UNDERWRITING AGREEMENT

March 21, 2018

CannaRoyalty Corp.
333 Preston Street, Preston Square Tower 1
Suite 610
Ottawa, ON K1S 5N4

Attention: Marc Lustig, Chief Executive Officer

Dear Sirs:

Based on the terms and conditions set out below, Canaccord Genuity Corp. (the "**Lead Underwriter**"), as lead manager and sole book-runner and Beacon Securities Limited, Sprott Private Wealth LP, Mackie Research Capital Corporation, AltaCorp Capital Inc. and INFOR Financial Inc. (collectively with the Lead Underwriter, the "**Underwriters**" and each, an "**Underwriter**") hereby severally (and not jointly or jointly and severally), in their respective percentages set out in Section 17(a) below, offer to purchase for resale from CannaRoyalty Corp. (the "**Corporation**"), and the Corporation, by its acceptance of this offer agrees to issue and sell to the Underwriters, at the Closing Time (as defined below), an aggregate of 3,750,000 units (the "**Initial Units**") of the Corporation at a purchase price of $4.00 per Initial Unit (the "**Offering Price**") for an aggregate purchase price of $15,000,000 (the "**Offering**").

Each Initial Unit shall be comprised of one common share of the Corporation (a "**Common Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will be exercisable to acquire one common share of the Corporation (a "**Warrant Share**") for a period of three years following the Closing Date (as hereinafter defined) at an exercise price of $5.50 per Warrant Share, subject to adjustment in certain events; provided that in the event that the daily volume weighted average share price of the Common Shares on the Canadian Securities Exchange (the "**CSE**"), or such other recognized stock exchange on which the Common Shares principally trade, equals or exceeds $8.00 for 15 consecutive trading days after the Closing Date (the "**Acceleration Trigger**"), the Corporation shall be entitled to accelerate the exercise period of the Warrants to a period ending at least 21 days from the date notice of such acceleration is provided to the holders of the Warrants pursuant to a written notice to Warrant holders and a news release issued by the Corporation. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture (as hereinafter defined). In case of any inconsistency between the description of the Warrants in this Agreement (as hereinafter defined) and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

In addition, the Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase up to an additional 562,500 units of the Corporation (the "**Additional Units**"), representing 15% of the number of Initial Units, having the same terms as the Initial Units, at the Offering Price for market stabilization purposes and for the purposes of covering the Underwriters' over-allocation position, for additional gross proceeds to the Corporation of up to $2,250,000. The Over-Allotment Option may be exercisable by the Underwriters in respect of: (i) Additional Units at the Offering Price; or (ii) additional common shares in the capital of the Corporation (the "**Additional Shares**") at a price of $3.70 per Additional Share; or (iii) additional warrants (the "**Additional Warrants**", and together with

the Additional Units and the Additional Shares, the "**Additional Securities**") at a price of $0.60 per Additional Warrant; or (iv) any combination of Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 562,500 Additional Shares and 281,250 Additional Warrants. In the event that the Over-Allotment Option is exercised, any Additional Securities issued thereunder shall be deemed to form part of the Offering for the purposes hereof and all of the terms and conditions relating to the Closing (as hereinafter defined) shall apply to the Over-Allotment closing. The Over-Allotment Option is exercisable in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days following the Closing Date (as hereinafter defined) (the "**Over-Allotment Expiry Date**") as more particularly described in Section 11 hereof. The Initial Units and the Additional Securities are collectively referred to herein as the "**Units**". The offer and sale of the Units is referred to herein as the "**Offering**".

The Units may be distributed in each of the provinces of Canada other than the Province of Quebec (the "**Qualifying Jurisdictions**") by the Underwriters pursuant to the Prospectus (as defined below) and may be offered and sold in the United States (as defined below) or to or for the account or benefit of a U.S. Person (as defined below) or a person in the United States and only in accordance with Schedule "A" hereto, which is incorporated by reference herein and forms part of this Agreement. In particular, all offers of the Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States shall be made through a U.S. Affiliate (as defined in Schedule "A" hereto) of an Underwriter in accordance with Rule 144A (as defined in Schedule "A" hereto), shall first be purchased by an Underwriter or a U.S. Affiliate, acting as principal, shall be resold in accordance with Rule 144A, and shall be made in accordance with all applicable state securities Laws. Subject to applicable Laws, including the U.S. Securities Act (as defined in Schedule "A" hereto) and the terms of this Agreement, the Units may also be distributed outside Canada and the United States where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions provided that the Corporation is provided notice of and consents to such sales and that no prospectus filing or comparable obligation arises and the Corporation does not thereafter become subject to continuous disclosure obligations in such jurisdictions.

In consideration of the agreement of the Underwriters to purchase the Units and to offer them to the public pursuant to the Prospectus, the Corporation agrees to pay to the Underwriters, at the Closing Time, a fee equal to 6.0% of the gross proceeds of the Offering (the "**Underwriting Fee**"). The obligation of the Corporation to pay the Underwriting Fee shall arise at the Closing Time (as hereinafter defined) and the Underwriting Fee shall be fully earned by the Underwriters at that time. As additional compensation for the services provided, the Corporation will grant to the Underwriters, upon and subject to the provisions of Section 11 hereof, the Compensation Warrants (as hereinafter defined). At the Closing Time, the Corporation shall execute and deliver to the Underwriters (or their agents, as the case may be) the Compensation Warrant Certificates (as hereinafter defined).

The Underwriters shall be entitled (but not obligated) in connection with the Offering to retain as sub-agents other registered securities dealers and may receive subscriptions for Units from subscribers from other registered dealers, at no additional cost to the Corporation. The fee payable to any such Selling Firm (as defined below) shall be for the account of the Underwriters.

The following are the terms and conditions of the agreement between the Corporation and the Underwriters:

Section 1 Definitions and Interpretation

(a) In this Agreement:

"**affiliate**", "**associate**", "**distribution**", "**material change**", "**material fact**", "**misrepresentation**" and "**person**" have the respective meanings given to them in the Ontario Act;

"**Acceleration Trigger**" has the meaning given to that term in the second paragraph of this Agreement;

"**Additional Securities**" has the meaning given to that term in the third paragraph of this Agreement;

"**Additional Shares**" has the meaning given to that term in the third paragraph of this Agreement;

"**Additional Units**" has the meaning given to that term in the third paragraph of this Agreement;

"**Additional Warrants**" has the meaning given to that term in the third paragraph of this Agreement;

"**Agreement**" means this Underwriting Agreement and not any particular article or section or other portion except as may be specified and words such as "hereof", "hereto", "herein" and "hereby" refer to this Agreement as the context requires;

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

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published policy statements, blanket orders, instruments and notices of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement;

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

"**Claims**" has the meaning given to that term in Section 14(a) of this Agreement.

"**Closing**" means, with respect to the Units, the completion of the issue and sale by the Corporation of the Units pursuant to this Agreement;

"**Closing Date**" means April 4, 2018 or such other date as the Corporation and the Underwriters may agree;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date;

"**Code**" has the meaning given to that term in Section 7(bbb) of this Agreement;

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

"**Compensation Units**" shall have the meaning ascribed thereto in Section 11 hereof;

"**Compensation Warrants**" shall have the meaning ascribed thereto in Section 11 hereof;

"**Compensation Warrant Certificates**" means the definitive certificates issued to the Underwriters (or any soliciting group member, if any) on the Closing Date, in a form to be agreed upon by the Corporation and the Underwriters, each acting reasonably;

"**Continuing Underwriters**" has the meaning given to that term in Section 17(b) of this Agreement;

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

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

"**Defaulted Securities**" has the meaning given to that term in Section 17(b) of this Agreement;

"**Documents Incorporated by Reference**" means all financial statements, management information circulars, annual information forms, material change reports, business acquisition reports, Marketing Materials or other documents filed by the Corporation, whether before or after the date of this Agreement, that are required by applicable Canadian Securities Laws to be incorporated by reference into the Preliminary Prospectus, the Prospectus or any Supplementary Material, as applicable;

"**Employee Plans**" has the meaning given to that term in Section 7(cc) of this Agreement;

"**Engagement Letter**" means the engagement letter dated as of March 15, 2018 signed by the Lead Underwriter and accepted by the Corporation, as amended;

"**Final Receipt**" means a receipt for the Prospectus issued in accordance with the Passport System;

"**Financial Statements**" means the financial statements of the Corporation included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors' report on such statements, prepared in accordance with international financial statement reporting standards as in force at the applicable time;

"**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;

"**Indemnified Party**" has the meaning given to that term in Section 14(a) of this Agreement;

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

"**Intellectual Property**" has the meaning given to that term in Section 7(rr) of this Agreement;

"**Investments**" means each of the investments of the Corporation listed in "CR Equity Holdings" the section "Description of the Business" in the Prospectus or, in this section "Description of the Business of the Corporation's annual information form for the period ended December 31, 2016 otherwise disclosed in the Documents Incorporated by Reference;

"**Laws**" means Canadian 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;

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

"**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;

"**Marketing Materials**" has the meaning given to it in NI 41-101;

"**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;

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

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

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

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

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, and any Supplementary Material;

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

"**Over-Allotment Closing Date**" has the meaning given to that term in Section 11(a) hereof;

"**Over-Allotment Closing Time**" has the meaning given to that term in Section 11(a) hereof;

"**Over-Allotment Option**" has the meaning given to that term in the third paragraph of this Agreement;

"**Over-Allotment Expiry Date**" has the meaning given to that term in the third paragraph of this Agreement;

"**Passport System**" means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102 – *Passport System* adopted by the Canadian Securities Commissions (other than the Ontario Securities Commission);

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

"**PFIC**" has the meaning given to that term in Section 7(bbb) of this Agreement;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation dated March 21, 2018, including all Documents Incorporated by Reference, approved, signed and certified in accordance with Canadian Securities Laws, relating to the qualification for distribution of the Units under applicable Canadian Securities Laws;

"**Preliminary Receipt**" means a receipt for the Preliminary Prospectus issued in accordance with the Passport System;

"**Preliminary U.S. Placement Memorandum**" means the preliminary U.S. private placement memorandum and any amendments thereto, including the Preliminary Prospectus;

"**Prospectus**" means the (final) short form prospectus of the Corporation, including all Documents Incorporated by Reference, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Units under applicable Canadian Securities Laws;

"**Qualifying Jurisdictions**" has the meaning given to that term in the fourth paragraph of this Agreement;

"**Refusing Underwriter**" has the meaning given to that term in Section 17(b) of this Agreement;

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

"**Securities Commissions**" means collectively, the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

"**Selling Firm**" has the meaning given to it in Section 4(a) of this Agreement;

"**subsidiary**" means a subsidiary for purposes of the Ontario Act;

"**Subsidiaries**" means, collectively, Cannabis Royalties & Holding Corp., Cannroy Delaware Inc., Electric Medialand Inc., Cannroy Distribution LLC, Dreamcatcher Labs Inc., Electric Media

Land Inc., Trichome Yield Corp. and CR Advisory Services Inc. and "**Subsidiary**" means any one of them;

"**Supplementary Material**" means, collectively, (i) any amendment to the Preliminary Prospectus or the Prospectus, or any amended or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under the Canadian Securities Laws relating to the qualification for distribution of the Units under applicable Canadian Securities Laws, and (ii) any amendment to the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum or any amended or supplemental placement memorandum or ancillary materials that may be circulated to prospective Substituted Purchasers;

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

"**Underlying Securities**" means, collectively, the Common Shares and the Warrants comprising the Units, the Warrant Shares issuable upon exercise of the Warrants and the Compensation Units (including the Common Shares and the Warrants comprising the Compensation Units);

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

"**Underwriting Fee**" has the meaning given to that term in the fourth paragraph of this Agreement;

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

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

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum and any amendments thereto, including the Prospectus;

"**U.S. Securities Laws**" means the United States federal securities laws, including, without limitation, the U.S. Securities Act and the U.S. Exchange Act, each as defined in Schedule "A" hereto, and applicable state securities laws;

"**Warrant Agent**" means AST Trust Company (Canada);

"**Warrant Indenture**" means the warrant indenture to be dated as of the Closing Date between the Corporation and the Warrant Agent, in a form to be agreed upon by the Corporation and the Underwriters, each acting reasonably; and

"**Warrants**" means the common share purchase warrants of the Corporation partially comprising the Units.

(b) All capitalized terms used but not otherwise defined herein have the meanings given to them in the Prospectus.

(c) The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the

construction or the interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement

(d) Unless otherwise expressly provided in this Agreement, (i) words importing only the singular number include the plural and vice versa and words importing gender include all genders; and (ii) all references to dollars or "$" are to Canadian dollars.

(e) The phrase "to the knowledge of the Corporation" means a statement as to the knowledge of each of Marc Lustig, director and Chief Executive Officer, Francois Perrault, Chief Financial Officer, and Afzal Hasan, EVP, Corporate Development, of the Corporation about the facts and circumstances to which such phrase related, after having made due and applicable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers in the discharge of their duties, without special inquiry for the purpose of the Offering.

(f) The following is a schedule to this Agreement, which schedule (including the representations, warranties and covenants set out therein) is deemed to be a part hereof and is hereby incorporated by reference herein:

Schedule "A" - Terms and Conditions for United States Offers and Sales

Section 2 Compliance with Laws

(a) The Corporation covenants with the Underwriters that (i) the Corporation shall, no later than 5:00 p.m. (Toronto time) on March 21, 2018, file the Preliminary Prospectus, in form and substance satisfactory to the Underwriters, with the Securities Commissions under the Canadian Securities Laws pursuant to the Passport System and NP 11-202 and shall designate the Province of Ontario as the designated and principal jurisdiction thereunder, together with the required supporting documents, and (ii) following receipt of the Preliminary Receipt, the Corporation shall use commercially reasonable efforts to resolve all comments received or deficiencies raised by the Securities Commissions and prepare and file the Prospectus, in form and substance satisfactory to the Underwriters, with the Securities Commissions under the Canadian Securities Laws, together with the required supporting documents, and will obtain the Final Receipt from the Ontario Securities Commission, as principal regulator as soon as possible after the filing of the Prospectus, and, in any event, use its commercially reasonable efforts to obtain such document by no later than 5:00 p.m. (Toronto time) on March 28, 2018 (or such other time and/or date as the Corporation and the Underwriters may agree, acting reasonably) and the Corporation will use commercially reasonable efforts to fulfill and comply with, to the satisfaction of the Underwriters, acting reasonably, the Canadian Securities Laws and U.S. Securities Laws required to be fulfilled or complied with by the Corporation to enable the Units to be lawfully distributed in such jurisdictions through the Underwriters or their respective affiliates or any other investment dealers or brokers registered in such jurisdictions as contemplated therein.

(b) During the distribution of the Units:

(i) the Corporation shall prepare, in consultation with the Lead Underwriter, and approve in writing, prior to such time any Marketing Materials are provided to potential investors in Units, a template version of any Marketing Materials reasonably requested to be provided

by the Underwriters to any such potential investor, such Marketing Materials to comply with Canadian Securities Laws and to be acceptable in form and substance to the Underwriters, acting reasonably;

(ii) the Lead Underwriter shall, on behalf of the Underwriters, as contemplated by Canadian Securities Laws, approve a template version of any such Marketing Materials in writing prior to the time such Marketing Materials are provided to potential investors in Units;

(iii) the Corporation shall file a template version of any Marketing Materials on SEDAR as soon as reasonably practicable after such Marketing Materials are so approved in writing by the Corporation and the Lead Underwriter and, in any event, on or before the day the Marketing Materials are first provided to any potential investor in Units, and any comparables (as defined in NI 41-101) shall be removed from the template version in accordance with NI 44-101 prior to filing such on SEDAR (provided that if any such comparables are removed, the Corporation shall deliver a complete template version of any such Marketing Materials to the Securities Commissions), and the Corporation shall provide a copy of such filed template version to the Underwriters as soon as practicable following such filing; and

(iv) following the approvals and filings set forth in Section 2(b)(i) to Section 2(b)(iii) above, the Underwriters may provide a limited-use version of such Marketing Materials to potential investors in Units in accordance with Canadian Securities Laws.

(c) The Corporation and the Underwriters, on a several basis, covenant and agree, during the distribution of the Units,:

(i) not to provide any potential investor of Units with any Marketing Materials unless a template version of such materials has been filed by the Corporation with the Securities Commissions on or before the day such Marketing Materials are first provided to any potential investor of Units; and

(ii) not to provide any potential investor with any materials or information in relation to the distribution of the Units or the Corporation, other than: (A) such Marketing Materials that have been approved and filed in accordance with Section 2(b); and (B) the Prospectus.

(d) Each purchaser who is resident in a Qualifying Jurisdiction shall purchase pursuant to the Prospectus. Each other purchaser not resident in a Qualifying Jurisdiction shall purchase only on a private placement basis in accordance with such procedures as the Corporation and the Underwriters may mutually agree, acting reasonably, in order to fully comply with applicable Laws and the terms of this Agreement (Section 4(b) with respect to offers and sales in jurisdictions other than the Qualifying Jurisdictions and including Schedule "A" hereto with respect to offers and sales in the United States or to or for the account or benefit of a U.S. Person or a person in the United States). The Corporation hereby agrees to ensure compliance by the Corporation with all applicable Canadian Securities Laws on a timely basis in connection with the distribution of the Units to purchasers resident in the Qualifying Jurisdictions and to take or cause to be taken all steps and proceedings required under U.S. Securities Laws to offer and sell the Units in accordance with Schedule "A" hereto provided the Underwriters comply with their obligations hereunder. The Corporation also agrees to file within the periods stipulated under applicable Laws and at the Corporation's expense all private placement forms required to be filed

by the Corporation in connection with the Offering and pay all filing fees required to be paid in connection therewith so that the distribution of the Units outside of Canada may lawfully occur without the necessity of filing a prospectus or any similar document under the applicable Laws outside of Canada.

Section 3 Due Diligence

Prior to the filing of the Preliminary Prospectus, the Prospectus and any Supplementary Material, the Corporation shall allow the Underwriters to participate fully in the preparation of such documents and shall allow the Underwriters to conduct all due diligence which the Underwriters may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute any certificate related to such documents required to be executed by them under applicable Canadian Securities Laws. Up to the later of the Closing Date and the date of completion of the distribution of the Units, the Corporation shall allow each of the Underwriters to conduct any due diligence investigations that any of them reasonably requires to confirm as at any date that it continues to have reasonable grounds for the belief that the Offering Documents do not contain a misrepresentation as at such date or as at the date of such Offering Documents or, for purposes of U.S. Securities Laws, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances under which they were made, not misleading as at such date or as at the date of such Offering Documents. All information furnished to the Underwriters and their legal advisors and representatives in connection with the Underwriters' due diligence investigation will be treated by the Underwriters and their legal counsel and representatives as strictly confidential and will be used only in connection with the Underwriters engagement under this Agreement.

Section 4 Distribution and Certain Obligations of Underwriters

(a) The Underwriters shall, and shall require any investment dealer or broker (other than the Underwriters) with which the Underwriters have a contractual relationship in respect of the distribution of the Units (each, a "**Selling Firm**") to agree to, comply with applicable Laws, including Canadian Securities Laws and U.S. Securities Laws, in connection with the distribution hereof and shall offer the Units for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Offering Documents and this Agreement. The Underwriters (or, as applicable, their U.S. Affiliates) shall, and shall require any Selling Firm to, offer for sale to the public and sell the Units only in those jurisdictions where they may be lawfully offered for sale or sold, provided such Underwriter (or, as applicable, their U.S. Affiliates) or Selling Firm is appropriately registered in such jurisdiction. The Underwriters shall: (i) use all reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Units as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Underwriters and the Selling Firms have ceased distribution of the Units and provide a breakdown of the number of Units distributed in each of the Qualifying Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Securities Commissions.

(b) The Underwriters (or, as applicable, their U.S. Affiliates) shall, and shall require any Selling Firm to agree to, distribute the Units in a manner which complies with and observes all applicable Laws in each jurisdiction into and from which they may offer to sell the Units or distribute the Prospectus, any Marketing Materials or any Supplementary Material in connection with the distribution of the Units and will not, directly or indirectly, offer, sell or deliver any Units or deliver the Prospectus, any Marketing Materials or any Supplementary Material to any person in

any jurisdiction other than in the Qualifying Jurisdictions except in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirements under the applicable Laws of such other jurisdictions or pay any unreasonable filing fees which relate to such other jurisdictions. Subject to the foregoing, the Underwriters (or, as applicable, their U.S. Affiliates) and any Selling Firm shall be entitled to offer and sell the Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, solely pursuant to an applicable exemption or exemptions from the registration requirements of the U.S. Securities Act, and in other jurisdictions in accordance with any applicable Laws in the jurisdictions in which the Underwriters and/or Selling Firms offer the Units. Any offer or sale of the Units in the United States will be made in accordance with Schedule "A" hereto.

(c) For the purposes of this Section 4, the Underwriters shall be entitled to assume that the Units are qualified for distribution in any Qualifying Jurisdiction where a receipt or similar document for the Prospectus shall have been obtained from the applicable Securities Commission (including the Final Receipt for the Prospectus issued under the Passport System and NP 11-202) following the filing of the Prospectus unless otherwise notified in writing.

(d) The Corporation and the Underwriters agree that Schedule "A" hereto entitled "Terms and Conditions for United States Offers and Sales" is incorporated by reference in and shall form part of this Agreement.

(e) Notwithstanding the foregoing provisions of this Section 4, an Underwriter will not be liable to the Corporation under this Section 4 with respect to a default under this Section 4 or Schedule "A" hereto by another Underwriter or another Underwriter's U.S. Affiliate, or by a Selling Firm appointed by another Underwriter, as the case may be, but only for a default under this Section 4 or Schedule "A" by itself or any Selling Firm appointed by such Underwriter.

Section 5 Conditions of the Offering

The Underwriters' obligations under this Agreement to purchase the Units are subject to the representations and warranties of the Corporation contained in this Agreement being 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 of the date of this Agreement and as of the Closing Time, the performance by the Corporation of its obligations under this Agreement and each of the following conditions:

(a) the Preliminary Prospectus and the Prospectus having been signed and certified on behalf of the Corporation and filed with the Securities Commissions in accordance with Canadian Securities Laws and a receipt having been obtained therefor by the Corporation from the Ontario Securities Commission, as principal regulator, evidencing that a receipt has been issued with respect to the Preliminary Prospectus and the Prospectus from each of the Securities Commissions;

(b) receipt of evidence by the Underwriters, in a form acceptable to the Underwriters, acting reasonably, that all actions required to be taken by or on behalf of the Corporation, including the passing of all requisite resolutions of the directors and shareholders of the Corporation, having been taken so as to approve the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Warrant Certificates and the Offering Documents, as applicable, and the distribution of the Units without restriction;

(c) the Corporation delivering to the Underwriters, at the Closing Time, and the Over-Allotment Closing Time, as applicable, a certificate dated the Closing Date, or the Over-Allotment Closing Date, as applicable, addressed to the Underwriters and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, in a form satisfactory to the Lead Underwriter, acting reasonably, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries and after having carefully examined the Prospectus and any Supplementary Material, that:

(i) the Corporation has complied in all material respects (except where already qualified by materiality, 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 materiality, 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 or the Over-Allotment Closing Time, as applicable;

(ii) 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, or the Over-Allotment Closing Time, as applicable, with the same force and effect as if made on and as at the Closing Time or the Over-Allotment Closing Time, as applicable, after giving effect to the transactions contemplated by this Agreement;

(iii) receipts have been issued by the Securities Commissions in the Qualifying Jurisdictions for the Prospectus and no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Common Shares or any other securities of the Corporation has been issued by any Governmental Authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Canadian Securities Laws or U.S. Securities Laws or by any Governmental Authority;

(iv) since the respective dates as of which information is given in the Prospectus (A) there has been no material change affecting the Corporation on a consolidated basis, and (B) no transaction has been entered into by the Corporation other than in the ordinary course of business, which is material to the Corporation on a consolidated basis, other than to be disclosed in the Prospectus or any Supplementary Material, as the case may be; and

(v) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact or a new material fact) contained in the Prospectus which material fact or change is of such a nature as to render any statement in the Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Prospectus;

(d) the Underwriters receiving, at the Closing Time, a legal opinion dated the Closing Date, to be addressed to the Underwriters, in form and substance acceptable to the Underwriters acting reasonably, of counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to the Underwriters and may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, public

and exchange officials or of the auditors or transfer agent of the Corporation), with respect to the following matters:

(i) that the Corporation is a company incorporated under the laws of the Province of Ontario and has the corporate power and capacity to own or lease its properties and assets, carry on its business as it is currently conducted, and to execute, deliver and perform its obligations under this Agreement, the Warrant Indenture and the Compensation Warrant Certificates;

(ii) that the authorized share capital of the Corporation consists of an unlimited number of common shares and 2,000,000 special redeemable, voting, non-participating preference shares immediately prior to the Closing Time;

(iii) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus and the Prospectus and the filing thereof under Canadian Securities Laws in each of the Qualifying Jurisdictions;

(iv) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Warrant Certificates and the performance of the Corporation's obligations hereunder and thereunder and this Agreement, the Warrant Indenture and the Compensation Warrant Certificates have each been duly authorized, executed and delivered by the Corporation, and each constitutes a legal, valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with the terms thereof, subject to customary limitations on enforceability;

(v) the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Warrant Certificates and the performance of the Corporation's obligations hereunder and thereunder do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with: (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; or (B) any Laws having force in the Province of Ontario;

(vi) that all necessary forms have been filed with the CSE to effect the issuance and listing of the Common Shares, Warrant Shares and Warrants (including those issuable pursuant to exercise of the Compensation Warrants) being issued and sold pursuant to the Offering, subject to the satisfaction of standard listing conditions of the CSE;

(vii) that all necessary corporate action has been taken by the Corporation to authorize the issuance of the Units and the Compensation Warrants;

(viii) that the Warrants and the Compensation Warrants have been validly created and issued by the Corporation;

(ix) that upon the payment of the Offering Price therefor, the Common Shares partially comprising the Units will be duly and validly issued as fully paid and non-assessable Common Shares;

(x) that the Warrant Shares issuable upon the exercise of the Warrants have been authorized and allotted for issuance and, upon the due exercise of the Warrants in accordance with the terms thereof, will be validly issued as fully paid and non-assessable Common Shares;

(xi) that the Underlying Securities issuable upon the exercise of the Compensation Warrants have been authorized and allotted for issuance and, upon the due exercise of the Compensation Warrants in accordance with the provisions thereof, will be validly created and issued, as applicable;

(xii) that all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits and consents of the appropriate regulatory authority in each of the Qualifying Jurisdictions have been obtained by the Corporation to qualify the distribution to the public of the Units in each of the Qualifying Jurisdictions through persons who are registered under applicable Canadian Securities Laws and who have complied with the relevant provisions of applicable Canadian Securities Laws;

(xiii) that the statements set forth in the Prospectus under the caption "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" in the Prospectus are accurate, subject to the limitations and qualifications set out therein;

(xiv) that the attributes of the Common Shares, Warrants and Compensation Warrants are consistent in all material respects with the description thereof in the Prospectus; and

(xv) that the Warrant Agent, at its principal office in the City of Toronto, has been duly appointed as the warrant agent and registrar in respect of the Warrants;

(e) if any Units are sold in the United States, or to, or for the account or benefit of a U.S. Person or a person in the United States, and if requested by the Underwriters, the Underwriters receiving, at the Closing Time on the Closing Date, a legal opinion dated the Closing Date, to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, of 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 (i) the offer and sale of the Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States and the issuance of the Warrant Shares on exercise of the Warrants is 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 Units and (ii) the Corporation is not, and after the sale of the Units shall not be, an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended;

(f) 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;

(g) the Underwriters shall have received legal opinions addressed to the Underwriters, in form and substance satisfactory to the Underwriter, acting reasonably, dated as of the date of the Prospectus and the Closing Date from counsel to the Corporation regarding the compliance of the Corporation and each Subsidiary with applicable United States state and municipal laws relating to the manufacture, cultivation, importation, possession, sale or distribution of cannabis;

(h) the Underwriters receiving at the Closing Time and the Over-Allotment Closing Time, as applicable, a certificate, dated as of the Closing Date or the Over-Allotment Closing Date, as applicable, signed by the corporate secretary of the Corporation (or such other officer as the Underwriters may agree to), in a form satisfactory to the Lead Underwriter, acting reasonably, certifying for and on behalf of the Corporation and without personal liability, with respect to:

(i) the constating documents and articles of the Corporation;

(ii) the resolutions of the board of directors of the Corporation relevant to the issue and sale of the Units and the authorization of the other agreements and transactions contemplated herein; and

(iii) the incumbency and signatures of signing officers of the Corporation;

(i) the Common Shares, Warrant Shares and Warrants (including those issuable pursuant to exercise of the Compensation Warrants) are listed and posted for trading on the CSE, subject only to the standard listing conditions of the CSE;

(j) the Underwriters receiving at the Closing Time or the Over-Allotment Closing Time, as applicable, on the Closing Date or the Over-Allotment Closing Date, as applicable, comfort letters dated the Closing Date from the auditors of the Corporation, in form and substance satisfactory to the Underwriters, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 9(a) hereof;

(k) the Agents shall have received a certificate from Computershare Trust Company as to the number of Common Shares issued and outstanding as at the date immediately prior to the Closing Date; and;

(l) to the extent not previously provided, the Agents shall have received the lock-up undertakings requested by the Agents pursuant to Section 8(z).

Section 6 Representations as to Offering Documents

Filing and delivery to the Underwriters in accordance with this Agreement of any Offering Document shall constitute a representation and warranty by the Corporation to the Underwriters that, as at their respective dates, dates of filing and dates of delivery:

(a) the information and statements (except information and statements relating solely to the Underwriters, which have been provided by the Underwriters to the Corporation in writing specifically for use in any of the Offering Documents (collectively, "Underwriters' Information")) contained in such Offering Documents are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Units as required to be disclosed therein by applicable Canadian Securities Laws;

(b) no material fact or information has been omitted from such disclosure (except for Underwriters' Information) that is required to be stated in such disclosure or that is necessary to make a statement contained in such disclosure not misleading in the light of the circumstances under which it was made;

(c) the information and statements (except for Underwriters' Information) contained in the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum, as applicable, including, without limitation, the documents incorporated or deemed to be incorporated by reference therein, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the information presented and the statements made, in the light of the circumstances under which they were presented or made, not misleading, within the meaning of the U.S. Securities Laws; and

(d) except with respect to any Underwriters' Information, such documents comply in all material respects with the requirements of Canadian Securities Laws and the applicable U.S. Securities Laws.

Such filings shall also constitute the Corporation's consent to the Underwriters' use of the Preliminary Prospectus, the Prospectus and any Supplementary Material in connection with the distribution of the Units in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws and the use of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum for offers and sales of the Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States pursuant to Rule 144A.

Section 7 Additional Representations and Warranties of the Corporation

The Corporation hereby represents and warrants to the Underwriters and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Units 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 this Agreement, the Warrant Indenture,

the Compensation Warrant Certificates 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) to the knowledge of the Corporation 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, which, for the interim period ended September 30, 2017 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 its Subsidiaries, all of the issued and outstanding shares of the Subsidiaries of the Corporation 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 the Corporation of any interest in any of the shares in the capital of the Subsidiaries of the Corporation;

(e) except as disclosed in the Offering Documents, the Corporation and the Subsidiaries (i) to the knowledge of the Corporation each conducted and have each been conducting their business in compliance in all material respects with all applicable laws, rules and regulations of each state and local 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, rules or regulations, (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 Offering Documents, each of the Corporation and each Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof as described in the Offering 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 Offering 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) the authorized and issued share capital of the Corporation conforms to the description thereof contained in the Offering Documents. All of the issued and outstanding shares of the Corporation have been duly and validly authorized and issued as fully paid and non-assessable, and none of

the outstanding shares of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;

(h) at the Closing Time, all necessary corporate action will have been taken by the Corporation to allot and authorize the issuance of the Common Shares, the Warrants and the Compensation Warrants and, upon the due exercise of the Warrants and the Compensation Warrants in accordance with their respective provisions thereof, the Underlying Securities will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;

(i) 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 Prospectus and, other than as contemplated by this Agreement, and (i) options granted to directors, officers, employees and consultants of the Corporation to purchase Common Shares as described in the Offering 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;

(j) there are no contracts or agreements between either the Corporation or a Subsidiary and any person granting such person the right to require the Corporation or the Subsidiary to file a registration statement under U.S. Securities Laws or, except as contemplated by this Agreement, a prospectus under Canadian Securities Laws, with respect to any securities of the Corporation or any Subsidiary owned or to be owned by such person that require the Corporation or a Subsidiary to include such securities in the securities qualified for distribution under the Offering Documents;

(k) except as described in the Offering 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;

(l) the Common Shares to be issued as described in this Agreement and in the Offering Documents (including, for greater certainty, the Warrant Shares) have been, or prior to the Closing Time will be, duly created and 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;

(m) the Transfer Agent, at its principal office in Toronto, Ontario, is duly appointed as the registrar and transfer agent of the Corporation with respect to the Common Shares;

(n) the Warrant Agent will be, at the Closing Date, duly appointed as warrant agent with respect to the Warrants;

(o) this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, fraudulent

conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally, general principles of equity, and the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution, waiver and the ability to sever unenforceable terms may be limited under applicable Laws;

(p) no authorization, approval, consent, licence, permit, order or filing of, or with, any Government Authority or court, domestic or foreign, (other than those which have already been obtained or will be obtained prior to the Closing Date and except for post-closing filings to be made with the CSE and post-closing distribution reports to be filed and other post-closing filings to be made with certain securities regulatory authorities) is required for the valid sale and delivery of the Units or for the execution and delivery or performance this Agreement by the Corporation;

(q) each of the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Warrant Certificates, the performance by the Corporation of its obligations hereunder and thereunder, the sale of the Units 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;

(r) the Financial Statements have been prepared in accordance with international financial statement reporting standards 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;

(s) the financial information included in the Offering 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;

(t) 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 National Instrument 51-102 – Continuous Disclosure Obligations) between the Corporation and such auditors or, to the knowledge of the Corporation, any former auditors of the Corporation;

(u) 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;

(v) the Corporation maintains a system of internal accounting controls (reliant primarily on manual intervention and oversight) commensurate with industry practice for a company of comparable size, scope and stage of development, which is sufficient to provide reasonable assurance that in all material respects:

(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;

(w) except as disclosed in the Offering 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;

(x) 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 its 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;

(y) to the knowledge of the Corporation, the statistical, industry and market related data included in the Offering Documents are derived from sources which the Corporation reasonably believes to

be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;

(z) since the respective dates as of which information is given in the Offering Documents, except as otherwise stated therein or contemplated thereby, there has not been:

(i) any material change in the condition (financial or otherwise), or in the earnings, business, affairs, capital, prospects, operations or management of the Corporation or any of the Subsidiaries, whether or not arising in the ordinary course of business from that set forth therein;

(ii) any transaction entered into by the Corporation or any of the Subsidiaries, other than in the ordinary course of business, that is material to the Corporation; or

(iii) any dividend or distribution of any kind declared, paid or made by the Corporation or any of the Subsidiaries on shares in the capital of the Corporation or a Subsidiary, as applicable;

(aa) no material labour dispute with current and former employees of the Corporation or any of its 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;

(bb) no union has been accredited or otherwise designated to represent any employees of the Corporation or any of its 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 its 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 its Subsidiaries and none is currently being negotiated by the Corporation or any of its Subsidiaries;

(cc) other than usual and customary health and related benefit plans for employees, the Prospectus discloses to the extent required by applicable Canadian Securities Laws to be disclosed in the Prospectus 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 its 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;

(dd) 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 its Subsidiaries have been recorded in accordance with generally accepted accounting principles in Canada or international financial statement reporting standards, as applicable, and are reflected on the books and records of the Corporation;

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

(ff) 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;

(gg) except as disclosed in the Offering Documents, there has been no Material Adverse Change in the value of the Investments as compared to their respective values as recorded in the Corporation's financial statements dated December 31, 2016;

(hh) 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 Offering Documents and, if required under the Canadian Securities Laws, have or will be filed with the Securities Commissions. Neither the Corporation nor any of its subsidiaries has received any notification from any party that it intends to terminate any such material contract;

(ii) 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;

(jj) except as disclosed in the Offering Documents, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to knowledge of the Corporation, threatened, against or affecting the Corporation or any of its subsidiaries which is required to be disclosed in the Prospectus;

(kk) 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, other than with respect to approving matters related to the Offering, 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;

(ll) 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;

(mm) the Corporation is a reporting issuer in good standing in the province of Ontario under Canadian Securities Laws;

(nn) the Corporation is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus in each of the Qualifying Jurisdictions and on the date of and upon filing of the Prospectus there will be no documents required to be filed under Canadian Securities Laws in connection with the distribution of the Units that will not have been filed as required;

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

(pp) no securities commission, stock exchange or comparable authority has issued any order preventing or suspending the use or effectiveness of the Offering Documents or preventing the distribution of the Units in any Qualifying Jurisdiction nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;

(qq) neither the Corporation nor any of the Subsidiaries owns any real property;

(rr) the Corporation and each of its Subsidiaries owns or has all proprietary rights provided in Law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, "**Intellectual Property**") necessary to permit the Corporation and each of its Subsidiaries to conduct its business 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 any of its Subsidiaries 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;

(ss) the Corporation and each Subsidiary are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; and the 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;

(tt) the statements set forth in the Prospectus under the headings "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" are accurate, subject to the limitations and qualifications set out therein;

(uu) 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;

(vv) 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;

(ww) the Corporation is a "foreign private issuer" as such term is defined in Rule 405 under U.S. Securities Laws and may offer the Units for sale in the United States or to or for the account or benefit of U.S. Persons or persons in the United States, through the Underwriters and their respective U.S. Affiliates, to qualified institutional buyers, as defined in Rule 144A under applicable U.S. Securities Laws;

(xx) the Corporation is not, and does not hold itself out as being, engaged primarily, and the Corporation does not propose to engage primarily, in the business of investing, reinvesting, owning, holding or trading in securities (as such term is defined in the Investment Company Act of 1940, as amended);

(yy) the Corporation is not engaged, and does not propose to engage, in the business of issuing face-amount certificates of the installment-type (as such terms are defined in the Investment Company Act of 1940, as amended), has not been engaged in such business and has no such certificate outstanding;

(zz) the Corporation is not engaged, and does not propose to engage, in the business of investing, reinvesting, owning, holding or trading in securities (as such term is defined in the Investment Company Act of 1940, as amended) and does not own or propose to acquire investment securities (as such term is defined in the Investment Company Act of 1940, as amended) having a value exceeding 40% of the value of its total assets, as applicable, (exclusive of government securities (as such term is defined in the Investment Company Act of 1940, as amended) and cash items) on an unconsolidated basis;

(aaa) the Corporation is not and immediately after receipt of payment for the Units, will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended; and

(bbb) the Corporation was not a "passive foreign investment company" ("**PFIC**") as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), for its most recently completed taxable year and, based on the Corporation's current projected income, assets and activities, the Corporation does not expect to be classified as a PFIC for the foreseeable future.

Section 8 Covenants of the Corporation

The Corporation covenants with the Underwriters that the Corporation will:

(a) promptly provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Units, copies of any filings made by the Corporation or the Subsidiaries of information relating to the Offering with any securities exchange or any regulatory body in Canada or the United States or any other jurisdiction;

(b) promptly provide to the Underwriters and their counsel, during the period commencing on the date hereof and until completion of the distribution of the Units, drafts of any press releases and other public documents of the Corporation relating to the Offering for review by the Underwriters and their counsel prior to issuance, and give the Underwriters and their counsel a reasonable opportunity to provide comments on any such press release or other public document, subject to the Corporation's timely disclosure obligations under applicable Canadian Securities Laws;

(c) promptly inform the Underwriters in writing during the period prior to the completion of the distribution of the Units of the full particulars of:

(i) any material change (whether actual, anticipated, contemplated or proposed by, or threatened), financial or otherwise, in the assets, liabilities (contingent or otherwise), business, affairs, prospects, operations, cash flow or capital of the Corporation and its subsidiaries, taken as a whole;

(ii) any material fact which has arisen or has been discovered which would have been required to have been stated in the Offering Documents had that fact arisen or been discovered on, or prior to, the date of any of the Offering Documents, as the case may be; or

(iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact or any new material fact) contained in any of the Offering Documents or whether any event or state of facts has occurred after the date of this Agreement, which, in any case, is of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents including as a result of any of the Offering Documents containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not false or misleading in the light of the circumstances in which it was made, which would result in any Offering Document not complying with applicable Canadian Securities Laws or U.S. Securities Laws, as the case may be, or which would reasonably be expected to have an effect on the market price or value of the Common Shares;

(d) advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, during the period prior to the completion of the distribution of the Units, of: (i) the issuance by any Securities Commission, the SEC or similar regulatory authority of any order suspending or preventing the use of any Offering Document; (ii) the suspension of the qualification of the Units in any of the Qualifying Jurisdictions; (iii) the institution, threatening or contemplation of any proceeding for any such purposes; (iv) any requests made by any Securities Commission, the SEC or similar regulatory authority for amending or supplementing any of the Offering Documents or for additional information; or (v) the receipt by the Corporation of any material communication, whether written or oral, from any Securities Commission, the SEC or similar regulatory authority or any stock exchange, relating to the distribution of the Units, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;

(e) comply with Section 6.5 and 6.6 of NI 41-101 and with the comparable provisions of the other relevant Canadian Securities Laws. The Corporation will promptly prepare and file with the

Securities Commissions in the Qualifying Jurisdictions any Supplementary Material which in the opinion of the Underwriters and the Corporation, each acting reasonably, may be necessary or advisable, and will otherwise comply with all legal requirements necessary to continue to qualify the Units for distribution. If the Corporation and the Underwriters in good faith disagree as to whether a change, fact or event requires the filing of any Supplementary Material in compliance with Section 6.5 or Section 6.6 of NI 41-101, the Corporation will prepare and file promptly at the request of the Underwriters any Supplementary Material which, in the opinion of the Underwriters, acting reasonably, may be necessary or advisable. Upon receipt of any Supplementary Material the Underwriters shall, as soon as possible, send such Supplementary Material to purchasers of the Units;

(f) deliver to the Underwriters prior to the filing of the Preliminary Prospectus and Prospectus, a copy thereof signed and certified as required by the applicable Canadian Securities Laws;

(g) advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, the Prospectus, any Marketing Materials and any Supplementary Material has been filed and receipts therefor (if any) have been obtained pursuant to the Canadian Securities Laws and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipts;

(h) deliver without charge to the Underwriters, as soon as practicable, and in any event no later than noon (Toronto time) on the Business Day immediately following the date of issuance of the receipt in the case of the Prospectus, and thereafter from time to time during the distribution of the Units, in such cities as the Underwriters shall notify the Corporation twenty-four hours before the delivery date, as many commercial copies of the Prospectus as the Underwriters may reasonably request for the purposes contemplated by Canadian Securities Laws;

(i) cause to be delivered to the Underwriters such number of commercial copies of the U.S. Placement Memorandum and any Supplementary Material required to be delivered to purchasers or prospective purchasers in the United States as the Underwriters may reasonably request. Each delivery of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum or any Supplementary Material shall constitute consent by the Corporation to the use by the Underwriters and other investment dealers and brokers of such documents in connection with the distribution of the Units contemplated hereunder, subject to the provisions of applicable Law and the provisions of this Agreement;

(j) use the net proceeds of the Offering in the manner specified in the Prospectus;

(k) file or cause to be filed with the CSE all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for the Common Shares and Warrant Shares to be listed on the CSE, subject only to the standard listing conditions of the CSE and take commercially reasonable steps to file or cause to be filed with the CSE all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for the Warrants (including those issuable pursuant to the exercise of the Compensation Warrants) to be listed on the CSE, subject only to the standard listing conditions of the CSE;

(l) prior to the Closing Date, make all necessary arrangements that are within the control of the Corporation for the electronic deposit of the Common Shares and Warrants comprising the Units

pursuant to the non-certificated issue system of CDS on the Closing Date. All fees and expenses payable to CDS and/or the Transfer Agent in connection with the electronic deposit and the fees and expenses payable to CDS and/or the Transfer Agent in connection with the initial or additional transfers as may be required in the course of the distribution of the Units shall be borne by the Corporation;

(m) until the expiry date of the Warrants, use its commercially reasonable efforts to remain a corporation validly subsisting under the laws of Ontario, 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;

(n) until the expiry date of the Warrants, 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 provision will not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Corporation ceasing to be a "reporting issuer" under the Securities Laws of a jurisdiction in Canada, so long as the holders of Common Shares receive securities of an entity which is a "reporting issuer" under the Securities Laws of a jurisdiction in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and Securities Laws and the policies of the CSE or other Canadian stock exchange on which the Common Shares are trading;

(o) until the expiry date of the Warrants, use commercially reasonable efforts to maintain the listing of the Common Shares and Warrants on the CSE or another recognized stock exchange or quotation system in Canada, provided that this provision will not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Corporation ceasing to be listed on the CSE or another recognized stock exchange in Canada, so long as the holders of Common Shares receive securities of an entity which is listed on the CSE or another recognized stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and Securities Laws and the policies of the CSE or other Canadian stock exchange on which the Common Shares are trading;

(p) duly execute and deliver the Warrant Indenture and the Compensation Warrant Certificates at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;

(q) use its commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 5 hereof;

(r) ensure that at the Closing Time the Warrants are duly and validly created, authorized and issued and shall have attributes corresponding in all material respects to the description set forth in the Warrant Indenture;

(s) ensure that the Warrant Shares issuable upon the exercise of the Warrants shall, upon issuance in accordance with terms thereof, be duly issued as fully paid and non-assessable Common Shares;

(t) ensure that, at all times prior to the until the expiry date of the Warrants (including any Warrants issuable upon exercise of the Compensation Warrants), a sufficient number of Warrant Shares are allotted and reserved for issuance upon the exercise of the Warrants;

(u) ensure that at the Closing Time the Compensation Warrants are duly and validly created, authorized and issued and shall have attributes corresponding in all material respects to the description set forth in the Compensation Warrant Certificates;

(v) ensure that the Common Shares partially comprising the Compensation Units issuable upon the exercise of the Compensation Warrants shall, upon issuance in accordance with the terms thereof, be duly issued as fully paid and non-assessable Common Shares;

(w) ensure that upon exercise of the Compensation Warrants the Warrants issuable upon the exercise of the Compensation Warrants are duly and validly created, authorized and issued and shall have attributes corresponding in all material respects to the description set forth in the Warrant Indenture;

(x) ensure that, at all times prior to the expiry of the Compensation Warrants, a sufficient number of Common Shares are reserved for issuance upon the due exercise of the Compensation Warrants;

(y) 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 any securities convertible into or exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements, provided such options and other similar securities are granted or issued with an exercise price not less than the Offering Price; (ii) the exercise of outstanding warrants; (iii) obligations of the Corporation in respect of existing agreements; or (iv) the issuance of securities by the Corporation in connection with acquisitions in the normal course of business;

(z) cause each of the senior officers and directors to enter into an agreement in favour of the Underwriters pursuant to which he, she or it shall covenant and agree that he, she or it will 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 any securities convertible into or exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld;

(aa) promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, such further acts, documents and things for the purpose of giving effect to this Agreement and the transactions contemplated herein; and

(bb) conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

Section 9 Additional Documents upon Filing of the Prospectus

The Underwriters' obligations under this Agreement to purchase the Units are conditional upon, in addition to the conditions referred to elsewhere in this Agreement, the receipt by the Underwriters concurrently with the filing of the Prospectus, and any amendment thereto:

(a) the Underwriters receiving, concurrently with the filing of the Prospectus, and any amendment thereto, a comfort letter dated the date of the Prospectus or any amendment thereto, as applicable, from the auditors of the Corporation, addressed to the Underwriters and to the board of directors of the Corporation in form and substance satisfactory to the Lead Underwriter, acting reasonably, relating to the verification of the financial information and accounting data and other numerical data of a financial nature contained in the Prospectus or the amendment, as applicable, and matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus to a date not more than two Business Days prior to the date of such letter;

(b) similar comfort letters and opinions shall be delivered to the Underwriters with respect to any Supplementary Material concurrently with the execution of such Supplementary Material; and

(c) prior to the filing of the Prospectus, copies of the forms filed with the CSE for the listing and posting for trading on the CSE of the Common Shares issuable pursuant to the Offering (including, for greater certainty, any Warrant Shares) has been conditionally approved, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the CSE.

Section 10 Closing

The purchase and sale of the Units shall be completed at the Closing Time at the offices of counsel to the Corporation 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 Transfer Agent to electronically deposit the Common Shares and Warrants comprising the Units 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 Units less an amount equal to the Underwriting Fee and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters and their counsel payable pursuant to Section 16, by wire transfer, or if permitted by applicable Law, certified cheque or bank draft, in Canadian currency payable at par in Toronto, Ontario, together with a receipt signed by the Lead Underwriter (on behalf of the Underwriters) for such electronic deposit and for receipt of the Underwriting Fee 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 16. 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 11 Over-Allotment Option

(a) The Over-Allotment Option shall be exercisable, in whole or in part, until the Over-Allotment Expiry Date. The Over-Allotment Option may be exercised by the Lead Underwriter, on behalf of the Underwriters, by delivery of written notice to the Corporation confirming the number of Additional Units, Additional Common Shares and/or Additional Warrants, as the case may be, in respect of which the Over-Allotment Option is being exercised. Upon exercise of the Over-Allotment Option, the Corporation shall become obligated to issue and sell and the Underwriters shall become obligated to purchase the total number of the Additional Units, Additional Common Shares and/or Additional Warrants, as the case may be, as to which the Underwriters are then exercising the Over-Allotment Option. The option closing time (the "**Over-Allotment Closing Time**") shall be determined by mutual agreement between the Lead Underwriter and the Corporation, but shall not be earlier than two Business Days or later than five Business Days after the exercise of the Over-Allotment Option and, in any event, shall not be earlier than the Closing Date or later than five days after the Over-Allotment Expiry Date (the "**Over-Allotment Closing Date**").

(b) In the event that the Corporation should subdivide, consolidate or otherwise change the Common Shares during the period during which the Over-Allotment Option is exercisable, the number of Additional Units, Additional Common Shares and/or Additional Warrants, as the case may be, shall be similarly subdivided, consolidated or changed such that the Underwriters would be entitled to receive the same number and type of securities that they would have otherwise been entitled to receive had they fully exercised such Over-Allotment Option prior to such subdivision, consolidation or change. The purchase price per Additional Unit, Additional Common Share and/or Additional Warrant, as the case may be, shall be adjusted accordingly and notice shall be given to the Lead Underwriter of such adjustment. In the event that the Lead Underwriter shall disagree with the foregoing adjustment, such adjustment shall be determined conclusively by the Corporation's auditors at the Corporation's expense.

(c) If the Over-Allotment Option is exercised as to all or any portion of the Additional Units, Additional Common Shares and/or Additional Warrants, as the case may be, such securities shall be issued, and payment therefor, shall be delivered at the Over-Allotment Closing Time in the manner, and upon the terms and conditions, set forth in Section 5, except for the conditions with respect to the opinions set out in **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.**, and except that reference therein to the Units and Closing Time shall be deemed, for the purposes of this Section 11, to refer to such Additional Units, Additional Common Shares and/or Additional Warrants, as the case may be, and Over-Allotment Closing Time, respectively.

Section 12 Compensation Warrants

As additional consideration for the Underwriters' services in assisting in the preparation and completion of the Offering contemplated by this Agreement and all other matters in connection with the issue and sale of the Units, the Corporation hereby agrees to issue to the Underwriters that number of compensation warrants (the "**Compensation Warrants**") as is equal to 6.0% of the aggregate number of Units sold pursuant to the Offering. Each Compensation Warrant shall be exercisable, for a period of two

years following the Closing Date, to acquire one Unit (each comprised of one Common Share and one-half of one Warrant) (each a "**Compensation Unit**") at an exercise price per Compensation Unit equal to the Offering Price, subject to adjustment in certain events. For greater certainty, the Acceleration Trigger shall apply to the Warrants comprising the Compensation Units issued upon the exercise of the Compensation Warrants.

For clarity, in the event that Additional Common Shares and/or Additional Warrants are issued, whether in addition to, or in lieu of, Additional Units, in connection with the exercise of the Over-Allotment Option, as applicable, the number of Compensation Warrants to be issued by the Corporation to the Underwriters in respect of the exercise of the Over-Allotment Option shall be such number of Compensation Warrants equal to 6.0% of the aggregate number of Additional Units and 6.0% of the aggregate number of Additional Common Shares sold pursuant to the exercise of the Over-Allotment Option.

The description of the Compensation Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Compensation Warrants to be set forth in the Compensation Warrant Certificates. In case of any inconsistency between the description of the Compensation Warrants in this Agreement and the terms of the Compensation Warrants as set forth in the Compensation Warrant Certificates, the provisions of the Compensation Warrant Certificates shall govern.

Section 13 Termination Rights

(a) All terms and conditions set out herein shall 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 shall entitle the Underwriters (or any of them) to terminate their obligations under this Agreement by written notice to that effect given to the Corporation prior to the Closing Time.

(b) The Corporation shall use its 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.

(c) 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, any Underwriter shall be entitled, at its option, to terminate and cancel, without any liability on such Underwriter's part, its obligations under this Agreement to purchase the Units, by giving written notice to the Corporation at any time at or prior to the Closing Time:

(i) 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 Units or the market price or value of the Common Shares;

(ii) 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 or involves, or may seriously adversely affect or involve, 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 Units;

(iii) if there shall occur or come into effect any material change in the business, affairs, financial condition, prospects, capital or control of the Corporation and its subsidiaries, taken as a whole, 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 Units;

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

(v) if the Final Receipt is not received from the Ontario Securities Commission, as principal regulator, by 5:00 p.m. (Toronto time) on March 29, 2018, or such other time and/or date as may be agreed to between the Corporation and the Lead Underwriter, acting reasonably.

(d) The rights of termination contained in this Section 13 as may be exercised by the Underwriters, or any of them, are in addition to any other rights or remedies the Underwriters may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement. Notwithstanding the foregoing sentence, in the event of any such termination, there shall be no further liability on the part of such terminating Underwriter to the Corporation or on the part of the Corporation to such Underwriter except in respect of any liability which may have arisen prior to or which may arise after such termination under Sections 14, 15 and 16. A notice of termination given by an Underwriter under this Section 13 shall not be binding upon any other Underwriter.

Section 14 Indemnification

(a) Subject to Section 14(f), the Corporation agrees to protect, indemnify and hold harmless each of the Underwriters and their respective affiliates and subsidiaries and the respective directors, officers, partners, agents, employees and shareholders and each other person, if any, controlling any of the Underwriters or their subsidiaries or affiliates (each an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") from and against any and all losses (other than losses of profit), expenses, claims (including shareholder actions, derivative or otherwise), actions, 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 that may be incurred in advising with respect to

and/or defending any claim that may be made against an Indemnified Party (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 under any statute or common law or otherwise (collectively the "**Claims**") insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, from or in consequence of the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters referred to in this Agreement or in connection with the distribution by the Corporation of the Incentive Warrants (as such term is defined in the Prospectus), including, without limitation:

(i) any breach of or default under any representation, warranty, covenant or agreement of the Corporation in this Agreement or the failure of the Corporation to comply with any of its obligations hereunder;

(ii) any information or statement (except any information or statement relating solely to an Indemnified Party and provided in writing by the Indemnified Party for inclusion in such document) contained in any of the Offering Documents or any other document or material filed or delivered by or on behalf of the Corporation pursuant to this Agreement being or being alleged to be a misrepresentation or untrue or any omission or alleged omission to state in those documents any material fact required to be stated in those documents or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made;

(iii) any order made or any inquiry, investigation or proceeding instituted, threatened or announced by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation (except a statement, omission or misrepresentation relating solely to an Indemnified Party provided in writing by the Indemnified Party) contained in any of the Offering Documents or any other document or material filed or delivered by or on behalf of the Corporation pursuant to this Agreement, preventing or restricting the trading in or the sale or distribution of the Common Shares;

(iv) the Corporation not complying with any requirement of the Canadian Securities Laws or U.S. Securities Laws, including the Corporation's non-compliance with any statutory requirement to make any document available for inspection; or

(v) any failure or alleged failure to make timely disclosure of a material change by the Corporation, where such failure or alleged failure occurs during the Offering or during the period of distribution or where such failure relates to the Offering or the Units and may give or gives rise to any liability under any Law in any jurisdiction which is in force on the date of this Agreement.

(b) The Corporation agrees to waive any right they 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, fraudulent act, willful misconduct, or breach of agreement in the course of its performance under this Agreement of such Indemnified Party.

(c) 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.

(d) 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. 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.

(e) 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 notice; (ii) the Corporation agrees to separate representation for the Indemnified Party, or (iii) the representation of the Corporation and such Indemnified Party by the same legal counsel would be inappropriate due to actual or potential differing interests, 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.

(f) 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 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 14 or otherwise disentitle the Underwriters from indemnification hereunder.

(g) 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.

(h) 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.

(i) 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.

(j) The indemnity and the contribution obligations of the Corporation pursuant to Section 15 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 15 Contribution

(a) In the event that the indemnity of the Corporation provided for in Section 14 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 14 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 Underwriting Fee), and the relative benefits received by the Corporation, as applicable, on the other hand (being the gross proceeds derived from the sale of the Units less the Underwriting Fee), (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 Underwriting Fee 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.

(b) 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 16 Expenses

The Corporation will be responsible for all reasonable expenses related to the Offering, whether or not the Offering is completed, including, but not limited to, the fees and disbursements of the Corporation's legal counsel, the fees and disbursements of the Underwriters' Canadian and United States legal counsel (the underwriters' Canadian legal counsel's fees not to exceed $100,000 without prior written consent of the Corporation such consent not to be unreasonably withheld) and the fees and disbursements of accountants and auditors, the fees and disbursements of translators, the fees and disbursements of other applicable experts, the expenses related to road-shows and marketing activities, printing costs, filing fees, stock exchange fees, the reasonable out-of-pocket expenses of the Underwriters and taxes on all of the foregoing.

Section 17 Obligations of the Underwriters to be Several

(a) Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Units shall be several (and not joint or joint and several) and shall be as to the following percentages:

Canaccord Genuity Corp.	40.0%
Beacon Securities Limited	20.0%
Sprott Private Wealth LP	20.0%
Mackie Research Capital Corporation	10.0%
AltaCorp Capital Inc.	5.0%
INFOR Financial Inc.	5.0%
	100%

(b) If an Underwriter (a "**Refusing Underwriter**") fails to purchase its applicable percentage of the Units (each, "**Defaulted Securities**") which that Underwriter has agreed to purchase under this Agreement (other than in accordance with Section 13 hereof), the remaining Underwriters (the "**Continuing Underwriters**") shall have the right, but shall not be obligated, to purchase all but not less than all, of the Defaulted Securities. If the number of Defaulted Securities to be purchased by the Refusing Underwriter does not exceed 20% of the Units, the Continuing Underwriters will be obligated to purchase the Defaulted Securities on the terms set out in this Agreement; however, the Continuing Underwriters will not be required to purchase the Defaulted Securities if the Refusing Underwriter, or the Continuing Underwriters exercise or have exercised its termination rights pursuant to Section 13 hereof. Subject to the immediately preceding sentence, if the number of Defaulted Securities is greater than 20% of the Units, the Continuing Underwriters will not be obligated to purchase the Defaulted Securities and, if the Continuing Underwriters do not elect to purchase the Defaulted Securities:

(i) the Continuing Underwriters will not be obligated to purchase any of the Units;

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

(iii) the Corporation will be entitled to terminate its obligations under this Agreement, in which event there will be no further liability hereunder on the part of the Corporation or the Continuing Underwriters, except pursuant to the provisions of Sections 14, 15 and 16.

(c) No action taken pursuant to this section shall relieve any Refusing Underwriter from responsibility in respect of its default to the Corporation or to any Continuing Underwriter.

(d) Nothing in this Agreement shall oblige any U.S. Affiliate of any of the Underwriters to purchase the Units. Any United States broker dealer who makes any offers or sales of the Units to United States persons will do so solely as an agent for an Underwriter.

Section 18 Action by Underwriters

All steps which must or may be taken by the Underwriters in connection with this Agreement resulting from the Corporation's acceptance of this offer, with the exception of the matters contemplated by Sections 13, 14 and 15 may be taken by the Lead Underwriter on behalf of itself and the other Underwriters and the acceptance of this offer by the Corporation shall constitute the Corporation's authority for accepting notification of any such steps from, and for delivering the definitive documents in respect of the Offering to, or to the order of, the Lead Underwriter.

Section 19 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. In the event of any dispute regarding the Agreement, the parties hereto submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 20 Survival of Warranties, Representations, Covenants and Agreements

Except as expressly set out herein, all warranties, representations, covenants and agreements of the Corporation and the Underwriters herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the purchase by the Underwriters and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, regardless of the Closing of the sale of the Units, any subsequent disposition of the Units by the Underwriters or the termination of the Underwriters' obligations under this Agreement for a period ending on the date that is two years following the Closing Date and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Offering Documents or the distribution of the Units or otherwise, 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 Units as a result of any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Offering Documents or the distribution of the Units 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.

Section 21 Notices

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or electronic delivery to such other party as follows:

(i) to the Corporation at:

CannaRoyalty Corp.
333 Preston Street, Preston Square Tower 1
Suite 610
Ottawa, ON K1S 5N4

Attention: Marc Lustig, Chief Executive Officer
Email: mlustig@cannaroyalty.com

with a copy (but not as notice) to:

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Attention: Cameron Mingay
Email: cmingay@casselsbrock.com

(ii) to the Underwriters at:

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

Attention: Steve Winokur
Email: swinokur@canaccordgenuity.com

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

Attention: Mario Maruzzo
Email: mmaruzzo@beaconsecurities.ca

Sprott Private Wealth LP
200 Bay Street, Suite 2600
Toronto, Ontario M5J 2J2

Attention: Tim Sorensen
Email: tosorensen@sprottcapital.com

Mackie Research Capital Corporation
199 Bay Street, Suite 4500
Commerce Court West, Box 268
Toronto, Ontario M5L 1G2

Attention: Jeff Reymer
Email: jreymer@mackieresearch.com

AltaCorp Capital Inc.
66 Wellington Street West
Suite 3530
Toronto, Ontario M5K 1A1

Attention: Jeff Fallows
Email: jfallows@altacorpcapital.com

INFOR Financial Inc.
200 Bay Street, Suite 2350
Toronto, ON M5J 2S1

Attention: Ben Goldstein
Email: bgoldstein@inforfg.com

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
Email: robert.fonn@dlapiper.com

or at such other address or facsimile number as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when delivered or, if facsimile, on the next Business Day after such notice or other communication has been facsimile (with receipt confirmed).

Section 22 Counterpart Signature

This Agreement may be executed in one or more counterparts (including counterparts by facsimile or by other means of electronic transmission) which, together, shall constitute an original copy hereof as of the date first noted above.

Section 23 Enforceability

To the extent permitted by applicable law, the invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

Section 24 Successors and Assigns

The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Corporation and the Underwriters and their respective successors and assigns; provided that, except as otherwise provided in this Agreement, this Agreement will not be assignable by any party without the written consent of the others and any purported assignment without that consent will be invalid and of no force and effect.

Section 25 Entire Agreement; Time of the Essence

This Agreement, including Schedule "A" hereto, constitutes the entire agreement between the Underwriters and the Corporation relating to the subject matter hereof and supersedes all prior agreements between the Underwriters and the Corporation (including, for greater certainty, the Engagement Letter) and time shall be of the essence hereof.

Section 26 Market Stabilization

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

Section 27 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 28 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 29 No Fiduciary Duty

The Corporation hereby acknowledges that (a) the purchase and sale of the Units 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, on the other, (b) the Underwriters are acting as principals and not as an agents or fiduciaries of the Corporation, and (c) the engagement of the Underwriters by the Corporation 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 that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether any of the Underwriters has advised or is currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters owe an agency, fiduciary or similar duty to the Corporation in connection with such transaction or the process leading thereto.

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If this offer accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Corporation please communicate your acceptance by executing where indicated below and returning by facsimile one copy and returning by courier one originally executed copy to the Underwriters.

Yours very truly,

CANACCORD GENUITY CORP.

"Steve Winokur"
Authorized Signing Officer

BEACON SECURITIES LIMITED

"Mario Maruzzo"
Authorized Signing Officer

SPROTT PRIVATE WEALTH LP

"Tim Sorensen"
Authorized Signing Officer

MACKIE RESEARCH CAPITAL CORPORATION

"Jeff Reymer"
Authorized Signing Officer

ALTACORP CAPITAL INC.

"Jeff Fallows"
Authorized Signing Officer

INFOR FINANCIAL INC.

"Ben Goldstein"
Authorized Signing Officer

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

CANNAROYALTY CORP.

"Mark Lustig"
Mark Lustig
Chief Executive Officer

SCHEDULE "A"

Terms and Conditions for United States Offers and Sales

As used in this schedule, the following terms shall have the meanings indicated:

Affiliate	means an "affiliate" as that term is defined in Rule 405 under the U.S. Securities Act;
Directed Selling Efforts	means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S;
Foreign Issuer	means a "foreign issuer" as that term is defined in Rule 902(e) of 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, the internet or similar media or broadcast over radio or television, 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 Rule 902(h) of Regulation S;
PFIC	means "passive foreign investment company" within the meaning of section 1297(a) of the Internal Revenue Code of 1986, as amended;
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 attached to the U.S. Placement Memorandum;
Regulation S	means Regulation S under the U.S. Securities Act;
Rule 144A	means Rule 144A under the U.S. Securities Act;
Substantial U.S. Market Interest	means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;
U.S. Affiliate	means any U.S. registered broker-dealer affiliate of any Underwriter;
U.S. Exchange Act	means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;
U.S. Person	means a "U.S. person" as that term is defined in Rule 902(k) of Regulation S; and
U.S. Securities Act	means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

All capitalized terms used herein without definition have the meanings ascribed thereto in the Underwriting Agreement.

Representations, Warranties and Covenants of the Underwriters

The Underwriters (on their own behalf and on behalf of their respective U.S. Affiliates) severally but not jointly or jointly and severally acknowledge that the Common Shares and Warrants comprising the Units and the Warrant Shares issuable upon exercise of the Warrants 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. Affiliate) severally but not jointly or jointly and severally represents, warrants and covenants to the Corporation as of the date hereof and each Closing Date, and will cause its U.S. Affiliate to comply with such representations, warranties and covenants, that:

1. It has offered and sold, and will offer and sell, the Units forming part of its allotment only (a) in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) as provided in this Schedule "A". Accordingly, neither the Underwriter, its Affiliates nor 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 Units to any U.S. Person or person in the United States; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not a U.S. Person, or the Underwriter, its affiliates or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person; or (iii) any Directed Selling Efforts in the United States with respect to the Units.

2. Any offer, sale or solicitation of an offer to buy Units that has been made or will be made by it or its U.S. Affiliate in the United States or to or for the account or benefit of a U.S. Person or a person in the United States was or will be made only to persons reasonably believed by it and its U.S. Affiliate to be Qualified Institutional Buyers purchasing Units for its own account or for the account of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion in accordance with Rule 144A in transactions that are exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws.

3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units or any Common Shares or Warrants comprising the Units, except with its Affiliates, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate 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. Affiliate 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. Affiliate or selling group member.

4. All offers and sales of the Units in the United States or to or for the account or benefit of a U.S. Person or s person in the United States will be effected through its U.S. Affiliate, and such U.S. Affiliate is, and shall be on the date of each offer and sale of Units 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 Units 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 Units by it, a member in good standing with the Financial Industry Regulatory Authority, Inc. ("**FINRA**"). All offers and sales of Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States by it were made and will be made by its U.S. Affiliate 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. Affiliate 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 Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States.

6. Immediately prior to soliciting offerees in the United States or to or for the account or benefit of a U.S. Person or a person in the United States and at the time of completion of each sale to a purchaser in the United States or to or for the account or benefit of U.S. Person or a person in the United States, it, its U.S. Affiliate 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 Units directly from the Underwriter through its U.S. Affiliate.

7. Prior to the completion of any sale of Units in the United States to a Qualified Institutional Buyer pursuant to Rule 144A, each such Qualified Institutional Buyer will be required to provide a duly executed Qualified Institutional Buyer Investment Letter.

8. Each offeree of Units that is in the United States or is acquiring the Units to or for the account or benefit of a U.S. Person or a person in the United States shall be provided with a copy of one or both of the U.S. Preliminary Placement Memorandum and the U.S. Placement Memorandum. Each purchaser of Units that is in the United States shall be provided, prior to time of purchase of any Units, with a copy of the U.S. Placement Memorandum.

9. 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 Units in the United States or that were offered Units in the United States or who acquired the Units to or for the account or benefit of a U.S. Person or a person in the United States.

10. At each Closing, each Underwriter (together with its U.S. Affiliate) that participated in the offer or sale of Units in the United States or to or for the account or benefit of a U.S. Person or a person 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 Units in the United States or to or for the account or benefit of a U.S. Person or a person 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. Affiliate offered or sold Units in the United States or to or for the account or benefit of a U.S. Person.

11. Neither it, its Affiliates or any person acting on its or their behalf (other than the Corporation, its Affiliates and any person acting on its or their behalf, as to which no representation is made) 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 Units.

12. It had reason to believe that all offers and sales in the United States or to or for the account or benefit of a U.S. Person or a person 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 Units.

13. None of it, its U.S. Affiliate nor any person acting on its or their behalf has used nor will use any written material other than the Offering Documents and the Qualified Institutional Buyer Investment Letter in connection with offers and sales of Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States.

14. All purchasers of the Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States shall be informed that the Common Shares and Warrants comprising the Units and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Units are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and pursuant to similar exemptions under applicable U.S. state securities laws.

15. It acknowledges, on its own behalf and on behalf of its U.S. Affiliate, that until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that:

1. The Corporation is, and as of each 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 Common Shares.

2. The Corporation is not, and as a result of the sale of the Units 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. 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: (A) any offer to sell, or any solicitation of an offer to buy, any Units to a U.S. Person or person in the United States; or (B) any sale of Units unless, at the time the buy order was or will have been originated, (i) the purchaser is outside the United States and not a U.S. Person or (ii) the Corporation, its Affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person.

4. During the period in which the Units 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 Units, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act with respect to the Units or that would cause the exemptions afforded by Rule 144A to be unavailable for offers and sales of Units in the United States or to or for the account or benefit of U.S. Persons or person 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 Units outside the United States and to non-U.S. persons or to or for the account or benefit of U.S. Person or persons in the United States in accordance with the Underwriting Agreement and this Schedule "A".

5. 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 Units 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.

6. The Units, Common Shares and Warrant Shares satisfy the requirements set forth in Rule 144A(d)(3) under the U.S. Securities Act.

7. None of the Corporation or any of its predecessors or affiliates has been subject to any order, judgment, or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

8. 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 Units.

9. For so long as any of the Units, Warrants, Common Shares and Warrant Shares 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 Units, Warrants, Common Shares and Warrant Shares or to any prospective purchaser of such Units, Warrants, Common Shares and Warrant Shares 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 (so long as such requirement is necessary in order to permit holders of such Units, Warrants, Common Shares and Warrant Shares to effect resales under Rule 144A).

10. Within a commercially reasonably period after the end of each tax year, the Corporation will determine whether it qualifies as a "passive foreign investment company" (a "**PFIC**") within the meaning of section 1297(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and make such determination available to its shareholders. The Corporation will make available to each U.S. shareholder of the Corporation, within a commercially reasonable time period after its written request: (i) information, based on the Corporation's reasonable analysis, as to its status as a PFIC and the status as a PFIC of any subsidiary in which the Corporation owns more than 50% of such subsidiary's aggregate voting power, and (ii) for any year in which the Corporation is a PFIC, (A) a "PFIC Annual Information Statement" as described in U.S. Treasury Regulation Section 1.1295-1(g) (or any successor regulation), and (B) all information and documentation that a U.S. shareholder is required to obtain for U.S. federal income tax purposes in making a qualifying electing fund election under Section 1295 of the Code for the Corporation (and any such subsidiary PFIC). The Corporation may elect to provide such information on its website.

Appendix 1
to Schedule "A"

Underwriter's Certificate

In connection with the private placement in the United States of the units (the "**Units**") of CannaRoyalty Corp. (the "Corporation") pursuant to the underwriting agreement dated as of March 21, 2018 (the "**Underwriting Agreement**") among the Corporation and the underwriters named therein, the undersigned does hereby certify as follows:

(i) [**Name of U.S. Affiliate**] (the "**U.S. Affiliate**") is on the date hereof, and was at the time of each offer and sale of Units in the United States made by it, 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), is and was a member of and is in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date of each offer and sale of Units by it;

(ii) the U.S. Affiliate provided each offeree in the United States or a U.S. Person to which it offered Units with a copy of one or both of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and provided each purchaser of the Units in the United States or to each U.S. Person prior to the purchase of any Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States with a copy of the U.S. Placement Memorandum, and no other written material (other than the Qualified Institutional Buyer Investment Letter) has been or will be used in connection with offers and sales of Units in the United States by us;

(iii) immediately prior to transmitting the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum to such offerees and purchasers, we had reasonable grounds to believe and did believe that each such offeree and purchaser was a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each such offeree or purchaser purchasing Units from us is a Qualified Institutional Buyer;

(iv) we obtained and delivered to the Corporation, for acceptance at the Closing a duly executed Qualified Institutional Buyer Investment Letter from each Qualified Institutional Buyer purchasing Units pursuant to Rule 144A;

(v) no form of Directed Selling Efforts, General Solicitation or General Advertising was used by us in connection with the offer or sale of the Units in the United States, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or any public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

(vi) all offers and sales of Units in the United States or to or for the account or benefit of a U.S. Person or person in the United States have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements;

(vii) we have not taken and will not take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with offers and sales of the Units; and

(viii) all offers and sales of the Units 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 _____, 2018.

[UNDERWRITER]

By: _____

[U.S. AFFILIATE]

By: _____