Execution Version

AGENCY AGREEMENT

November 6, 2015

Octagon Capital Corporation
170 University Avenue, Suite 1000
Toronto, ON M5H 3B3
Canada

Dear Sirs:

The undersigned, Titan Medical Inc., an Ontario corporation (the "**Company**"), hereby enters into this Agency Agreement (the "**Agreement**") with Octagon Capital Corporation ("**Octagon**" or the "**Agent**"), and the parties agree to the following:

1. Best Efforts Offering. The Company hereby engages the Agent to act as its exclusive agent in Canada during the term of the offering outlined in the term sheet attached hereto as Schedule A (the "**Term Sheet**"), on a "best efforts" agency basis (the "**Offering**"). The securities ("**Securities**") to be placed under the Offering are described in Schedule A and in this Agreement, and will be offered by way of a prospectus offering (the "**Canadian Public Offering**") in the Canadian provinces of Alberta, British Columbia, and Ontario (collectively, the "**Provinces**") on a "best efforts" agency basis. Octagon understands that the Company may, as part of the Offering, offer and sell Securities in the United States on a private placement basis exempt from the registration requirements of the United States Securities Act of 1933, as amended through a U.S. placement agent engaged by the Company (the "**US Private Placement**"). The Company and the Agent each agree to comply with all applicable federal and provincial securities laws with respect to all offers and sales of the Securities in Canada. The Company agrees that it will conduct and cause to be conducted the US Private Placement in compliance with all applicable federal and state securities laws. The Agent shall be entitled to offer the Securities in jurisdictions outside of Canada and the United States to non-U.S. persons provided that the Agent shall not take any action in connection with the distribution of the Securities that would result in the Company being obligated to comply with the prospectus, registration, reporting or other similar requirements of the securities laws of any such jurisdiction. For greater certainty, nothing contained herein shall in any way obligate the Agent to purchase any of the Securities. The Company also agrees that the Agent will be permitted to appoint other registered dealers (or other dealers duly qualified in their respective jurisdictions) (each, a "**Selling Firm**") as its agents to assist in the Offering, and that the Agent may determine the compensation payable to such other dealers appointed by it, such compensation and expenses of any such Selling Firm to be payable by the Agent and not the Company.

   It is further understood and agreed that the Company shall be entitled to offer and sell Units (as defined in the Term Sheet) to certain subscribers on a president's list (the "**President's List Subscribers**"); provided, however, that (i) the Agent shall not be required to conduct a suitability review in respect of sales by the Company of Units to any President's List Subscriber, (ii) the Agent shall not be obligated, and may, in its sole discretion but acting reasonably, refuse to process any subscription for Units from any President's List Subscriber, and (iii) the Company shall indemnify and save harmless the Agent and any Personnel (as defined below) in accordance

with Section 11 in connection with any sales of Units by the Company to any President's List Subscriber.

2. Offering Documents. In connection with the Canadian Public Offering, the Company has filed a Canadian (final) short form base shelf prospectus, dated August 18, 2015 (collectively, with the documents incorporated by reference therein, the "**Canadian Shelf Prospectus**"), with the securities commissions of each of the Provinces (collectively, the "**Securities Commissions**"), as supplemented by a Canadian prospectus supplement (collectively, with the documents incorporated by reference therein including, without limitation, the Corporate Presentation (as defined below), the "**Canadian Prospectus Supplement**") dated the date hereof (the Canadian Shelf Prospectus, as supplemented by the Canadian Prospectus Supplement, being the "**Canadian Supplemented Prospectus**"). Together, the Canadian Shelf Prospectus, the Canadian Prospectus Supplement, and the Canadian Supplemented Prospectus are referred to herein as the "**Offering Documents**". The Warrants (as defined in the Term Sheet) and the Additional Warrants (as defined below) shall be created and issued pursuant to a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date (as defined in the Term Sheet) between the Company and Computershare Trust Company of Canada, in its capacity as warrant agent thereunder (the "**Warrant Agent**"). During the Distribution Period (as defined below), other than the Canadian Supplemented Prospectus, the Term Sheet (which the Company and the Agent agree is a "standard term sheet" within the meaning of National Instrument 44-101 – Short Form Prospectus Distributions ("**NI 44-101**")), the corporate presentation of the Company dated November 6, 2015 (the "**Corporate Presentation**") (which Corporate Presentation the Company and the Agent agree is a "template version" within the meaning of NI 44-101 of such marketing materials) and any press release announcing the Offering, each of the Company and the Agent covenant and agree not to provide any potential investor of Units with any other materials including any "marketing materials" within the meaning of Applicable Securities Laws (as defined below). Unless an exemption from the filing requirement is available under Applicable Securities Laws, the Company shall file the Corporate Presentation with the Securities Commissions as soon as reasonably practicable after such marketing materials are approved by the Company and the Agent and, in any event, on or before the day the Corporate Presentation is first provided to any potential investor of Securities, and such filing shall constitute the Agent's authority to use such marketing materials in connection with the Offering.

3. Expenses. Whether or not the transactions herein contemplated shall be completed, all expenses of the Company and the Agent related to, or incidental to, the creation, authorization, issue, delivery and sale of the Securities and of or incidental to all other matters in connection with the transactions herein set out shall be borne by the Company including, without limitation, the cost of the direct travel expenses incurred on behalf of personnel of the Company and the Agent with respect to any road shows, expenses payable in connection with the qualification of the Securities for sale to the public, the fees and expenses of the Company's counsel, all costs incurred in connection with the preparation, printing and delivery of the Offering Documents, including commercial copies thereof, the costs of the definitive certificates representing the Securities, any stock exchange listing fees, the reasonable fees of the Agent's Canadian counsel (subject to a maximum of CDN$60,000 for the legal fees of the Agent's Canadian counsel, plus taxes and disbursements), and the Agent's reasonable out-of-pocket expenses (subject to a maximum of CDN$10,000 for Octagon's marketing, travel and out-of-pocket costs). All reasonable fees and expenses of the Agent in connection with the Offering (including, without limitation, the fees and disbursements of counsel) payable by the Company pursuant to this Section 3 shall be payable by the Company at the Closing Time (as such term is defined in the Term Sheet) or otherwise promptly upon the demand of Octagon, whether or not the Offering is completed. All reasonable fees and expenses of the Agent in connection with the Over-Allotment Option (as defined below)

(including, without limitation, the fees and disbursements of counsel) payable by the Company pursuant to this Section 3 shall be payable by the Company at the closing of the Over-Allotment Option. Where harmonized sales tax is applicable, an additional amount equal to the amount of the harmonized sales tax owing will be charged to, and payable at the Closing Time or otherwise upon the demand of Octagon, by the Company.

4. Compensation.

The Agent will be paid by the Company on the Closing Date or the Option Closing Date, as applicable, a commission comprised of the following:

(A) a cash commission equal to 1% of gross proceeds raised pursuant to the US Private Placement, subject to a maximum of US$100,000; and

(B) a cash commission in Canadian dollars equal to 7% of gross proceeds realized pursuant to the Offering or exercise of the Over-Allotment Option, as the case may be, in Canada and other jurisdictions (other than the United States), provided that the cash commission shall be reduced to 3.5% of the gross proceeds realized by the Company pursuant to the Offering or exercise of the Over-Allotment Option, as the case may be, to President's List Subscribers in Canada and other jurisdictions (other than the United States).

The work fee in the amount of US$25,000 paid by the Company to the Agent will be credited against the commission payable to the Agent pursuant to (A) above.

5. Over-Allotment Option.

(i) The Company hereby grants to the Agent an option (the "**Over-Allotment Option**"), exercisable on the Closing Date and at any time on or before 5:00 p.m. (Toronto time) on the date that is 30 days following the Closing Date, to offer for sale up to such number of additional Units or Warrants or any combination of additional Units and Warrants as is equal to 15% of the aggregate number of Units issued under the Offering, for the purposes of covering over-allotments, if any, and for market stabilization purposes permitted pursuant to Applicable Securities Laws. The Over- Allotment Option may be exercised in whole or in part prior to its expiry in accordance with the provisions of this Agreement. The Over-Allotment Option may be exercisable by the Agent in respect of: (i) additional units ("**Additional Units**") at the Issue Price set forth in the Term Sheet; or (ii) additional common share purchase warrants ("**Additional Warrants**") at a price of CDN$0.21 per Additional Warrant; or (iii) any combination of Additional Units and/or Additional Warrants, so long as the aggregate number of Additional Units and Additional Warrants does not exceed 15% of the number of Units issued pursuant to the Offering. In the event that the Over-Allotment Option is exercised, any Additional Units and/or Additional Warrants 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 of the Offering, including all references to the Closing Date and the Closing Time, shall apply to the closing of the exercise of the Over-Allotment Option, the Option Closing Date and the Option Closing Time (as defined below), respectively. For greater certainty, references to "**Additional Warrants**" includes common share purchase warrants comprising the Additional Units and/or issued individually pursuant to the exercise of the Over-Allotment Option. The Agent shall be under no obligation whatsoever to exercise

the Over-Allotment Option in whole or in part or to offer for sale any Additional Units and/or Additional Warrants pursuant thereto.

(ii) Delivery of the certificate(s) representing any Additional Units and/or Additional Warrants issued pursuant to the Over-Allotment Option will be made at the offices of the Company's counsel in Toronto, Ontario (or such other place as the Agent and the Company may agree), at the time and on the date as set out in the written notice of the Agent referred to below (the "**Option Closing Date**"), which may occur on the Closing Date but will in no event occur earlier than the Closing Date, nor earlier than two business days or later than five business days after the date upon which the Company receives written notice from the Agent setting out the number of Additional Units and/or Additional Warrants in respect of which the Agent wishes to exercise the Over-Allotment Option. Any such notice must be received by the Company not later than 2:00 p.m. (Toronto time) on the date that is two business days prior to the Option Closing Date, which shall not occur later than 30 days following the Closing Date. Upon the furnishing of the notice, the Company will be committed to issue, sell and deliver in accordance with and subject to the provisions of this Agreement the number of Additional Units and/or Additional Warrants indicated in the notice.

6. Representations, Warranties and Agreements of the Company. The Company represents and warrants to the Agent and agrees that:

(i) the delivery by the Company to the Agent of the Canadian Supplemented Prospectus and any amendment thereto (an "**Amendment**"), as the case may be, shall constitute a representation and warranty to the Agent by the Company that:

(A) the Canadian Shelf Prospectus, the Canadian Supplemented Prospectus and any Amendment, and all information incorporated by reference therein, as of their respective dates, constitute full, true and plain disclosure of all material facts relating to the Securities and the Company, and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(B) no fact or information is omitted from such disclosure (except facts or information relating solely to and provided by the Agent) which is required to be stated in such disclosure or is necessary to make the statement or information contained in such disclosure not misleading in light of the circumstances under which they were made; and

(C) such documents comply as at the date of such documents with all applicable securities laws, rules, regulations, instruments and published policies in the Provinces (collectively, "**Applicable Securities Laws**") and U.S. securities laws, as applicable.

Such delivery also shall constitute the consent of the Company to the use by the Agent of the Canadian Supplemented Prospectus and any documents incorporated by reference therein, and any Amendment thereto, in connection with the distribution of the Securities as contemplated by this Agreement;

(ii) the Company is qualified pursuant to National Instrument 44-101 *Short Form Prospectus Distributions* and National Instrument 44-102 *Shelf Distributions* of the Canadian

Securities Administrators to file a short form shelf prospectus in each of the Provinces and the Canadian Shelf Prospectus and the Canadian Prospectus Supplement comply, in form and substance, with all Applicable Securities Laws;

(iii) the Company has, prior to giving effect to this Offering, not issued and distributed any securities under the Canadian Shelf Prospectus;

(iv) the Company has filed in each of the Provinces the Canadian Shelf Prospectus and has obtained a receipt therefor issued by the Ontario Securities Commission under the Passport System (under National Instrument 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*) confirming that receipts of each of the Securities Commissions have been issued for the Canadian Shelf Prospectus, and such receipt has not lapsed nor been rescinded, withdrawn or revoked;

(v) the currently issued and outstanding common shares of the Company are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") and no order ceasing or suspending trading in any securities of the Company or prohibiting the issuance or sale of the Initial Common Shares (as defined in the Term Sheet) or the trading of any of the Company's issued securities has been issued and no proceedings for such purpose are pending or, to the knowledge of the Company, threatened;

(vi) the Company is, and at all times during the period (the "**Distribution Period**") commencing on the date hereof and ending on the later of the Closing Date and the Option Closing Date, will be, a "reporting issuer", not in default, in each of the Provinces. In particular, without limiting the foregoing, the Company has, since January 1, 2014, complied with its obligations to make timely disclosure of all material changes relating to it and no such disclosure has been made on a confidential basis and there is no material change relating to the Company which has occurred and with respect to which the requisite material change report has not been filed, except to the extent that the Offering constitutes a material change. Each disclosure document filed in accordance with Applicable Securities Law by or on behalf of the Company since January 1, 2014 with any Securities Commission or the TSX did not contain a misrepresentation, determined as at the date of filing, which has not been corrected by way of a subsequently filed disclosure document. There is no "material change" or "material fact" (as such terms are defined in the Applicable Securities Laws) regarding the Company which is not disclosed in the Offering Documents;

(vii) the Company: (A) is, and at all times during the Distribution Period will be, (i) a corporation duly organized, validly existing, and in good standing under the laws of Ontario, Canada, and (ii) is duly qualified to do business and is in good standing in every jurisdiction in which its ownership, leasing, licensing, or use of property and assets or the conduct of its business makes such qualification necessary; and (B) has full corporate power, capacity and authority, and has obtained all necessary consents, authorizations, approvals, orders, licenses, certificates, and permits and declarations of and from, and has made filings with, all federal, provincial, state and local authorities, to own, lease, license, and use its properties and assets and to conduct its business as presently conducted as described in the Offering Documents and all such consents, authorizations, approvals, orders, licenses, certificates, permits and declarations are, and at all times during the Distribution Period will be, valid, subsisting and in good standing, except where the failure to have any of the foregoing would not have a Material Adverse Effect (as defined below);

(viii) the Company does not have any subsidiaries or joint venture partners;

(ix) the authorized capital of the Company consists of an unlimited number of common shares of which 102,817,613 common shares are issued and outstanding as fully paid and non-assessable (without any personal liability attaching to the ownership thereof solely by being such a holder) shares in the capital of the Company as of November 5, 2015. Each issued and outstanding common share of the Company is duly authorized, validly issued, and has not been issued and is not owned or held in violation of any pre-emptive rights of shareholders or in violation of any applicable laws including Applicable Securities Laws. There is no commitment, plan, or arrangement to issue, and no outstanding option, warrant, right or other security instrument exercisable or exchangeable for, or convertible into, any share of capital of the Company or any security or other instrument which by its terms is exercisable or exchangeable for, or convertible into, capital of the Company in each case other than as described in the Offering Documents. There are no pre-emptive rights in favour of any shareholders of the Company;

(x) the audited financial statements as at and for the fiscal years ended December 31, 2014 and December 31, 2013 and the unaudited condensed interim financial statements for the three and six months ended June 30, 2015 and June 30, 2014 (collectively, the "**Financial Statements**") of the Company incorporated by reference in the Offering Documents are fairly presented, in accordance with International Financial Reporting Standards ("**IFRS**"). The Financial Statements have been prepared in accordance with IFRS, consistently applied throughout the periods involved and are correct and complete. There has at no time been a Material Adverse Effect since the latest information set forth in the Offering Documents, except as properly described in the Offering Documents as having occurred or as may occur;

(xi) the auditor of the Company which audited the annual financial statements comprising the Financial Statements is an independent public accountant as required by Applicable Securities Laws and there has never been any reportable event (within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with the present or any former auditor of the Company;

(xii) the Company has established and maintains a system of disclosure controls and procedures and internal control over financial reporting and has: (i) designed such disclosure controls and procedures, or caused them to be designed under management's supervision, to provide reasonable assurance that material information relating to the Company is made known to management by others, particularly during the period in which the financial statements are being prepared; (ii) designed such internal control over financial reporting, or caused it to be designed under management's supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS; (iii) evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by the Financial Statements and disclosed in the management's discussion and analysis management's conclusions about the effectiveness of the disclosure controls and procedures; and (iv) caused the Company to disclose in the management's discussion and analysis of the Company's most recent Financial Statements any change in the Company's internal control over financial reporting that occurred during the Company's applicable interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting;

(xiii) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(xiv) the Company's audit committee's responsibilities and composition comply with National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

(xv) since January 1, 2014, except as described in the Offering Documents: (A) the Company has not, except in the ordinary course of business, incurred any liability or obligation, primary or contingent, for borrowed money; (B) there has not been any material change in the share capital, short-term debt or long-term debt of the Company; (C) the Company has not purchased any of its outstanding capital nor declared or paid any dividend or distribution of any kind on its capital; and (D) the Company has not sustained any material loss or interference with its business or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labour dispute or any legal or governmental or regulatory proceeding or investigation. Since January 1, 2015, there has not been any event, fact, circumstance, development, occurrence or state of affairs which could have an effect that is materially adverse to the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise) or results of operations of the Company, whether or not arising in the ordinary course of business (a "**Material Adverse Effect**") or any development which the Company reasonably believes could result in a Material Adverse Effect;

(xvi) as of the date hereof there is no, and as of the Closing Date and the Option Closing Date there shall not be any, litigation, arbitration, claim, governmental, regulatory or other proceeding (formal or informal), or investigation pending or, to the knowledge of the Company, threatened or affecting the Company, or its operations, business, properties or assets, except as described in the Offering Documents or such as individually or in the aggregate do not now have and will not in the future have a Material Adverse Effect. The Company is not now, nor as of the Closing Date or the Option Closing Date, as the case may be, shall it be, in violation of, or in default with respect to, any law, rule, regulation, order, judgment, or decree, except as described in the Offering Documents or such as individually or in the aggregate do not have and will not in the future have a Material Adverse Effect;

(xvii) as of the date hereof, the Company has, and at all times during the Distribution Period shall have, good and marketable title in fee simple absolute to all real properties owned by it (if any) and good title to all other properties and assets which the Offering Documents indicate are owned by it, free and clear of all liens, other than liens for taxes not yet due and payable, charges, pledges, mortgages, security interests, and encumbrances, except as may be described in the Offering Documents or such as in the aggregate do not now have and will not in the future have a Material Adverse Effect;

(xviii) except as disclosed in the Canadian Prospectus Supplement, (i) apart from the properties and assets which the Offering Documents indicate are owned by or leased or licensed to

the Company, no other material property or assets are necessary for the conduct of the business of the Company as currently conducted, (ii) the Company does not know of any claim or the basis for any claim that might or could materially and adversely affect its right to use, transfer or otherwise exploit such property or assets, and (iii) the Company does not have any responsibility or obligation to pay any material commission, royalty, licence fee or similar payment to any person or entity with respect to the property and assets owned by the Company, other than in the normal course of business;

(xix) as of the date hereof, the Company is not, and at all times during the Distribution Period shall not be, in violation or breach of, or in default with respect to complying with any material provision of any material contract, agreement, instrument, lease, license, arrangement, other than any such violation or breach which would not, individually or in the aggregate, have a Material Adverse Effect, and each such contract, agreement, instrument, lease, license, arrangement, and understanding is in full force and effect and is the legal, valid, and binding obligation of the parties thereto enforceable as to them in accordance with its terms. The Company enjoys peaceful and undisturbed possession under all leases and licenses under which it is operating as of the date hereof. The Company is not a party to or bound by any contract, agreement, instrument, lease, license, arrangement, or understanding, or subject to any charter or other restriction, which has or could reasonably be expected to have a Material Adverse Effect. The Company is not in violation or breach of, or in default with respect to, any term of its Articles of Amalgamation or by-laws;

(xx) Except as disclosed in the Schedules to this Agreement: (A) the Company is the exclusive legal and/or beneficial owner of, as applicable, and has good and marketable title, and owns all right, title and interest in and to the Company Intellectual Property (as defined below), free and clear of all encumbrances, liens, mortgages, hypothecations, security interests, charges or adverse interests whatsoever, covenants, conditions, options to purchase and restrictions or other adverse claims of any kind or nature, and to the knowledge of the Company there are no claims of adverse ownership in respect thereof; (B) no third parties have rights to any Company Intellectual Property; (C) to the knowledge of the Company, all registered Company Intellectual Property is valid, in full force and effect or reinstatable, and has not been exercised, used or enforced, or failed to be exercised, used or enforced in a manner that would result in the abandonment, rejection, cancellation, termination, lapsing, limitation, expungement or unenforceability of any of such registered Company Intellectual Property; (D) all applications, registrations, filings, renewals and payments necessary to preserve the rights in and to the applied for or registered Company Intellectual Property have been duly filed, made, prosecuted, maintained, are in good standing or substantially reinstatable and are recorded in the name of the Company, other than in cases where the Company has decided not to do any of the foregoing acts; (E) to the knowledge of the Company, there is no patent or patent application that contains claims that interfere with the issued or pending claims of any of the Company Intellectual Property; and (F) to the knowledge of the Company, there is no prior art that renders any patent application owned by the Company unpatentable that has not been disclosed to the US Patent and Trademark Office, or any similar office in Canada or any other jurisdiction; where such disclosure is and has been required. Schedule B to this Agreement contains a true and complete list of all active (including reinstatable) applied for and registered Company Intellectual Property;

(xxi) (A) the Company owns the applicable Intellectual Property, or has obtained valid and enforceable licenses for or other rights to use the applicable Intellectual Property that the Company has identified as being licensed to it, that is necessary for and material to the conduct of the business of the Company as described in the Canadian Supplemented Prospectus; and (B) to the knowledge of the Company, the Company does not lack, and will not be unable to obtain, any rights or licenses to use such applicable Intellectual Property necessary for and material to the conduct of the business of the Company as described in the Canadian Supplemented Prospectus;

(xxii) (A) to the knowledge of the Company, and except as disclosed in Schedule D hereto, no consent of any person is necessary to make, use, reproduce, license, sell, modify, update, enhance or otherwise exploit any Company Intellectual Property; and (B) to the knowledge of the Company, none of the Company Intellectual Property comprises an improvement to the existing intellectual property of a third party that would give such third party any rights to any such Company Intellectual Property, including, without limitation, rights to license any such Company Intellectual Property;

(xxiii) the Company has not transferred ownership of any Company Intellectual Property to any third party. The Company has not permitted the Company's rights in any Company Intellectual Property to lapse or enter the public domain in such a manner that could, individually or in the aggregate, result in a Material Adverse Effect;

(xxiv) to the knowledge of the Company, there is no pending or threatened litigation, proceeding, claim, demand, arbitration, mediation, dispute resolution, suit, action, investigation or judicial review in which the Company Intellectual Property is alleged to be invalid, unenforceable or not properly in the name of the Company;

(xxv) to the knowledge of the Company, the Company has not infringed and is not infringing the intellectual property rights of others. The Company is not aware of any pending or threatened litigation, proceeding, claim, demand, arbitration, mediation, dispute resolution, suit, action, investigation or judicial review which alleges that the Company Intellectual Property could or does infringe the intellectual property rights of a third party;

(xxvi) except as disclosed in the Offering Documents and as set out in Schedule D, the Company is not obligated or under any liability whatsoever to make any payments by way of royalties or license fees to any owner or licensor of, or other claimant to, any patent, trademark, service mark, trade name, copyright, technology or other intangible asset, with respect to the use thereof (other than for commercially available off-the-shelf products);

(xxvii) to the knowledge of the Company, no person or entity is infringing or misappropriating any Company Intellectual Property. The Company has not provided notice to any third party (i) that the operation of the business of such third party or any act, product or service of such third party infringes or misappropriates the Company Intellectual Property or constitutes unfair competition or unfair trade practices under the legal requirements of any jurisdiction, or (ii) challenging the ownership, validity, enforceability or registerability of any third party intellectual property;

(xxviii) the Company has taken, and continues to take, commercially reasonable precautions and to make commercially reasonable efforts to protect the Company's proprietary information and trade secrets from disclosure to, or use by, unauthorized persons, as well as from theft, tampering, sabotage and transmission;

(xxix) the Company's operations, are and at all times have been in material compliance with all applicable legal requirements, certificates, permits, licenses, approvals, registrations, qualification, consents, notifications, orders and other authorizations of governmental entities ("**Governmental Licences**") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies to conduct the business now operated by the Company in all jurisdictions in which it carries on business, including without limitation those administered by Health Canada and the United States Food and Drug Administration ("**FDA**") and any other regulatory or governmental agency having jurisdiction over the Company or its activities and each Governmental Licence is valid, subsisting and in good standing and the Company is not in default or breach of any Governmental Licence and no proceeding is pending or, to the knowledge of the Company, threatened to revoke or limit any Governmental Licence;

(xxx) there is no actual, pending or, to the knowledge of the Company, threatened action or investigation against the Company by the FDA, Health Canada or any other governmental entity which has jurisdiction over the Company or its activities and to the knowledge of the Company, no governmental entity is considering such action and there are no facts or circumstances that are reasonably likely to give rise to any such action or investigation or that could lead to the revocation, suspension, modification or termination of any of the Governmental Licenses if the subject of an unfavourable decision, ruling or finding;

(xxxi) none of the Governmental Licences contains any term, provision, condition or limitation which has or would reasonably be expected to affect or restrict in any material respect the operations or the business of the Company as now carried on or proposed to be carried on as described in the Offering Documents and the Company has no reason to believe that any person granting any such Governmental Licenses is considering limiting, suspending, modifying, withdrawing or revoking the same;

(xxxii) all clinical studies, tests and trials being conducted by or on behalf of the Company that have been or will be submitted to any governmental entity, including the FDA and its counterparts worldwide, including in Canada, the European Union and Asia, in connection with any Governmental Licenses, are being or have been conducted by the Company or, to the knowledge of the Company, are being or have been conducted on behalf of the Company, in compliance in all material respects with applicable experimental protocols, procedures and controls pursuant to generally accepted professional scientific standards and applicable local, provincial, state, federal and foreign legal requirements, rules and regulations;

(xxxiii) the results of the clinical studies, tests and trials being conducted by or on behalf of the Company described in the Canadian Supplemented Prospectus are accurate and complete in all material respects and to the knowledge of the Company there are no other trials, studies or tests, the results of which could reasonably call into question the results described or referred to in the Canadian Supplemented Prospectus; and the Company has not received any notices or other correspondence from such regulatory authorities or any other governmental agency or any other person requiring the termination, suspension or

material modification of any research, pre-clinical and clinical validation studies or other studies and tests that are described in the Canadian Supplemented Prospectus or the results of which are referred to therein;

(xxxiv) the Company has all requisite corporate power, capacity and authority to execute, deliver, and perform this Agreement and the Warrant Indenture (as defined in the Term Sheet), to file the Canadian Shelf Prospectus and the Canadian Prospectus Supplement, and to consummate the transactions contemplated hereby. All necessary corporate proceedings of the Company have been duly taken to authorize the execution, delivery, and performance by the Company of this Agreement and the Warrant Indenture, the filing of the Canadian Shelf Prospectus and the Canadian Prospectus Supplement and the consummation of the transactions contemplated hereby. This Agreement has been duly authorized, executed, and delivered by the Company, is a legal, valid, and binding obligation of the Company, and is enforceable against the Company in accordance with its terms. No consent, authorization, approval, order, license, certificate, or permit of or from, or registration, qualification, declaration, or filing with, any federal, state, provincial, local, foreign, or other governmental authority or any court or other tribunal is required by the Company for the execution, delivery, or performance by the Company of this Agreement or the Warrant Indenture, or the consummation of the transactions contemplated hereby and thereby, except the filing of the Canadian Prospectus Supplement;

(xxxv) other than the consents previously obtained by the Company, no consent of any party to any material contract, agreement, instrument, lease, license, arrangement, or understanding to which the Company is a party, or to which any of its properties or assets are subject, is required for the execution, delivery, or performance of this Agreement or the Warrant Indenture, and the consummation of the transactions contemplated hereby, and such execution, delivery and performance will not violate, result in a breach of, conflict with, or (with or without the giving of notice or the passage of time or both) entitle any party to terminate or call a default under any such contract, agreement, instrument, lease, license, arrangement, or understanding, violate or result in a breach of any term of the Articles of Amalgamation or by-laws of the Company, or violate, result in a breach of, or conflict with any law, rule, regulation, order, judgment, or decree binding on the Company or to which any of its operations, business, properties, or assets are subject;

(xxxvi) the Company has all requisite corporate power, capacity and authority to create, issue and sell the Securities, the Additional Units and the Additional Warrants (and the securities underlying the Additional Units and the Additional Warrants) and all necessary corporate action has been taken, or will have been taken prior to the Closing Time, by the Company so as to create, validly issue and sell such securities and such securities shall conform to all statements relating thereto as contained in the Offering Documents;

(xxxvii) the Initial Common Shares and the common shares of the Company comprising the Additional Units (the "**Additional Common Shares**") will be, upon payment of the aggregate Issue Price for the Units or Additional Units (as the case may be), duly and validly issued and outstanding as fully paid and non-assessable shares in the capital of the Company, without any personal liability attaching to the ownership thereof solely by being such holder and shall not have been issued in violation of any pre-emptive rights of shareholders and such Initial Common Shares and Additional Common Shares will, at the Closing Date, have been conditionally approved to be listed and posted for trading on the

TSX, subject only to the satisfaction by the Company of such customary and standard post-closing conditions imposed by the TSX in similar circumstances (which shall exclude any requirement for shareholder approval) and set forth in a letter of the TSX addressed to the Company (the "**TSX Standard Listing Conditions**");

(xxxviii) the Warrants and the Additional Warrants will be duly and validly created and authorized and duly issued and outstanding pursuant to the terms of the Warrant Indenture and the certificates representing the Warrants and the Additional Warrants will be duly authorized, executed and delivered by the Company and will constitute legal, valid and binding obligations of the Company enforceable in accordance with their terms.

(xxxix) the Warrant Shares (as defined in the Term Sheet) and the common shares of the Company underlying the Additional Warrants (the "**Additional Warrant Shares**") will be duly and validly authorized, allotted and reserved for issuance and, upon exercise of the Warrants or the Additional Warrants, as the case may be in accordance with the terms of the Warrant Indenture, including payment of the exercise price therefor, such Warrant Shares or Additional Warrant Shares, as the case may be, will be issued as fully paid and non-assessable shares in the capital of the Company and such Warrant Shares and Additional Warrant Shares will, at the Closing Date, have been conditionally approved to be listed and posted for trading on the TSX, subject only to the TSX Standard Listing Conditions;

(xl) the Company has filed all foreign, federal, state, provincial and local tax returns that are required to be filed or has requested extensions thereof (except in any case where the failure so to file would not, individually or in the aggregate, have a Material Adverse Effect), and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as properly described in the Offering Documents;

(xli) the Scientific Research and Experimental Development ("**SR&ED**") credits receivable described in the Offering Documents and any other SR&ED credits otherwise applied for by the Company are based on underlying work, expenses and claims of the Company giving rise to such SR&ED credits which satisfy the requirements of the *Income Tax Act* (Canada) in order for the Company to claim or have claimed such SR&ED credits, and to the knowledge of the Company there are no facts, circumstances or basis upon which the applicable taxing authority could reject, disallow, adversely reassess or deny the Company any such SR&ED credits;

(xlii) no labour dispute with the employees of the Company exists or is threatened or imminent that could result in a Material Adverse Effect, except as properly described in the Offering Documents. To the knowledge of the Company, there are no changes pending in the senior management of the Company;

(xliii) the Company has not been served with or otherwise received notice of any legal, governmental or regulatory proceeding, claim, action, suit, inquiry, complaint, investigation or other proceeding, and there are no legal, governmental or regulatory proceedings, claims, actions, suits, inquiries, complaints, investigations or other proceedings (whether or not purportedly on behalf of the Company) pending, to which the Company and/or any of its current or former directors or officers is a party or the

subject or of which any property or assets of the Company is the subject and, to the knowledge of the Company, (i) no such proceedings, claims, actions, suits, inquiries, complaints or investigations have been threatened or are contemplated by any governmental or regulatory authority or any other persons (including shareholders), and (ii) there are no facts or circumstances which would reasonably be expected to form the basis for any such proceedings, claims, actions, suits, inquiries, complaints or investigations;

(xliv) no proceedings, claims, actions, suits, complaints or investigations have been made, instituted or threatened against the Company (i) by any former director or officer of the Company for wrongful dismissal or other similar cause of action, or (ii) by shareholders of the Company in respect of or in connection with the departure of any former director or officer of the Company;

(xlv) this Agreement and the Warrant Indenture and all other contracts required in connection with the issue and distribution of the Securities shall be, prior to the Closing Date, duly authorized, executed and delivered by the Company and will be legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction;

(xlvi) the Company will use the net proceeds of the Offering as described under the heading "Use of Proceeds" in the Canadian Prospectus Supplement;

(xlvii) other than the Agent pursuant to this Agreement and the US placement agent in connection with the US Private Placement, there is no person acting or purporting to act at the request of the Company, who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering;

(xlviii) the minute books and records of the Company, made available to counsel for the Agent for the periods from the date of incorporation of the Company to the date of examination thereof are all of the minute books and records of the Company and contain complete and accurate copies of all material proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of the Company and there have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Company not reflected in such minute books and other records;

(xlix) the Company is in compliance in all material respects with all applicable federal, provincial, state and local environmental laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions (collectively, the "**Environmental Laws**") including those rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including, without limitation, those applicable to emissions to the environment, waste management and waste disposal relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transportation or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances ("**Hazardous Substances**") and, to the knowledge of the Company, there are no

circumstances that would prevent, interfere with, or materially increase the cost of such compliance in the future;

(l) all information which has been prepared by the Company relating to the Company and its business, properties and liabilities that is or has been publicly disclosed or otherwise provided to the Agent or its counsel, including any investor or corporate presentations posted on the Company's website, and all financial, marketing, sales and operational information, is, as of the date of such information, true and correct in all material respects, contains no misrepresentation and no fact or facts have been omitted therefrom which would make such information misleading;

(li) except as properly described in the Offering Documents, the Company does not have any loans or other indebtedness outstanding which have been made to, nor have they guaranteed any obligations of, any of its respective shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with them;

(lii) except as properly disclosed in the Offering Documents, the Company has not approved, has not entered into any agreement in respect of, and to the knowledge of the Company there are no facts or circumstances in respect of:

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

(B) the issuance of any securities of the Company or a right of first refusal with respect to the issuance by the Company of any securities;

(C) any change in control of the Company (whether by sale, transfer or other disposition of shares or sale, transfer, lease or other disposition of all or substantially all of the property and assets of the Company);

(D) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Company; or

(E) an agreement in force or having the effect of which in any manner affects or will affect the voting or control of any of the securities of the Company;

(liii) except as disclosed in the Offering Documents, none of the directors, officers or employees of the Company, any person who owns, directly or indirectly, more than 10% of any class of securities of the Company or securities of any person exchangeable for more than 10% of any class of securities of the Company, or any associate or affiliate of any of the foregoing, 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 Company which, as the case may be, materially affects, is material to or will materially affect the Company;

(liv) Computershare Trust Company of Canada, at its principal offices in Toronto, Ontario, has been duly appointed as transfer agent and registrar in respect of the common shares of the Company and on or before the Closing Date, it will be appointed as warrant agent under the Warrant Indenture in respect of the Warrants;

(lv) all forward-looking information and statements of the Company contained in the Canadian Supplemented Prospectus and the assumptions underlying such information and statements, subject to any qualifications contained therein, including any forecasts and estimates, expressions of opinion, intention and expectation, as at the time they were or will be made, were or will be made on based on assumptions that are reasonable;

(lvi) the statistical, industry and market related data included in the Canadian Supplemented Prospectus are derived from sources which the Company reasonably believes to be accurate, reasonable and reliable, and such data agrees in all material respects with the sources from which it was derived;

(lvii) there is no claim under any Environmental Laws ("**Environmental Claim**"), including common law, pending or, to the knowledge of the Company, threatened against or affecting the Company and, to the knowledge of the Company, there are no past or present actions, activities, circumstances, events or incidents, including, without limitation, releases of any material into the environment, that could form the basis of any Environmental Claim against or affecting the Company;

(lviii) neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company has (a) taken any action, directly or indirectly, that would result in a violation of the *United States Foreign Corrupt Practices Act of 1977*, as amended, and the rules and regulations thereunder (collectively, the "**FCPA**"), the *Corruption of Foreign Public Officials Act* (Canada) (the "**CFPOA**") or similar laws of other jurisdictions, including, without limitation, making use of the mail or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any "foreign public official" (as such term is defined in the CFPOA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA of the CFPOA; (b) used corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (c) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or (d) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(lix) the operations of the Company are and have been conducted at all times in compliance with, in each case to the extent applicable, the financial recordkeeping and reporting requirements of the *United States Currency and Foreign Transactions Reporting Act of 1970* (United States), as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the anti-money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(lx) neither the Company, nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department

("**OFAC**"); and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC; and

(lxi) the US Private Placement has been and is being conducted by and on behalf of the Company in all material respects in compliance with all applicable laws.

For the purposes of this Agency Agreement, "**person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

For the purposes of this Agency Agreement, "**Intellectual Property**" means all of the following which is currently owned by, issued to or licensed to the Company, or other rights of the Company to use the following: (i) patent rights, issued patents, patent applications, patent disclosures, and registrations, inventions, discoveries, developments, concepts, ideas, improvements, processes and methods, whether or not such inventions, discoveries, developments, concepts, ideas, improvements, processes, or methods are patentable or registrable under patent or similar laws anywhere in the world; (ii) copyrights (including performance rights) to any original works of art or authorship, including source code and graphics, which are fixed in any medium of expression, including copyright registrations and applications therefor, anywhere in the world, whether or not registered or registrable; (iii) any and all common law or registered trade-mark rights, trade names, business names, trade-marks, proposed use trade-mark applications, certification marks, service marks, distinguishing marks and guises, logos, slogans, goodwill in any of the foregoing, domain names and any registrations and applications therefor, anywhere in the world, whether or not registered or registrable; (iv) know-how, show-how, methods of manufacture; (v) any and all industrial design rights, industrial designs, design patents, industrial design or design patent registrations and applications therefor, anywhere in the world, whether or not registered or registrable; (vi) any and all integrated circuits topography rights, integrated circuit topographies and integrated circuit topography applications, anywhere in the world, whether or not registered or registrable, (vii) any reissues, divisions, continuations, continuations-in-part, renewals, improvements, translations, derivatives, modifications and extensions of any of the foregoing; (viii) any other industrial, proprietary or intellectual property rights, anywhere in the world; and (ix) any and all software computer programs, operating systems, applications, interfaces, applets, applications, software scripts, macros, firmware, middleware, development tools, and other codes, instructions or sets of instructions for computer hardware or software, data, databases, training programs, hardware, websites (including URL's), domain names, website content, storyboards, user interfaces, algorithms, architecture, structure, display screens, layouts, development tools, instructions, templates, tooling, systems, servers, switches, routers, printers, peripheral equipment, cabling, networks, telecommunications, circuits, mask works, chips, flowcharts, spreadsheets, formulae, equipment, drawings and manuals, programmers notes, processes, methods, analysis, lab journals, notebooks, blue prints, schematics, research and development, reports, technical and functional information, specifications, manufacturing and engineering information, and other technology.

For the purposes of this Agreement, "**Company Intellectual Property**" means the Intellectual Property owned by the Company.

7. Covenants of the Company. The Company hereby agrees and covenants with the Agent, as follows:

(i) it shall file the Canadian Prospectus Supplement, together with all the required documents, with the Securities Commissions in accordance with Applicable Securities Laws not later than 10:45 p.m. (Toronto time) on November 6, 2015 and shall otherwise fulfill and comply with, to the satisfaction of the Agent acting reasonably, Applicable Securities Laws required to be fulfilled or complied with by the Company to enable the Securities to be lawfully distributed in the Provinces;

(ii) it shall allow the Agent to participate fully in the preparation of the Canadian Prospectus Supplement and any Amendment thereto or to the Canadian Shelf Prospectus and shall, during the course of the Offering: (A) provide the Agent with all information and copies of documentation requested by the Agent with respect to the Company's business, financial condition and other matters as the Agent may reasonably deem relevant, including copies of all documents sent to strategic partners, lenders and stockholders or filed with or received from any federal, provincial or state governmental or regulatory authorities or the TSX; and (B) make its auditors, counsel, officers and directors reasonably available to discuss with the Agent any aspect of the Company or its business which the Agent may reasonably deem relevant;

(iii) subject to Section 7(iv) hereof, it shall modify or supplement the Offering Documents during the course of the Offering to ensure that the Offering Documents, and all information incorporated by reference therein, constitute full, true and plain disclosure of all material facts relating to the Securities and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(iv) it shall prepare and deliver promptly to the Agent signed and certified copies of any and all Amendments. The Company shall not file any Amendment, any supplement to the Offering Documents or any ancillary material, information, evidence, return, report, application, statement or other document under Applicable Securities Laws (a "**Subsequent Disclosure Document**") without allowing the Agent to review and comment on such documents prior to their filing or issuance. Concurrently with the delivery of any Amendment, the Company shall deliver to the Agent and its counsel, with respect to such Amendment, the comfort letters required pursuant to Section 9(i)(C) hereof, updated as appropriate;

(v) it shall deliver to the Agent, at the offices in the Provinces designated by the Agent, the respective numbers of commercial copies of the Canadian Supplemented Prospectus, as the Agent may reasonably require, without charge, for distribution to purchasers of the Securities. Such delivery shall be effected as soon as possible and, in any event, in each of the Provinces, on or before 12:00 p.m. (Toronto time) on November 10, 2015. The Company shall similarly cause to be delivered commercial copies of any Amendment;

(vi) it shall from time to time deliver to the Agent as soon as practicable at the offices in the Provinces designated by the Agent the number of copies of documents incorporated by reference or containing information incorporated by reference in the Canadian Supplemented Prospectus where such documents or information is not accessible on SEDAR, and of any Subsequent Disclosure Documents or any Amendment, which the Agent may from time to time request;

(vii) during the Distribution Period, the Company shall promptly take, or cause to be taken, any additional steps and proceedings that may from time to time be required under Applicable Securities Laws to continue to qualify the distribution of the Securities or, in the event that the Securities have, for any reason, ceased so to qualify, to so qualify again the Securities, as applicable, for distribution;

(viii) during the Distribution Period, the Company shall promptly notify the Agent in writing, with full particulars, of any actual, anticipated, contemplated, threatened or prospective:

(A) material change (financial or otherwise) in the business, affairs, operations, prospects, assets, liabilities (contingent or otherwise), capital or ownership of the Company on a consolidated basis (other than a change disclosed in the Canadian Supplemented Prospectus);

(B) material fact which has arisen or has been discovered and would have been required to have been stated in the Canadian Supplemented Prospectus had the fact arisen or been discovered prior to the filing of the Canadian Prospectus Supplement;

(C) change in any material fact contained in the Canadian Supplemented Prospectus or any Amendment thereto, or any Subsequent Disclosure Document or Amendment thereto, which change is, or could reasonably be expected to be, of such a nature as to render any material fact in the Canadian Supplemented Prospectus or any Amendment misleading or untrue or which would result in a misrepresentation in the Canadian Supplemented Prospectus or any Amendment or which would result in the Canadian Supplemented Prospectus or any Amendment not complying with Applicable Securities Laws;

(D) notice or other correspondence received by the Company from any governmental or regulatory authorities or the TSX, or any requests from such bodies for information, a meeting or a hearing or in connection with any investigation relating to the Company and/or any of its current or former directors or officers, or any other event or state of affairs that could have a Material Adverse Effect; and

(E) issuance by any Securities Commission, the TSX or any other competent authority, including any other governmental or regulatory authority, of any order to cease or suspend trading or distribution of any securities of the Company or of the institution, threat of institution of any proceedings for that purpose or any notice of any investigation that could potentially result in an order to cease or suspend trading or distribution of any securities of the Company;

(ix) it shall in good faith discuss with the Agent as promptly as possible any change in circumstance or event (actual, proposed, anticipated, contemplated or threatened within the knowledge of the Company) which is of such a nature that there is or ought to be a reasonable doubt whether there may be a material change or change in a material fact or other change described in Section 7(viii) hereof;

(x) it shall promptly comply with all applicable filing and other requirements under Applicable Securities Laws arising as a result of any change referred to in Section 7(viii)

hereof and shall prepare and file, within all applicable time limitation periods under Applicable Securities Laws, any Subsequent Disclosure Document or Amendment as may be required under Applicable Securities Laws during the Distribution Period. The Company shall not file any Subsequent Disclosure Document or Amendment without first obtaining the approval of the form and content thereof by the Agent, which approval shall not be unreasonably withheld or delayed and the Company shall further promptly deliver to the Agent and its counsel, with respect to such Subsequent Disclosure Document or Amendment, the comfort letters required pursuant to Section 9(i)(C) hereof, updated as appropriate;

(xi) the delivery by the Company to the Agent of each Amendment and Subsequent Disclosure Document shall constitute a representation and warranty to the Agent by the Company, with respect to the Canadian Supplemented Prospectus as amended by such Amendment or Subsequent Disclosure Document and by each Amendment and Subsequent Disclosure Document previously delivered to the Agent, to the same effect as set forth in Section 7(i) hereof. Such delivery shall also constitute the consent of the Company to the use of the Canadian Supplemented Prospectus, as amended or supplemented by any such document, by the Agent in connection with the distribution of Securities;

(xii) it shall not authorize or enter into any agreement, arrangement or transaction that would have the effect of causing a material change, including without limitation any selling, negotiating or entering into an arrangement to sell all or any material portion of the assets of the Company or enter into a merger or other business combination with a third party or other similar transaction, which transaction does not provide for the completion of the Offering;

(xiii) it shall not effect any material corporate reorganization that could directly affect the rights and/or taxable position of its shareholders, without the prior approval of the holders of the common shares of the Company;

(xiv) it will use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of Applicable Securities Laws of the Provinces and will comply with all of its obligations under applicable laws for as long as any Warrants and/or any Additional Warrants remain outstanding;

(xv) it will use its commercially reasonable efforts (including, without limitation, making application to the Securities Commissions for all consents, orders and approvals necessary) to maintain the listing of the common shares on the TSX, for as long as any Warrants and/or Additional Warrants remain outstanding;

(xvi) it will use its commercially reasonable efforts to ensure that the Initial Common Shares, the Additional Common Shares, the Warrant Shares and the Additional Warrant Shares are, when issued, listed and posted for trading on the TSX upon their date of issuance;

(xvii) it will forthwith notify the Agent of any breach of any covenant of this Agreement by the Company, or upon it becoming aware that any representation or warranty of the Company contained in this Agreement is or has become untrue or inaccurate in any material respect; and

(xviii) the Company shall keep the Agent apprised of the progress and status of, including all favourable and adverse developments relating to, the US Private Placement.

8. Representations and Warranties of the Agent.

The Agent represents, warrants and agrees with the Company that:

(A) the Agent is a registered investment dealer and under provincial securities laws, rules and regulations in the Provinces duly qualified to act as an agent of the Company in connection with the Canadian Public Offering;

(B) the Agent shall undertake the Canadian Public Offering in accordance with the terms set forth herein and pursuant to the Canadian Shelf Prospectus, as supplemented by the Canadian Prospectus Supplement and

(C) none of it, its affiliates or any person acting on any of its or their behalf (excluding Selling Firms) has offered or will offer any Units, Additional Units or Additional Warrants except: (a) in an "offshore transaction," as such term is defined in Regulation S of the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), outside the United States to non-U.S. Persons in accordance with Rule 903 of Regulation S under the U.S. Securities Act ("**Regulation S**"); or (b) to, or for the account or benefit of, persons in the United States or U.S. Persons (as defined in Regulation S). Accordingly, none of the Agent, its affiliates or any person acting on its or their behalf, has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Units, Additional Units or Additional Warrants to, or for the account or benefit of, any person in the United States or a U.S. Person; or (ii) any sale of Units, Additional Units or Additional Warrants to any purchaser unless, at the time the buy order was or is originated, the purchaser was outside the United States, not a U.S. Person and not acting for the account or benefit of a person in the United States or a U.S. Person, or the Agent, its affiliates or person acting on its or their behalf reasonably believed that such purchaser was outside the United States, not a U.S. Person and not acting for the account or benefit of a person in the United States or a U.S. Person.

9. Documents Upon Filing of the Canadian Prospectus Supplement.

(i) The Company shall deliver prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of the Canadian Prospectus Supplement, a copy of the following to the Agent and its counsel:

(A) the Canadian Supplemented Prospectus as filed with the Securities Commissions, signed and certified as required by Applicable Securities Laws;

(B) all documents incorporated by reference, or containing information incorporated by reference, into the Canadian Prospectus Supplement, and any other document required to be filed by the Company prior to the filing of the Canadian Prospectus Supplement under the laws of the Provinces in compliance with Applicable Securities Laws in connection with the distribution of the Securities, if such documents have not previously been delivered to the Agent's counsel or are otherwise not accessible on SEDAR; and

(C) long form "comfort letters", dated the date of the Canadian Prospectus Supplement, in form and substance satisfactory to the Agent acting reasonably, of the Company's auditors, being BDO Canada LLP, addressed to the directors of the Company and to the Agent, with respect to the Financial Statements, auditors reports and accounting, financial and statistical information (collectively, "**Financial Information**") contained or incorporated by reference in the Canadian Supplemented Prospectus, and matters involving changes or developments since the respective dates of which the Financial Information is given to a date not more than two business days prior to the date of such letter, which letter shall be in addition to the auditors' report incorporated by reference into the Canadian Prospectus Supplement and the auditors' comfort and consent letter addressed to the Securities Commissions**.**

10. Conditions to Agent's Obligations. The obligations of the Agent hereunder with respect to the Offering will be subject to the completion by the Agent of a due diligence review satisfactory to the Agent in its sole judgment and to the satisfaction (or waiver by the Agent in its sole discretion) of the following additional conditions, as applicable, which conditions the Company covenants to exercise its commercially reasonable efforts to have fulfilled on or prior to each of the Closing Date and the Option Closing Date:

(i) the Canadian Supplemented Prospectus and any Amendment shall have been filed with the Securities Commissions in accordance with Applicable Securities Laws;

(ii) the Securities (including, for greater certainty, Warrant Shares) shall be duly and validly created and issued, all actions required to be taken by or on behalf of the Company, including the passing of all requisite resolutions of directors and the filing of all necessary certificates, instruments and documents with governmental authorities, shall have occurred prior to the Closing Time so as to validly create and issue such Securities and so as to have duly and validly authorized and approved this Agreement, the Warrant Indenture and all matters relating to the foregoing;

(iii) the Company shall have made and/or obtained the necessary filings, approvals, consents and acceptances to or from, as the case may be, the Securities Commissions required to be made or obtained by the Company in connection with the Offering, on terms which are acceptable to the Company and the Agent, acting reasonably, prior to the Closing Date;

(iv) the Company will deliver a certificate of the Company and signed on behalf of the Company, but without personal liability, by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company or such other senior officers of the Company as may be acceptable to the Agent, acting reasonably, addressed to the Agent and its counsel and dated the Closing Date, in form and content satisfactory to the Agent's counsel, acting reasonably, certifying that:

(A) the Offering Documents meet the requirements hereof and of Applicable Securities Laws and have been modified or supplemented as required herein and, as of the Closing Date, constitute full, true and plain disclosure of all material facts relating to the Securities and do not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein not misleading;

(B) all necessary corporate approvals have been obtained to enable the Company to issue and deliver the Securities;

(C) no cease trade order or similar order preventing, suspending or materially restricting the Offering, affecting any securities of the Company or objecting to the use of the Canadian Shelf Prospectus or the Canadian Prospectus Supplement, or any part thereof has been issued and no proceedings for such purpose have been initiated, are pending or, to the knowledge of such officers, threatened;

(D) to the knowledge of such officers, there has been no Material Adverse Effect since the date of this Agreement;

(E) since the date hereof, no material change relating to the Company, except for the Offering, has occurred;

(F) the representations and warranties of the Company contained in this Agreement (i) qualified by materiality, are true and correct and (ii) not so qualified by materiality are true and correct in all material respects, in each case at the Closing Time, with the same force and effect as if made by the Company as at the Closing Time;

(G) the Initial Common Shares, the Warrant Shares and the Additional Warrant Shares have been conditionally approved for listing on the TSX, subject only to the TSX Standard Listing Conditions;

(H) the Company has complied, and will comply, with all the covenants and has satisfied (or will satisfy) all the terms and conditions of this Agreement on its part to be complied with or satisfied, other than conditions which have been waived by the Agent, at or prior to the Closing Time; and

(I) such other matters in relation to this Offering as the Company and the Agent shall agree prior to the Closing Time;

(v) the Agent shall have received at the Closing Time a favourable legal opinion, in form and substance satisfactory to the Agent, acting reasonably, addressed to the Agent and its counsel from the Company's Canadian Counsel, Borden Ladner Gervais LLP;

(vi) the Company will deliver a certificate of the Company, signed by an officer of the Company that is acceptable to the Agent, acting reasonably, addressed to the Agent and its counsel and dated the Closing Date, in form and content satisfactory to the Agent's counsel, acting reasonably, certifying that:

(A) neither the Company nor any predecessor thereto (including, for greater certainty, Synergist Medical Inc.) has assigned, transferred, pledged or otherwise conveyed any right, title or interest, in full or in part, in and to the Rayman Patents listed in Schedule B to any other party with the exception of Reiza Rayman or Titan Medical Inc.; and

(B) neither the Company nor any predecessor thereto (including, for greater certainty, Synergist Medical Inc.) has assigned, transferred, pledged or otherwise conveyed any right, title or interest, in full or in part, in and to the Unsworth Patents listed in Schedule B to any other party with the exception of John Unsworth or Titan Medical Inc.;

(vii) the Agent shall have received at the Closing Time letters dated the Closing Date, in form and substance satisfactory to the Agent, acting reasonably, addressed to the Agent and the directors of the Company from the auditors of the Company, BDO Canada LLP, confirming the continued accuracy of their long form "comfort letter" referred to in Section 9(i)(C) hereof, with such changes as may be necessary to bring the information in such letters forward to a date not more than two business days prior to the Closing Date, which changes shall be acceptable to the Agent, acting reasonably;

(viii) the Company will deliver a certificate of the Company, signed by an officer of the Company that is acceptable to the Agent, acting reasonably, addressed to the Agent and its counsel and dated the Closing Date, with respect to the constating documents of the Company, all resolutions of the directors of the Company relating to this Agreement and the Offering, the incumbency and specimen signatures of signing officers of the Company and with respect to such other matters as the Agent may reasonably request;

(ix) the Company will deliver a certificate of status with respect to the Company issued by the appropriate governmental authority and dated within one (1) Business Day of the Closing Date;

(x) the Company shall have furnished to the Agent and its counsel such other documents and certificates as they may reasonably request for the purpose of enabling it to pass upon the issuance and sale of the Securities (including, for greater certainty, the Warrant Shares) as herein contemplated or in order to evidence the accuracy of any of the representations or warranties or the fulfillment of any of the conditions herein contained or to the accuracy and completeness of any statements in the Offering Documents;

(xi) the Initial Common Shares, the Warrant Shares and the Additional Warrant Shares have been conditionally approved for listing on the TSX, subject only to the TSX Standard Listing Conditions; and

(xii) the form and terms of the Warrant Indenture and the certificate representing the Warrants shall be satisfactory in all respects to the Agent and shall have been executed by the Company and the Warrant Agent.

11. Indemnity. The Company agrees to protect, indemnify and save harmless the Agent, its affiliates and each and every one of their respective directors, officers, employees, shareholders and agents (hereinafter referred to as the "**Personnel**") harmless from and against any and all fees, costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities of any nature whatsoever, joint or several (including the aggregate amount paid in settlement of any actions, suits, proceedings or claims and the reasonable fees and expenses of the Agent's counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent or any Personnel; both subject to the terms of this indemnity) to which the Agent and/or the Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such fees, costs, expenses, losses, claims, damages, fines,

penalties, liabilities or actions arise out of or are based, directly or indirectly, on services rendered to the Company by the Agent or the Personnel under or otherwise in connection with the matters referred to in this Agreement (the "**Services**") including, without limitation, the Agent or its Personnel acting as agents for the Offering, by reason of or in connection with:

(i) any information or statement (except any information or statement relating solely to and provided by the Agent), contained in any Offering Document which at the time and in light of the circumstances under which it was made contains or is alleged to contain a misrepresentation (as such term is defined in the *Securities Act* (Ontario)) or any misstatement or alleged misstatement of material fact or any omission or any alleged omission to state therein any material fact (except for facts or information relating solely to and provided by the Agent) required to be stated therein or necessary to make any of the statements therein not misleading in light of the circumstances under which they were made;

(ii) any order made or inquiry, investigation or proceeding commenced or threatened by any 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 the Agent) in any of the Offering Documents which (A) prevents or restricts the trading in or the sale of the Securities or the distribution or distribution to the public, as the case may be, of any of the Securities in any of the Provinces, (B) prevents or restricts the offer and sale of the Securities on a private placement basis in the United States, and (C) prevents or restricts the offer and sale of the Securities outside of Canada and the United States to non-U.S. persons;

(iii) the non-compliance or alleged non-compliance by the Company with any requirement of Applicable Securities Laws, including, without limitation, the Company's non-compliance with any statutory requirement to make any document available for inspection;

(iv) any breach of any representation or warranty or non-satisfaction of any covenant of the Company contained herein or in any other document to be delivered pursuant hereto or the failure of the Company to comply with any of its obligations hereunder or thereunder;

(v) any statement contained in the Company's public disclosure record since January 1, 2014 which at the time and in the light of the circumstances under which it was made, contained or is alleged to have contained a misrepresentation or untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances in which they were made;

(vi) any oral misrepresentation or alleged misrepresentation by or on behalf of the Company relating to the Offering, whether made during and in connection with the Offering, where such misrepresentation may give or gives rise to any other liability under any statute in any jurisdiction which is in force on the date of this Agreement;

(vii) any sales of Units by the Company to any President's List Subscriber; or

(viii) the US Private Placement including, without limitation, the qualification under the Canadian Supplement Prospectus of any Securities sold pursuant to the US Private Placement.

provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that the fees, costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities as to which indemnification is claimed, are caused solely by the gross negligence or wilful misconduct of the Agent or the Personnel, as applicable.

If for any reason the foregoing indemnification is unavailable to the Agent or any of the Personnel or is insufficient to hold any of them harmless, then the Company shall contribute to the amount paid or payable by the Agent or any of the Personnel as a result of such fees, cost, expense, loss, claim, actions, damage, fines, penalties or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Agent on the other hand, but also the relative fault of the Company and the Agent or any of the Personnel, as well as any relevant equitable considerations, provided that the Company shall in any event contribute to the amount paid or payable by the Agent or any of the Personnel as a result of such fees, costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities to the extent of any excess of such amount over the amount of the cash fees actually received by the Agent under the Agreement. The Company also agrees that no Agent nor Personnel shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on behalf of or in right of the Company for or in connection with the Offering except to the extent any fees, cost, expense, loss, claim, actions, damage, fines, penalties or liability suffered by the Company are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the gross negligence, fraud or willful misconduct of the Agent or the Personnel.

The Company agrees that in case any legal proceeding shall be brought against the Company and/or the Agent or any of the Personnel by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or if any such persons shall investigate the Company and/or the Agent and/or any of the Personnel and the Agent or any such Personnel 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 the Services, the Agent or any such Personnel shall have the right to employ its own counsel in connection therewith if the Agent or any of the Personnel satisfies at least one of the conditions of the paragraph below with respect to retaining separate counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs and expenses incurred by the Agent or Personnel in connection therewith shall be paid by the Company as they occur. In addition, unless such investigation arises out of or is based, directly or indirectly, upon the Agent's breach of this Agreement, the Company shall pay to the Agent consulting fees for services of its professional staff in relation to such investigation based on the Agent's then prevailing *per diem* rate for such staff, together with their reasonable out-of-pocket expenses.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or any of the Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Agent will notify the Company in writing of the commencement thereof. The Agent's failure to so notify the Company shall not relieve the Company from any obligations or liability which it has hereunder, except to the extent that the Company has been

materially prejudiced by such failure. In the event of the assertion against the Agent or any of the Personnel of any such claim or the commencement of any such action or proceeding, the Company shall be entitled to participate in such action or proceeding and in the investigation of such claim and, after written notice given by the Company to the Agent, to assume the investigation or defense of any such claim, action or proceeding with counsel of the Company's choice at the Company's expense; provided, however, that such counsel shall be reasonably satisfactory to the Agent. Notwithstanding the election of the Company to assume the defense or investigation of such claim, action or proceedings, the Agent and the Personnel shall have the right to employ separate counsel and to participate in the defense or investigation of such claim, action or proceedings, and the Company shall bear the expense of such separate counsel in the circumstances described below. If such defense is assumed by the Company, the Company throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the Agent advised of the progress thereof and will discuss with the Agent all significant actions proposed. The Agent or any of the Personnel shall have the right, at the Company's expense, to employ counsel of such indemnified party's choice, in respect of any action, suit, claim or proceeding, if (i) in the opinion of counsel to the Agent or the Personnel, as applicable, there may be defenses available to the Agent or any of the Personnel that are in addition to or separate or different from those available to the Company, (ii) in the opinion of counsel to the Agent or the Personnel, as applicable, use of counsel of the Company's choice could reasonably be expected to give rise to a conflict of interest, (iii) the Company shall not have employed counsel reasonably satisfactory to the Agent or the Personnel, as applicable, to represent the indemnified party or parties within a reasonable time, and in any event within 10 days, after notice of the institution of any such action or proceedings, or (iv) the Company shall authorize the Agent or any of the Personnel to employ separate counsel at the Company's expense.

The Company shall not be liable for any settlement of any claim, action or proceeding affected without its written consent (not to be unreasonably withheld or delayed), but if settled with such consent or if there shall be a final judgment for the plaintiff, the Company agrees to promptly indemnify and hold harmless the Agent and the Personnel from and against any loss, damage, liability or expense by reason of such settlement of judgment. The Company shall not, without the prior written consent of the Agent and the Personnel, as applicable, settle, compromise or consent to any judgment or decision in any proceeding in respect of which indemnification may be sought hereunder.

The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to the Personnel and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Agent and any of the Personnel. The foregoing provisions shall survive the completion of the Offering or any termination or expiry of this Agreement.

The Company hereby acknowledges that the Agent act as trustee for the Personnel of the Company's covenants under this indemnity and agreement of contribution with respect to such persons and the Agent shall be entitled to enforce such covenants on behalf of such persons.

12. Rights of Foreign Purchasers. The Company hereby provides, on a contractual basis, all purchasers of Securities pursuant to the Offering who are resident outside of Canada with rights of action for damages or rescission in connection with the Offering that are available to purchasers of Securities resident in Ontario pursuant to the *Securities Act* (Ontario), and the Company hereby agrees that such purchasers are entitled to enforce those rights directly against

the Company (failing which the rights will be held by the Agent as trustee for the benefit of those purchasers).

13. Closing.

(i) The Offering will be completed at the offices of the Company's counsel in Toronto at the Closing Time or such other place, date or time as may be mutually agreed to. At the Closing Time, the Company shall deliver to the Agent:

(A) one or more global certificates representing the Initial Common Shares and Warrants, respectively, sold pursuant to the Canadian Public Offering registered in the name of CDS Clearing and Depositary Services Inc. or its nominee ("CDS"), or otherwise effect or cause to be effected one or more electronic deposit(s) pursuant to the non-certificated issue system maintained by the CDS such quantity of Initial Common Shares and Warrants as the Agent may direct the Company in writing;

(B) the requisite legal opinions, letters and certificates as contemplated in Section 10 hereof; and

(C) such further documentation as may be contemplated herein or as counsel to the Agent or the Securities Commissions may reasonably require;

against payment of the aggregate purchase price to the Company for the Securities referred to in Section 13(i)(A) hereof by the Agent, net of the expenses and the commission payable by the Company to the Agent pursuant to Sections 3 and 4 hereof, payable to the Company by bank draft or wire transfer.

(ii) The obligation of the Agent to complete the offering and sale of Additional Units and/or Additional Warrants upon the exercise of the Over-Allotment Option is subject to the receipt by the Agent from the Company of:

(A) such aggregate number of Additional Units and/or Additional Warrants sold pursuant to the Over-Allotment Option, issued in book-entry form and represented by one or more global certificates registered in the name of CDS or such other name(s) or in such other form as the Agent shall have directed or otherwise effect or cause to be effected one or more electronic deposit(s) pursuant to the non-certificated issue system maintained by the CDS such quantity of Additional Units and/or Additional Warrants as the Agent may direct the Company in writing;

(B) the requisite legal opinions, letters and certificates as contemplated in Section 10 hereof, updated as appropriate; and

(C) such further documentation as may be contemplated herein or as counsel to the Agent or the Securities Commissions may reasonably require;

against payment of the aggregate purchase price to the Company for the Additional Units and/or Additional Warrants, net of the expenses and the commission payable by the Company to the Agent pursuant to Sections 3 and 4 hereof, not otherwise already paid.

14. Termination. The Company and the Agent may terminate or extend the Offering at any time by mutual consent. The representations and warranties of the Company, the expense reimbursement provisions contained in Sections 3 hereof, and the indemnity and contribution provisions to this Agreement that are obligations of the Company shall survive any termination of this Agreement. In addition to any other remedies which may be available to the Agent, the Agent shall be entitled, at its option at any time prior to the Closing Time, to terminate and cancel its obligations under this Agreement, without any liability on its part, and the Agent shall be entitled, at its option at any time prior to the closing time on the Option Closing Date (the "**Option Closing Time**"), to terminate and cancel its obligations under this Agreement in respect of the Over-Allotment Option, without any liability on their part, in the following circumstances:

(i) *Suspension of Trading*. If, at any time prior to the Closing Time or Option Closing Time, as the case may be, any order to cease or suspend trading in any securities of the Company, or prohibiting or restricting the distribution in whole or in part of the Securities is made, or proceedings are announced or commenced for the making of any such order, by any Securities Commission, stock exchange or listing authority, and has not been rescinded, revoked or withdrawn in entirety;

(ii) *Litigation*. If, at any time prior to the Closing Time or Option Closing Time, as the case may be, any enquiry, action, suit, investigation or other proceeding, whether formal or informal, is commenced, announced or threatened or any order is made by any Securities Commission, stock exchange or listing authority or any other federal, provincial or other governmental or regulatory authority in relation to the Company or any of its directors or officers or former directors or officers or any of its principal shareholders, which, in the sole opinion of an Agent, acting reasonably, operates to prevent or restrict materially the distribution or trading of the Securities or which, in the sole opinion of an Agent, adversely impacts the marketability of the Securities in a material manner;

(iii) *Disaster Out*. If, prior to the Closing Time or the Option Closing Time, as the case may be, there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, including without limitation terrorism, accident, major financial occurrence of national or international consequence, or any action, governmental law or regulation, enquiry or other occurrence of any nature whatsoever which, in the opinion of the Agent in its sole discretion, materially adversely affects or may materially adversely affect the market price or value or marketability of the Securities;

(iv) *Material Change*. If, at any time prior to the Closing Time or the Option Closing Time, as the case may be, there should occur, be discovered by the Agent, or be announced by the Company any material change or previously undisclosed material change or a change in any material fact or a new material fact shall arise which results or, in the sole opinion of any Agent, might reasonably be expected to result in the purchasers of a material number of Securities exercising their right under applicable legislation to withdraw from their purchase of Securities or, in the sole opinion of the Agent, might reasonably be expected to have a significant adverse effect on the market price or value of the Securities or have a Material Adverse Effect;

(v) *Due Diligence*. If, prior to the Closing Time, the Agent is not satisfied with the results of any due diligence investigations and examinations with respect to the Company conducted by or on behalf of the Agent;

(vi) *Breach*. If, at any time prior to the Closing Time, it comes to the knowledge of the Agent that: (A) any of the representations or warranties of the Company in this Agreement were untrue or inaccurate or misleading when made; (B) any of the representations or warranties of the Company have ceased to be true or accurate or have become misleading by reference to the facts and circumstances from time to time subsisting; or (C) the Company is in breach of any covenant made by the Company pursuant this Agreement; or

(vii) *Market Out*. If, at any time prior to the Closing Time, the Agent determines, acting reasonably, that the state of the financial markets, whether national or international, is such that the Securities cannot be profitably marketed or it would be impractical to continue to offer or continue to offer the Securities for sale;

the occurrence or non-occurrence of any of the foregoing events or circumstances to be determined in the sole discretion of the Agent, acting reasonably.

The rights of termination contained in this Section 14 may be exercised by the Agent by giving written notice thereof to the Company, at any time prior to the Closing Time or Option Closing Time, as the case may be, and are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability or obligation on the part of the Agent to the Company or on the part of the Company to the Agent except in respect of any liability or obligation under the indemnity and contribution and expense reimbursement provisions of this Agreement which will remain in full force and effect.

15. Press Releases and Advertisements. The Company agrees, if so requested, to include a reference to the Agent and its role in any press release or other public communication issued by the Company with respect to the Offering. Any such press release or public communication will contain the following legend: "Not for distribution or dissemination in the United States or to U.S. news wire services." Provided that the Offering is completed as herein contemplated, the Agent shall have the right to publish, at their own expense, such advertisements or announcements relating to the services provided hereunder in such newspaper or other publications as any Agent considers appropriate subject to the Company's written approval, which shall not be unreasonably withheld. During the Distribution Period, the Company also agrees that it shall not issue a press release without the Agent's input and approval, such approval not to be unreasonably withheld.

16. Conditions. All of the terms and conditions contained in this Agreement to be satisfied by the Company prior to the Closing Time shall be construed as conditions, and any breach or failure by the Company to comply with any of such terms and conditions in any respect shall entitle the Agent to terminate its obligations hereunder by written notice to that effect given to the Company prior to the Closing Time or Option Closing Time, as the case may be. It is understood and agreed that the Agent may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions or any other or subsequent breach or non-compliance; provided, however, that to be binding, any such waiver or extension must be in writing.

17. Survival of Warranties, Representations, Covenants and Agreements. All warranties, representations, covenants and agreements (including indemnification and contribution provisions) of the Company herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the issuance of the securities pursuant to

the Offering and shall continue in full force and effect for the benefit of the Agent regardless of the closing of the sale of such securities and regardless of any investigation which may be carried out by the Agent or on its behalf. For greater certainty, and without limiting the generality of the foregoing, the provisions contained in this Agreement in any way related to the indemnification of the Agent by the Company or the contribution obligations of the Agent or those of the Company shall survive and continue in full force and effect, indefinitely. Except as otherwise contemplated in this Agreement and in the schedules hereto, and except for the obligation to reimburse fees and expenses for legal counsel to the Agent under Section 3 of this Agreement, which shall be enforceable directly against the Company by such legal counsel as if such legal counsel was a signatory hereto, there shall be no third party beneficiaries to this Agreement, and no individual or entity who is not a party to this Agreement shall have any rights in connection with a breach or violation of this Agreement.

18. Time of the Essence. Time shall be of the essence of this Agreement.

19. Schedules. The following are the schedules attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule A — Term Sheet

Schedule B — Patent and Patent Applications

Schedule C — Licensor Contracts

Schedule D — Licensing Contracts

20. Competing Claims. The Company acknowledges and agrees that no entities other than the Agent and the US placement agent in respect of the US Private Placement, has any claims or is entitled to any payments for services in the nature of a finder's fee or any other similar arrangements, agreements, payments or understandings pursuant to the Offering.

21. Division and Headings. 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 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.

22. Knowledge. Where any representation or warranty contained in this Agreement or any document delivered pursuant to this Agreement is expressly qualified by reference to the "knowledge" of the Company, or where any other reference is made herein or therein to the "knowledge" of the Company, it shall be deemed to refer to the actual knowledge of John Hargrove, Reiza Rayman and Stephen Randall after having made due enquiry of appropriate and relevant persons and documentation (which for greater certainty shall exclude any due diligence reports or materials prepared by the Agent or its counsel).

23. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of Ontario to hear any dispute, matter, action or proceeding related to this Agreement.

24. Counterparts. This Agreement may be executed manually or by facsimile signature in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

25. Notices. Any notice or other communication to be given hereunder shall be in writing and shall be given by delivery or by facsimile or by email, as follows:

(i) if to the Company:

Titan Medical Inc.
Suite 1000, 170 University Avenue
Toronto, ON M5H 3B3

Attention: John Hargrove
Email: john.hargrove@titanmedicalinc.com

with a copy to:

Borden Ladner Gervais LLP
Scotia Plaza, 44th Floor
40 King Street West
Toronto, ON M5H 3Y4

Attention: Manoj Pundit
Facsimile: 416-682-2842

(ii) if to the Agent:

Octagon Capital Corporation
170 University Avenue, Suite 1000
Toronto, ON M5H 3B3

Attention: Michael Palumbo
Facsimile: 416-368-3811

with a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Attention: John M. Sabetti
Facsimile: 416-364-7813

The Company and the Agent may change their address for notice by notice given in the manner aforesaid. Any such notice or other communication shall be deemed to have been given on the business day on which it was delivered or sent by facsimile or email if received before 5:00 p.m. (Toronto time); otherwise it shall be deemed to have been received by 9:00 a.m. (Toronto time) on the next business day.

26. If the foregoing correctly sets forth the understanding between the parties, please so indicate in the space provided below for that purpose whereupon this letter shall constitute a binding agreement between us.

(Signature page to follow)

Sincerely,

TITAN MEDICAL INC.

Per: (signed) *"Stephen Randall"*
Name: Stephen Randall
Title: CFO

Confirmed and agreed to this 6th day of November, 2015:

OCTAGON CAPITAL CORPORATION

Per: (signed) "*Christopher Everest*"
Name: Christopher Everest
Title: CFO & COO

SCHEDULE A

Titan Medical Inc.

Term Sheet

November 4, 2015

A final base shelf prospectus containing important information relating to the offering of Units (as defined below) described in this document has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable prospectus supplement may be obtained from Octagon Capital Corporation.

This document does not provide full disclosure of all material facts relating to the Units. Investors should read the final base shelf prospectus, any amendment and any applicable prospectus supplement for disclosure of those facts, especially risk factors relating to the Units, before making an investment decision.

Issuer:	Titan Medical Inc. (the "**Company**").
Issue:	8,130,081 units ("**Units**"), each Unit comprised of one common share ("**Initial Common Share**") of the Company and a 0.75 (¾) purchase warrant (a "**Warrant**") of the Company.
Warrants:	Each whole Warrant is exercisable by the holder to acquire one Warrant Share (as defined below) for a period of 60 months from the Closing Date at a price of CAD $1.60, subject to adjustments in certain circumstances.
Issue Price:	CAD $1.23 per Unit.
Issue Size:	Up to CAD $10,000,000.
Use of Proceeds:	The net proceeds from the Offering will be used to fund the development and commercialization of the Company's robotic surgical technologies and for general working capital purposes.
Listing:	The Company shall make an application to the Toronto Stock Exchange to list the Initial Common Shares issuable pursuant to the Offering and the common shares issuable upon exercise of the Warrants (the "**Warrant Shares**").
Offering:	Best efforts public offering by way of prospectus supplement in the provinces of British Columbia, Alberta and Ontario. As part of the Offering, the Company may also offer and sell Units pursuant to applicable registration exemptions under applicable United States securities laws (the "**US Private Placement**").
Closing:	The closing shall occur on or about November 16, 2015 (the "**Closing Date**") at 8:00 a.m. (Toronto time) (the "**Closing Time**").
Canadian Agent:	Octagon Capital Corporation (the "**Agent**").
Commission payable to the Agent:	The Company will pay to the Agent a cash commission equal to (i) 1% of the gross proceeds of Units sold pursuant to the US Private Placement, subject to a maximum of US$100,000, and (ii) 7% of the gross proceeds of Units sold pursuant to the Offering in Canada. The Company will pay the US placement agent a cash commission equal to 6.5% of the gross proceeds raised under the US Private Placement ("**Placement Fee**") and a financial advisory fee of US$200,000 creditable against the amount, if any, by which the Placement Fee exceeds $1,000,000.

SCHEDULE B
PATENT AND PATENT APPLICATIONS

Application #	Publication #	Status
US 09/474,924	US 6,358,196	US Patent
US 12/459,292	US 8,347,754	US Patent
US 12/583,351	US 8,332,072	US Patent
US 12/655,675	US 8,306,656	US Patent
US 12/227,582	US 8,224,485	US Patent
US 12/449,779	US 8,792,688	US Patent
US 13/106,306	US 9,033,998	US Patent
US 13/494,852	US 8,768,509	US Patent
US 13/660,328	US 2013/0197538	US Application
US 13/660,615	US 8,930,027	US Patent
PCT/CA2013/001076	WO/2014/201538	PCT Application
US 14/262,221	US 2014/0230595	US Application
US 14/261,614	US 2014/0276956	US Application
EP 11874984.5	EP 2773277	EP Application
US 14/279,828	US 2014/0249546	US Application
EP 11876682.3	EP 2785267	EP Application
US 14/302,723	US 9,149,339	US Patent
US 62/090,798	-	US Provisional Application
US 62/101,731	-	US Provisional Application
US 62/101,804	-	US Provisional Application
PCT/CA2015/000098	-	PCT Application
US 62/121,357	-	US Provisional Application
US 62/147,302	-	US Provisional Application
US 62/156,049	-	US Provisional Application
US 62/180,312	-	US Provisional Application
US 62/191,886	-	US Provisional Application
US 14/831,045	-	US Application
US 62/209,157	-	US Provisional Application

SCHEDULE C
LICENSOR CONTRACTS

Titan Medical Inc. as Licensor

- Synergist Medical Inc., a predecessor to Titan Medical Inc., entered into a patent agreement with Reiza Rayman on May 12, 2008 pursuant to which Synergist Medical Inc. granted to Rayman certain exclusive rights in and to U.S. Patent No. 6,358,196.

- Synergist Medical Inc., a predecessor to Titan Medical Inc., entered into a patent agreement with John D. Unsworth on May 1, 2008 pursuant to which Synergist Medical Inc. granted to Unsworth certain exclusive rights in and to U.S. Patent Application Serial Nos. 12/227,582 and 12/449,779.

SCHEDULE D
LICENSING AGREEMENTS

Titan Medical Inc. as Licensee

- Titan Medical Inc. entered into a license agreement with Mayo Foundation for Medical Education and Research on or about July 21, 2011 pursuant to which Titan Medical Inc. secured certain exclusive rights to intellectual property developed by Heidi Nelson, M.D., and David W. Larson, M.D., Mayo Clinic.

- Titan Medical Inc. entered into a licence agreement with Columbia University on or about February 15, 2012 pursuant to which Titan Medical Inc. received certain exclusive rights to the development and commercialization of the intellectual property of the Insertable Robotic Effector Platform, developed by Dr. Nabil Simaan.

- Titan Medical Inc. entered into a licence agreement with LiveData Inc. on August 19, 2011 pursuant to which Titan Medical Inc. received certain limited exclusive rights to integrate LiveData Inc.'s intellectual property into Titan Medical Inc.'s robotic surgical technologies and to market and distribute such integrated technologies to customers.