MEMORANDUM OF UNDERSTANDING

Dated as of the _____ 8th____ day of _____ February__________, 2018.

A M O N G:

CDS Clearing and Depository Services Inc. ("CDS")

Aequitas NEO Exchange Inc. ("Aequitas")

CNSX Markets Inc. ("CSE")

TSX Inc. ("TSX")

and

TSX Venture Exchange Inc. ("TSXV", collectively with Aequitas, CSE and TSX, the "Exchanges")

(each a “party”, collectively, the “parties”)

WHEREAS CDS is a recognized clearing agency under the Securities Act (British Columbia), the Securities Act (Ontario) and the Securities Act (Quebec), and is a clearing house operating a clearing and settlement system (CDSX) designated under the Payment Clearing and Settlement Act (Canada);

AND WHEREAS Aequitas, CSE and TSX are each recognized exchanges under the Securities Act (Ontario) and TSXV is a recognized stock exchange under the Securities Act (Alberta) and the Securities Act (British Columbia), and all both trade and list securities;

AND WHEREAS if any other recognized exchange seeks to list securities, it will be asked to sign a counterpart to this Memorandum of Understanding ("MOU") pursuant to Section 6.4;

AND WHEREAS CDS (i) accepts deposits of, and transactions for clearing and settlement of, securities ("Listed Securities") of issuers that have been listed by one or more of the Exchanges (each, a "Listed Issuer"), and (ii) manages and processes entitlements and corporate action activities in relation to Listed Securities;

AND WHEREAS the Exchanges and CDS are subject to recognition orders or decisions ("RO" or "ROs", as applicable), or exempted from recognition, as outlined in Schedule A to this MOU;

AND WHEREAS CDS has provided the Lead Authorities set out in Schedule A to this MOU with prior notification of its decision to enter into this MOU;

NOW THEREFORE, the parties commit to the understanding as follows:
1. **PURPOSE**

This MOU outlines the parties’ understanding of the Canadian regulatory framework applicable to the rules and procedures and regulatory oversight of the Exchanges and CDS.

2. **REGULATION OF THE EXCHANGES**

2.1. Each Exchange is a recognized exchange or a recognized stock exchange principally regulated by the member(s) of the Canadian Securities Administrators (“CSA”) set out in Schedule A to this MOU (each, a “Lead Regulator”), in accordance with the Memorandum of Understanding respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems, as amended from time to time, among certain members of the CSA (the “Exchange Oversight MOU”).

2.2. The Lead Regulator conducts an oversight program for each Exchange as more particularly set out in the Exchange Oversight MOU.


   (a) any rules, policies, and other similar instruments (“Rules”) adopted by an Exchange must comply with the requirements of Section 5.3 of NI 21-101, which states that the Rules must not be contrary to the public interest, and must be designed to (i) ensure compliance with securities legislation, (ii) prevent fraudulent and manipulative acts and practices, (iii) promote just and equitable principles of trade, and foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating, transactions in securities;

   (b) each Exchange must have rules or other similar instruments that require compliance with securities legislation and that provide appropriate sanctions for violations of the Rules of the Exchange pursuant to Section 5.4 of NI 21-101;

   (c) each Exchange must file its Rules and all amendments thereto pursuant to Section 5.5 of NI 21-101;

   (d) each Exchange must take all reasonable steps to ensure that its operations do not interfere with fair and orderly markets pursuant to Section 5.7 of NI 21-101; and

   (e) each Exchange must report and settle all trades executed on the Exchange through a clearing agency pursuant to Section 13.1 of NI 21-101.

2.4. Pursuant to the applicable RO, as further outlined in Schedule A:

   (a) TSXV shall operate in the public interest, and each of the other Exchanges shall conduct its business and operations in a manner that is consistent with the public interest;

   (b) TSXV shall set, maintain and enforce Rules that: (i) govern listing and corporate finance requirements for its listed issuers; (ii) govern the conduct of and trading by its marketplace participants; (iii) require its listed issuers and marketplace...
participants to comply with securities legislation and the Rules of the TSXV; (iv) foster investor protection; and (v) permit those seeking access to the listing, trading and other services of the Exchange to be granted access without unreasonable discrimination; and

(c) the other Exchanges shall have the authority, resources, capabilities, systems and processes to allow each to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of participants and issuers, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

2.5. The Rules established by each Exchange are approved by its Lead Regulator(s).

2.6. The listing agreement (or other similar Rule) of CSE, TSX and TSXV provides that their respective listed issuers agree to comply with, be bound by and observe all laws, rules and regulations applicable to the Listed Issuer’s business or undertaking. Under its Rules, Aequitas must be satisfied that the business and affairs of the Listed Issuer will comply with applicable securities and corporate laws. Aequitas’ listing agreement provides that Listed Issuers must comply with applicable securities laws and confirms Aequitas’ discretion to take into consideration the public interest, including market integrity issues, and any facts or situations unique to a party or security.

2.7. NI 21-101 and the ROs, and the Rules established in compliance therewith, as applicable, apply to each Exchange in respect of its listing activities.

3. REGULATION OF CDS

3.1. CDS is a recognized clearing agency principally regulated by the Lead Authorities set out in Schedule A to this MOU pursuant to (a) the provincial securities legislation set out in the recitals hereto; (b) the terms and conditions of CDS’s ROs; and (c) National Instrument 24-102 Clearing Agency Requirements, as amended from time to time (“NI 24-102”).

3.2. CDS is a Designated Clearing House operating a clearing system, CDSX, pursuant to the Payment Clearing and Settlement Act (Canada), under the supervision of the Bank of Canada and the Ministry of Finance, Canada, and is currently the sole clearing agency for Listed Securities in Canada.

3.3. The Lead Authorities of CDS conduct an oversight program of CDS as more particularly set out in the Memorandum of Understanding Respecting the Oversight of Clearing Agencies, Trade Repositories and Matching Service Utilities, as amended from time to time, among certain members of the CSA.

3.4. CDS must ensure that it has appropriate risk management policies, procedures and internal controls pursuant to (a) the regulatory framework established by the Bank of Canada and the Ministry of Finance, Canada; (b) the provincial securities legislation set out in the recitals hereto; (c) NI 24-102; (iv) the CDS ROs; and (d) the Principles for Financial Markets Infrastructures, as incorporated into (a), (c), and (d); (collectively, the “CDS regulatory requirements”).

3.5. CDS participant rules, operating procedures, user guides, manuals or similar instruments or documents of CDS which contain any contractual term setting out the respective rights
and obligations between CDS and participants or among participants are approved by CDS’s regulators.

3.6. CDS’s regulatory requirements include that it shall conduct its business and operations in a manner that is consistent with the public interest.

4. **CDS OPERATIONS**

4.1. CDS is a national numbering agency and a member of the Association of National Numbering Agencies.

4.2. The CDS procedures and user guides describe the types of securities that CDS has determined are eligible for its depository service. Subsequent to an issuer’s application for, and CDS’s assignment of, an international security identification number ("ISIN") or CUSIP number to an issuer’s security, the security is made eligible in CDSX upon submission of all final documents and upon meeting the general criteria as set out in the CDS Procedures. A CDS participant may then deposit the security.

4.3. Trades in Listed Securities submitted to CDS must comply with the requirements for exchange trades as stipulated in CDS’s “Exchange Trades” procedures, including that such trades will be reported to CDS as between two participants of CDS, will be matched prior to delivery, and cannot be modified by the CDS participants prior to settlement, as provided by CDS’s Form CDSX818. Form CDSX818 has been executed by the Exchanges and must be executed by any new marketplace, including a new recognized exchange or recognized stock exchange, pursuant to CDS’s procedures.

4.4. Entitlements and corporate actions originating from, or related to, Listed Issuers are, or may be, managed and processed by CDS.

4.5. CDS, as a recognized clearing agency pursuant to CDS's regulatory requirements, and in reliance on the regulatory requirements and oversight of each Exchange:

   (a) accepts deposits of, and transactions for clearing and settlement of, Listed Securities; and

   (b) manages and processes entitlements and corporate action activities for Listed Securities.

4.6. In accordance with the regulatory and oversight model described in this MOU, CDS clears and settles all transactions in Listed Securities that are submitted to CDS pursuant to the CDS regulatory requirements.

5. **EXCHANGE OPERATIONS**

5.1. Securities may only become Listed Securities upon, *inter alia*, the issuer filing with an Exchange an unqualified letter from CDS confirming the ISIN or CUSIP number assigned to the securities.
6. GENERAL

6.1. This MOU takes effect from the date of execution for all parties.

6.2. Nothing in this MOU constitutes or will be deemed to constitute one party being the agent of another party or the deemed creation or existence of a partnership or joint venture between the parties.

6.3. This MOU is not entered into as a formal or legally binding agreement, but is only an expression and record of the understanding of the parties.

6.4. Any other recognized exchange or recognized stock exchange may become party to this MOU by executing a counterpart hereto with CDS and providing notice to the other signatories to this MOU, at which time applicable parts of this MOU will be amended.

6.5. All notices, requests or other communications that may be or are required pursuant to this MOU shall be by any reasonable method of delivery and where written communication is required it shall be directed as follows:

(a) If to CDS: 100 Adelaide Street West  
    Toronto, Ontario M5H 1S3  
    Attention: General Counsel  
    Tel: 416-947-4359  
    Email: legal@tmx.com

(b) If to Aequitas: 155 University Avenue, Suite 400  
    Toronto, Ontario M5H 3B7  
    Attention: Chief Legal Officer  
    Tel: 416-933-5900  
    Email: legal@aequin.com

(c) If to CSE: 220 Bay Street, 9th Floor  
    Toronto Ontario M5J 2W4  
    Attention: General Counsel  
    Tel: 416-367-7345  
    Email: GeneralCounsel@thecse.com

(d) If to TSX or TSXV to: 100 Adelaide Street West  
    Toronto, Ontario M5H 1S3  
    Attention: General Counsel  
    Tel: 416-947-4359  
    Email: legal@tmx.com

Any party may designate by notice in writing the name of a new contact person and particulars.

6.6. The provisions of this MOU may be amended by mutual agreement of the parties. Any such amendment shall be confirmed in writing by each of the parties.

6.7. This MOU together contains the entire understanding between the parties relating to the subject matter hereof. There are no warranties, express or implied, representations or
other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein.

6.8. This MOU may be executed in any number of counterparts, no one of which needs to contain all signatures of all parties, and such counterparts containing all signatures shall, taken together, constitute one and the same instrument.

[Remainder of page left intentionally blank.]
IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized officers as of the above date.

CDS CLEARING AND DEPOSITORY SERVICES INC.

By:  “Glenn Goucher”
Name:  Glenn Goucher
Title:  President

By:  “Brian Gelfand”
Name:  Brian Gelfand
Title:  Chief Commercial Officer

AEQUITAS NEO EXCHANGE INC.

By:  “Jos Schmitt”
Name:  Jos Schmitt
Title:  President & CEO

CNSX MARKETS INC.

By:  “Richard Carleton”
Name:  Richard Carleton
Title:  CEO
TSX INC.

By: “Loui Anastasopoulos”
Name: Loui Anastasopoulos
Title: President, Capital Formation

TSX VENTURE EXCHANGE INC.

By: “Braden Fletcher”
Name: Braden Fletcher
Title: Managing Director, TSX Venture Exchange
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<th>Aequitas</th>
<th>CSE</th>
<th>TSX</th>
<th>TSX Venture</th>
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<tr>
<td>1. Lead Authorities</td>
<td>N/A</td>
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<td>N/A</td>
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<td>2. Lead Regulator(s)</td>
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<td>OSC</td>
<td>ASC, BCSC</td>
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<td>3. Exempting securities regulators</td>
<td>All other CSA members</td>
<td>AMF, ASC, BCSC, MSC</td>
<td>AMF, ASC, BCSC</td>
<td>AMF, MSC, OSC</td>
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<td>5. Public interest mandate</td>
<td>Sch. 2, s. 2(a) of RO</td>
<td>Sch. A, s. 1.1 of RO</td>
<td>Sch. 2, s. 2(a) of RO</td>
<td>Sch. A, s. 10 (BCSC) Sch to RO s.10 (ASC)</td>
<td>Sch. B, Part II, s. 2.1 of OSC RO</td>
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<td>6. Regulation of Issuers or Participants</td>
<td>Sch. 2, s. 11 of RO</td>
<td>App. A, s. 4.1 of RO</td>
<td>Sch. 1, s. 4.1 of RO</td>
<td>Sch. A, s. 11 (BCSC) Sch to RO s.11 (ASC)</td>
<td>Sch. A, s. 4.4 Sch. B, s. 14.2</td>
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