors and senior officers of the Corporation shall have delivered to the Underwriters a signed copy of the lock-up undertakings contemplated in subsection 3(1)(n) of this Agreement.

Section 7 Rights of Termination

(1) All terms and conditions set out in this Agreement will be construed as conditions, and any breach or failure by the Corporation to comply with any such conditions in favour of the Underwriters in any material respect will entitle the Underwriters (or any of them) to terminate their obligations to purchase the Debentures pursuant to the Offering by written notice to that effect given to the Corporation prior to the Closing Time. The Corporation will use commercially reasonable efforts to cause all conditions in this Agreement to be satisfied. 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 their rights in respect of any subsequent breach or non-compliance, provided that, to be binding on an Underwriter, any such waiver or extension must be in writing and signed by such Underwriter.

(2) In addition to any other remedies which may be available to the Underwriters in respect of any default, act or failure to act, or non-compliance with the terms of this Agreement by the Corporation, each of the Underwriters will be entitled, at its option, to terminate and cancel, without any liability on the part of such Underwriter, its obligations under this Agreement to purchase the Debentures pursuant to the Offering by giving written notice to the Corporation and the Lead Underwriter at any time prior to the Closing Time:

(a) if any inquiry, action, suit, investigation or other proceeding (whether formal or informal), including matters of regulatory transgression or unlawful conduct, is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including without limitation the CSE or any securities regulatory authority) or there is any enactment or change in any Law, rule or regulation, or the interpretation or administration thereof, which, in the reasonable opinion of the Underwriters (or any of them), could operate to prevent, restrict or otherwise seriously adversely affect the distribution or trading of the Debentures or the market price or value of the Common Shares;

(b) if there should develop, occur or come into effect or existence any event, action, state, or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident or major financial, political or economic occurrence of national or international consequence, or any action, government, law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of the Underwriters (or any of them), seriously adversely affects, the financial markets in Canada or the United States or

the business, operations or affairs of the Corporation and its Subsidiaries, taken as a whole, or the marketability of the Debentures;

(c) if there shall occur or come into effect any material change in the business, affairs, financial condition, prospects, capital or control of the Corporation or its Subsidiaries, or any change in any material fact or new material fact, or there should be discovered any previously undisclosed fact which, in each case, in the reasonable opinion of the Underwriters (or any of them), has or could reasonably be expected to have a significant effect on the market price or value or marketability of the Debentures;

(d) if the Corporation is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation becomes or is false,

Section 8 Exercise of Termination Rights

(1) The rights of termination contained in Section 7 may be exercised by any Underwriter acting alone and are in addition to any other rights or remedies the Underwriters or any of them may have in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not discharge or otherwise affect any obligation or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non- compliance by any other party. In the event that one or more but not all of the Underwriters shall exercise its rights of termination herein, then the provisions of Section 12 shall apply.

(2) If the obligations of an Underwriter are terminated under this Agreement pursuant to the termination rights provided for in Section 7, the Corporation's liabilities to that Underwriter shall be limited to the Corporation’s obligations under the indemnity, contribution and expense provisions of this Agreement.

Section 9 Survival of Representations and Warranties

All representations, warranties, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agreement and in connection with the transactions contemplated herein or therein shall survive the purchase and sale of the Debentures, regardless of the Closing of the Offering and regardless of any investigations which may be carried out by the Underwriters or on their behalf and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the purchase and sale of the Debentures or otherwise for the benefit of the Corporation, the Underwriters and the Purchasers, as the case may be, until the date that is two years following the Closing Date, and the Corporation agrees that the Underwriters shall not be presumed to know of the existence of a claim against the Corporation under this Agreement or any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Debentures as a result of any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Transaction Documents or the distribution of the Debentures or otherwise. Notwithstanding the foregoing, the provisions contained in this Agreement in any way related to indemnification or contribution obligations shall survive and continue in full force and effect, indefinitely. In this regard, the Underwriters shall act as trustee for the Purchasers and accept these trusts and shall hold and enforce such rights on behalf of the Purchasers.

Section 10 Indemnity

(1) The Corporation agrees to indemnify and hold harmless the Underwriters and Selling Firms (if any) and each of their respective affiliates and each of their respective directors, officers, employees, partners, shareholders and agents and each other person controlling an Underwriter or any of their respective affiliates (collectively, the "Indemnified Parties" and each, an "Indemnified Party") from and against any and all losses (other than loss of profits), expenses, claims (including shareholder actions, derivative or otherwise), actions, claims, proceedings, damages and liabilities, joint or several, including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel but excluding special, punitive or consequential damages or lost profits (collectively, the "Losses") that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the "Claims") insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professionals services rendered to the Corporation by the Underwriters or any Indemnified Party hereunder or otherwise in connection with the Offering, whether performed before or after the execution and delivery of this Agreement by the Corporation.

(2) The Corporation agrees to waive any right it may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The Corporation also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Corporation or any person asserting Claims on behalf of or in right of the Corporation for or in connection with the Offering except to the extent any Losses suffered by the Corporation are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the negligence or wilful misconduct of such Indemnified Party.

(3) The Corporation will not, without the Indemnified Party's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless the Corporation has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.

(4) Promptly after receiving notice of a Claim against an 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 Corporation, the Indemnified Party will notify the Corporation in writing of the particulars thereof, provided that the omission so to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defense of such Claim or results in any material increase in the liability which the Corporation has under this indemnity. The Corporation shall have 14 days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense of the Claim. If the Corporation undertakes, conducts and controls the settlement or defense of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim, at

the expense of the relevant Indemnified Party to the extent additional counsel or other external advisors are retained by such Indemnified Party.

(5) In any such Claim, such Indemnified Party shall have the right to retain separate legal counsel to act on such Indemnified Party's behalf, the reasonable fees and expenses of which counsel shall be at the expense of the Corporation if: (i) the Corporation does not assume the defence of the Claim within such 14 day period after receiving actual notice of the Claim; (ii) the Corporation agrees to separate representation for the Indemnified Party; or (iii) the Indemnified Parties are advised by counsel that there is an actual or potential conflict in the Corporation's and the Indemnified Parties' respective interests or additional defences are available to the Indemnified Parties, which make representation by the same counsel inappropriate, provided that in no circumstances will the Corporation be required to pay the reasonable fees and expenses of more than one legal counsel for all Indemnified Parties.

(6) Notwithstanding anything to the contrary contained herein, the foregoing indemnity shall cease to apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses to which the Indemnified Party may be subject were caused by the negligence, dishonesty, fraud, intentional fault or wilful misconduct of the Indemnified Party. For greater certainty, the Corporation and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute "negligence", "dishonesty", "fraud" or "willful misconduct" for the purposes of this Section 10 or otherwise disentitle the Underwriters from indemnification hereunder.

(7) The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or the Underwriters by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or the Indemnified Parties shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Underwriters, the Indemnified Parties shall have the right to employ their 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 Underwriters for time spent by the Indemnified Parties in connection therewith) and out-of-pocket expenses incurred by Indemnified Parties in connection therewith shall be paid by the Corporation as they occur, provided that in no circumstances will the Corporation be required to pay the reasonable fees and expenses of more than one legal counsel for all Indemnified Parties.

(8) To the extent that any Indemnified Party is not a party to this Agreement, the Underwriters shall obtain and hold the right and benefit of the above-noted indemnity in trust for and on behalf of such Indemnified Party.

(9) The Corporation agrees to reimburse the Underwriters for the time spent by their personnel in connection with any Claim at their normal per diem rates.

(10) The indemnity and the contribution obligations of the Corporation pursuant to Section 10 and Section 11 shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the personnel of the Underwriters and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and any of the Indemnified Parties. The foregoing provisions

shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

Section 11 Contribution

(1) In the event that the indemnity of the Corporation provided for in Section 10 hereof is declared by a court of competent jurisdiction to be illegal or unenforceable as being contrary to public policy or is unavailable for any other reason, the Underwriters and the Corporation shall severally, and not jointly, contribute to the aggregate of all Claims and all Losses of the nature contemplated in Section 10 hereof and suffered or incurred by the Indemnified Parties in proportions as is appropriate to reflect: (i) the relative benefits received by the Underwriters, on the one hand (being the Commission), and the relative benefits received by the Corporation, as applicable, on the other hand (being the gross proceeds derived from the sale of the Debentures less the Commission), (ii) the relative fault of the Corporation, on the one hand and the Underwriters on the other hand, and (iii) relevant equitable consideration; provided that the Corporation shall in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any excess of such amount over the amount paid or payable to the Underwriters or any other Indemnified Party under this Agreement. For greater certainty and notwithstanding anything to the contrary contained herein, the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Commission or any portion thereof actually received. However, no party who has been determined by a court of competent jurisdiction in a final judgement to have engaged in any fraud, dishonesty, wilful misconduct or negligence shall be entitled to claim contribution from any person who has not been so determined to have engaged in such fraud, dishonesty, wilful misconduct or negligence.

(2) Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this section, except to the extent that the party from whom contribution may be sought is materially prejudiced by such omission. The right to contribution provided herein shall be in addition and not in derogation of any other right to contribution which the Underwriters may have by statute or otherwise by Law.

Section 12 Underwriters' Obligations

(1) The Underwriters' obligations under this Agreement shall be several and not joint or joint and several, and the Underwriters' respective obligations and rights and benefits hereunder shall be as to the following percentages:

Canaccord Genuity Corp.	60%
Beacon Securities Limited	40%
	100%

(2) In the event that an Underwriter (a "Refusing Underwriter") does not complete the purchase and sale of the Debentures that such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriter (the "Continuing Underwriter") will be entitled, at its option, to purchase all, but not less than all, of the Debentures which would otherwise have been purchased by the Refusing Underwriter. If the Continuing Underwriter does not elect to purchase the balance of the Debentures pursuant to the foregoing:

(a) the Continuing Underwriter will not be obligated to purchase any of the Debentures that the Refusing Underwriter is obligated to purchase;

(b) the Corporation will not be obligated to sell less than all of the Debentures; and

(c) the Corporation will be entitled to terminate its obligations under this Agreement arising from its acceptance of this offer, in which event there will be no further liability on the part of the Corporation or the Continuing Underwriter, except pursuant to the provisions of Section 10, Section 11 and Section 14.

Section 13 Authority of the Lead Underwriter

The Corporation shall be entitled to, and shall, act on any notice, request, direction, consent, waiver, extension and other communication given or agreement entered into by or on behalf of the Underwriters by the Lead Underwriter who shall represent the Underwriters in all respects and have authority to bind the Underwriters hereunder. In all cases, the Lead Underwriter shall use its best efforts to consult with the other Underwriter prior to taking any action contemplated herein.

Section 14 Expenses

Whether or not the Offering is completed, the Corporation shall be responsible for all reasonable expenses of the Offering, including but not limited to: the fees and disbursements of its accountants and auditors and other applicable experts; all of its costs and expenses related to marketing activities, printing, filing, issue, sale and distribution, stock exchange approval and other regulatory compliance; the reasonable out-of-pocket expenses of the Underwriters (including, but not limited to, travel expenses in connection with due diligence and marketing activities, and fees and disbursements of the Underwriters' legal counsel; and all taxes payable in respect of any of the foregoing); provided, however, that the Corporation's obligation to reimburse the Underwriters' legal fees shall be capped at $75,000, exclusive of disbursements and applicable taxes, in respect of the Underwriters Canadian counsel. All such fees, disbursements and expenses shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriters, or at the option of the Underwriters, may be deducted from the gross proceeds of the Offering otherwise payable by the Underwriters to the Corporation at the Closing of the Offering.

Section 15 Advertisements

The Corporation acknowledges that the Underwriters shall have the right after Closing, at their own expense, subject to the prior consent of the Corporation, such consent not to be unreasonably withheld or delayed, to place such advertisement or advertisements relating to the purchase and sale of the Debentures contemplated herein as the Underwriters may consider desirable or appropriate and as may be permitted by applicable Law. The Corporation and the Underwriters each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration or other similar requirements under applicable securities legislation in any of the provinces of Canada or any other jurisdiction in which the Debentures shall be offered and sold being unavailable in respect of the sale of the Debentures to prospective purchasers.

Section 16 Notices

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

(a) if to the Corporation, to:

iAnthus Capital Holdings, Inc.
420 Lexington Avenue
Suite 300
New York, New York 10170
United States

Attention: Hadley Ford, Chief Executive Officer
Fax: (212) 470-2572

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

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

Attention: James Munro
Fax: (604) 685-7084

(b) if to the Underwriters, to:

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

Attention: Steve Winokur
Fax: (416) 869-3876

Beacon Securities Limited
66 Wellington Street West, Suite 4050
Toronto, Ontario M5K 1H1

Attention: Mario Maruzzo
Fax: (416) 646-3379

with a copy (but not as notice) to:

DLA Piper (Canada) LLP
Suite 6000, 1 First Canadian Place
PO Box 367, 100 King St W
Toronto, Ontario M5X 1E2

Attention: Robert Fonn

Fax: (416) 369-5239

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by e-mail transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile or e-mail transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

Section 17 Time of the Essence

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

Section 18 Canadian Dollars

All references herein to dollar amounts are to lawful money of Canada.

Section 19 Headings

The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

Section 20 Singular and Plural, etc.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

Section 21 Entire Agreement

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

Section 22 Severability

The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

Section 23 Governing Law, Attornment

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia, which will have non-exclusive jurisdiction over any matter arising out of this Agreement.

Section 24 Successors and Assigns

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Underwriters and the Purchasers (as contemplated under the Subscription Agreements)

their respective executors, heirs, successors and permitted assigns; provided that, this Agreement shall not be assignable by any party without the prior written consent of the others.

Section 25 Further Assurances

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

Section 26 Relationship of the Underwriters

In performing their respective obligations under this Agreement, the Underwriters shall 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.

Section 27 Absence of Fiduciary Relationship

The Corporation acknowledges and agrees that: (i) the purchase and sale of the Debentures pursuant to this Agreement is an arm's length commercial transaction between the Corporation, on the one hand, and the Underwriters and any affiliate through which they may be acting to effect sales, on the other hand; (ii) such Underwriters are acting as principal and not as an agent or fiduciary of the Corporation; and (iii) the Corporation's engagement of the Underwriters in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees it is solely responsible for making its own judgements in connection with the Offering (irrespective of whether any of the Underwriters have advised it or is currently advising the Corporation on related or other matters). The Corporation agrees it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe any agency, fiduciary or similar duty to the Corporation in connection with the Offering or the process leading thereto.

Section 28 Effective Date

This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

Section 29 Language

The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressment demandées que la présente convention ainsi que tout avis, tout état de compte et tout autre document a être ou pouvant etre donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

Section 30 Counterparts and Electronic or Facsimile Copies

This Agreement may be executed in any number of counterparts and by facsimile or other electronic transmission (in PDF), each of which so executed will constitute an original and all of which taken together shall form one and the same agreement.

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

Yours very truly,

CANACCORD GENUITY CORP.

Per: *"Steve Winokur"*
Authorized Signing Officer

BEACON SECURITIES LIMITED

Per: *"Mario Maruzzo"*
Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of the 28th day of February, 2017.

IANTHUS CAPITAL HOLDINGS, INC.

Per: *"Hadley Ford"*
Authorized Signing Officer

SCHEDULE "A"
U.S. OFFERS AND SALES

Definitions

1. As used in this Schedule "A", the following terms shall have the meanings indicated:

Directed Selling Efforts	means "directed selling efforts" as that term is defined in Regulation S;
FINRA	means the Financial Industry Regulatory Authority, Inc.;
Foreign Issuer	means a "foreign issuer" as that term is defined in Regulation S;
General Solicitation or General Advertising	means "general solicitation or general advertising", as used under Rule 502(c) under the U.S. Securities Act, including any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
Offshore Transaction	means an "offshore transaction" as that term is defined in Regulation S;
Qualified Institutional Buyer	means a "qualified institutional buyer" as that term is defined in Rule 144A;
Qualified Institutional Buyer Investment Letter	means the qualified institutional buyer investment letter in the form agreed to by the Underwriters and the Corporation pursuant to which Purchasers in the United States that are Qualified Institutional Buyers agree to purchase the Debentures as contemplated herein, and shall include, for greater certainty, all schedules and exhibits thereto;
Regulation S	means Regulation S under the U.S. Securities Act;
Rule 144A	means Rule 144A under the U.S. Securities Act;
SEC	means the United States Securities and Exchange Commission;
Substantial U.S. Market Interest	means "substantial U.S. market interest" as that term is defined in Regulation S;
U.S. Exchange Act	means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;
U.S. Person	means a "U.S. person" as that term is defined in Rule 902(k) of Regulation S;
U.S. Placement Agent	means any U.S. registered broker-dealer affiliate of any Underwriter;
U.S. Securities Act	means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and

U.S. Subscription Agreement means a Subscription Agreement in the form prepared for U.S. Investors

All other capitalized terms used herein without definition have the meanings ascribed thereto in the Underwriting Agreement to which this Schedule "A" is attached.

A. Representations, Warranties and Covenants of the Underwriters

The Underwriters (on their own behalf and on behalf of their respective U.S. Placement Agents) severally, but not jointly or jointly and severally, acknowledge that the Debentures and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered, sold or delivered, directly or indirectly, to any U.S. Person or any person within the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each of the Underwriters (on its own behalf and on behalf of its respective U.S. Placement Agent) severally, but not jointly or jointly and severally, represents, warrants and covenants to the Corporation, as of the date hereof and as of the Closing Date, and will cause its U.S. Placement Agent to comply with such representations, warranties and covenants, that:

1. It has offered and sold, and will offer and sell, the Debentures forming part of its allotment only in an Offshore Transaction in accordance with Rule 903 of Regulation S, or as provided in this Schedule "A". Accordingly, none of such Underwriter, its affiliates or any persons acting on its or their behalf, has made or will make (except as permitted in this Schedule "A"): (i) any offer to sell or any solicitation of an offer to buy, any Debentures to any U.S. Person or person in the United States; (ii) any sale of Debentures to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or such Underwriter, its affiliates or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and a non-U.S. Person; or (iii) any Directed Selling Efforts in the United States with respect to the Debentures.

2. Any offer, sale or solicitation of an offer to buy Debentures that has been made or will be made by it or its U.S. Placement Agent in the United States was or will be made only to persons reasonably believed by it and its U.S. Placement Agent to be Qualified Institutional Buyers purchasing Debentures for their own accounts or for the account of one or more Qualified Institutional Buyers with respect to which they exercise sole investment discretion in transactions that are exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws.

3. It has offered and sold, and will offer and sell, the Debentures forming its part of the allotment in the United States only pursuant to applicable exemptions from registration under applicable U.S. state securities (or blue sky) laws.

3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Debentures, except with its affiliates, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Placement Agent and each selling group member to agree in writing, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that its U.S. Placement Agent and each selling group member complies with, the same provisions of this Schedule "A" as apply to such Underwriter as if such provisions applied to such U.S. Placement Agent or selling group member.

4. All offers and sales of the Debentures in the United States will be effected through its U.S. Placement Agent, and such U.S. Placement Agent is, and shall be on the date of each offer and sale of Debentures by it, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales of Debentures were or will be made (unless exempted from the respective state's broker-dealer registration requirements) and is, and shall be on the date of each offer and sale of Debentures by it, a member in good standing with FINRA. All offers and sales of Debentures in the United States by it were made and will be made by its U.S. Placement Agent in compliance with all applicable United States federal and state broker-dealer requirements and all applicable rules of FINRA. Each of it and its U.S. Placement Agent is a Qualified Institutional Buyer.

5. None of it, its affiliates or any person acting on its or their behalf has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with its offers and sales of the Debentures in the United States.

6. Immediately prior to soliciting offerees in the United States and at the time of completion of each sale to a purchaser in the United States, it, its U.S. Placement Agent and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree or purchaser, as applicable, was a Qualified Institutional Buyer purchasing Debentures directly from an Underwriter.

7. Prior to the completion of any sale of Debentures in the United States to a Qualified Institutional Buyer, each such Qualified Institutional Buyer will be required to execute and deliver to the Corporation, the Lead Underwriter and the U.S. Placement Agent a Qualified Institutional Buyer Investment Letter.

8. At least one Business Day prior to the time of delivery, it will provide the Corporation and its transfer agent with a list of all purchasers of the Debentures in the United States, together with their addresses (including state of residence), the number of Debentures purchased and the registration and delivery instructions for the Debentures.

9. At the Closing, each Underwriter (together with its U.S. Placement Agent) that participated in the offer or sale of Debentures in the United States will provide the Corporation with a certificate, substantially in the form of Appendix 1 to this Schedule "A", relating to the manner of the offer and sale of the Debentures in the United States, or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Placement Agent offered or sold Debentures in the United States.

10. None of such Underwriter, its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Debentures.

11. It had reason to believe that all offers and sales in the United States were made to persons with knowledge and experience in financial and business matters such that he, she or it was capable of evaluating the merits and risks of the prospective investment in the Debentures.

12. None of the Underwriters, the U.S. Placement Agent or any person acting on their behalf will (a) solicit the exchange of the Debentures, the conversion of the Debentures or (b) pay, give or receive any commission or other remuneration, directly or indirectly, for soliciting the exchange of the Debentures or the conversion of the Debentures.

13. All purchasers of the Debentures in the United States shall be informed that the Debentures and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Debentures are being offered and sold to such purchasers in reliance upon (a) the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder, and (b) applicable exemptions from U.S. state securities (or blue sky) laws.

B. Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that:

1. The Corporation is, and as of the Closing Date will be, a Foreign Issuer and reasonably believed at the commencement of the Offering that there was no Substantial U.S. Market Interest with respect to the Debentures or the Underlying Securities.

2. The Corporation is not, and as a result of the sale of the Debentures contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended.

3. At the date hereof, the Debentures and the Underlying Securities are not (A) part of a class listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, or (B) quoted in a U.S. automated inter-dealer quotation system.

4. Except with respect to offers and sales in accordance with this Schedule "A" to Qualified Institutional Buyers in reliance upon an exemption from registration under the U.S. Securities Act, none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Debentures to a U.S. Person or person in the United States; or (ii) any sale of Debentures unless, at the time the buy order was or will have been originated, the purchaser is (x) outside the United States or (y) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and is a Non-U.S. Person.

5. During the period in which the Debentures are offered for sale, neither it nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has engaged in or will engage in any Directed Selling Efforts in the United States with respect to the Debentures, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act with respect to the Debentures or that would cause the exemption from registration under the U.S. Securities Act provided by Rule 144A thereunder to be unavailable for offers and sales of Debentures in the United States in accordance with this Schedule "A", or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Debentures outside the United States in accordance with the Underwriting Agreement and this Schedule "A.

6. None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, the Debentures in the

United States by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

7. The Corporation has not sold, offered for sale or solicited any offer to buy, during the period beginning six months prior to the start of the Offering, and will not sell, offer for sale or solicit any offer to buy during the period ending six months after the completion of the Offering, any of its securities in the United States in a manner that would be integrated with the Offering and would cause the exemption from registration provided by Rule 144A under the U.S. Securities Act to be unavailable with respect to offers and sales of the Debentures pursuant to this Schedule "A", or that would cause the exemption from registration provided by Section 4(a)(2) of the U.S. Securities Act to be unavailable with respect to offers and sales of Debentures or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Debentures to persons outside of the United States who are not (a) U.S. Persons or (b) acting for the account or benefit of U.S. Persons.

8. The Corporation will not take any action that would cause the exemptions or exclusions provided (i) by Rule 144A under the U.S. Securities Act and applicable state securities laws to be available with respect to offers and sales of the Debentures by the Underwriters in accordance with this Schedule "A", or (ii) by Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Debentures by the Corporation pursuant to this Schedule "A".

9. The Corporation will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of the Debentures.

10. For so long as any of the Debentures are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act or exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Corporation will provide to any holder of such Debentures, or to any prospective purchaser of such Debentures designated by such holder, upon the request of such holder or prospective purchaser, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) of the U.S. Securities Act.

Appendix 1
to Schedule "A"

Underwriter's Certificate

In connection with the private placement in the United States of the Debentures (the "Debentures") of iAnthus Capital Holdings, Inc. (the "Corporation") pursuant to the underwriting agreement dated as of February 28, 2017 (the "Underwriting Agreement") among the Corporation and the underwriters named therein, the undersigned does hereby certify as follows:

(i) The U.S. Placement Agent is on the date hereof, and was at the time of each offer and sale of Debentures in the United States made by it, (a) a duly registered broker or dealer under the U.S. Exchange Act and all applicable U.S. state securities laws (unless exempted from the respective state's broker-dealer registration requirements) and (b) a member of and is in good standing with FINRA;

(ii) all offers and sales of the Debentures in the United States were made only through the U.S. Placement Agent;

(iii) immediately prior to offering, or soliciting any offers to buy, Debentures to any person in the United States, or to or for the account or benefit of, any U.S. Person or person in the United States, it had reasonable grounds to believe and did believe that each such offeree and purchaser was a Qualified Institutional Buyer, and, on the date hereof, it continues to believe that each such offeree or purchaser in the United States or U.S. Person that is purchasing the Debentures from it is a Qualified Institutional Buyer;

(iv) prior to any sale of the Debentures in the United States or to, or for the benefit or account of, a U.S. Person or a person in the United States, it caused each purchaser to execute a Qualified Institutional Buyer Investment Letter;

(eee) no form of General Solicitation or General Advertising was used by it in connection with the offer or sale of the Debentures in the United States;

(vi) has not made any Directed Selling Efforts in the United States with respect to the Debentures;

(vii) neither the undersigned nor any of their affiliates have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Debentures; and

(vii) all offers and sales of the Debentures have been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

DATED this ___ day of February, 2017.

[UNDERWRITER]

By: _____
Authorized Signing Officer

[U.S. PLACEMENT AGENT]

By: _____
Authorized Signing Officer