

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2018-04-05** | Period of Report: **2018-03-30**  
SEC Accession No. [0001654954-18-003672](#)

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FILER

**MetaStat, Inc.**

CIK: **1404943** | IRS No.: **208753132** | State of Incorporation: **NV** | Fiscal Year End: **0228**  
Type: **8-K** | Act: **34** | File No.: **000-52735** | Film No.: **18741375**  
SIC: **2834** Pharmaceutical preparations

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 30, 2018

**MetaStat, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation)

**000-52735**

(Commission File Number)

**20-8753132**

(IRS Employer Identification No.)

**27 Drydock Ave., 2<sup>nd</sup> Floor**

**Boston, Massachusetts 02210**

(Address of principal executive offices and zip code)

**(617) 531-6500**

(Registrant's telephone number including area code)

(Registrant's former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

### Item 1.01. Entry into a Material Definitive Agreement.

On March 30, 2018, MetaStat, Inc. (the “Company”) entered into a note purchase agreement (the “Note Purchase Agreement”) with a number of institutional and accredited investors (collectively, the “Purchasers”), pursuant to which the Company may sell in a private placement (the “Private Placement”) up to an aggregate purchase price of \$3,628,927 (the “Purchase Price”), consisting of (i) senior non-convertible promissory bridge notes in the aggregate principal amount of up to \$2,334,027 (the “Senior Notes”), (ii) junior non-convertible promissory bridge notes in the aggregate principal amount of \$1,294,900 (the “Junior Notes” and, together with the Senior Notes, the “Notes”), and (iii) warrants (the “Note Warrants”) exercisable to purchase ten thousand (10,000) shares of the Company’s common stock, par value \$0.0001 (the “Common Stock”) per share, for each \$100,000 principal amount of Notes issued on a pro rata basis, at an exercise price equal to \$2.00 per share, for a term of five (5) years.

Pursuant to an exchange agreement dated March 30, 2018 (the “Exchange Agreement”), the existing holder of the outstanding 10% convertible promissory note in the aggregate principal amount of \$1,000,000, plus all accrued and unpaid interest thereon, which matured on September 30, 2017, originally issued by the Company pursuant to that certain exchange agreement dated January 17, 2017 (the “Promissory Note”), exchanged the Promissory Note (the “Promissory Note Exchange”) for a Senior Note with a principal amount of \$834,027 and 83,304 Note Warrants pursuant to the Note Purchase Agreement. Further, the Company repaid \$300,000 of the outstanding balance of the Promissory Note concurrent with the closing.

Additionally, pursuant to the Exchange Agreement, the holder of (i) shares of the Company’s Series B Convertible Preferred Stock with a stated value of \$5,500 per share, plus all accrued and unpaid dividends thereon (the “Series B Preferred”), and (ii) five-year warrants to purchase 91,000 shares of Common Stock at an exercise price of \$10.50 per share (the “Series A Warrants”), originally issued by the Company pursuant that certain securities purchase agreement dated December 31, 2014, as amended March 27, 2015, exchanged the Series B Preferred and the Series A Warrants (the “Series B Exchange” and, together with the Promissory Note Exchange, the “Exchange”) for a Junior Note with a principal amount of \$1,294,900 and 129,490 Note Warrants pursuant to the Note Purchase Agreement.

The Notes mature on September 30, 2018, accrue interest at a rate of ten percent (10%) per annum and may not be prepaid by the Company prior to the maturity without the consent of the holder. The principal amount plus all accrued and unpaid interest thereon shall automatically exchange (the “Automatic Exchange”), without any action of the holder, into such number of fully paid and non-assessable securities (e.g. shares and warrants) to be issued in a Qualified Offering. “Qualified Offering” means one or a series of offerings of equity or equity-linked securities resulting in aggregate gross proceeds of at least \$6,628,927 to the Company, including the Automatic Exchange of the Notes into the Qualified Offering.

The Senior Note and the Junior Note are in substantially similar form, *provided, however*, that the Senior Note shall rank senior to the Junior Note with respect to payment. The Notes shall rank senior to all future indebtedness of the Company and to the Company’s issued and outstanding equity securities, except as otherwise required by applicable law.

Pursuant to the Notes, the Company shall not, without first obtaining the consent of the holder (which consent will not be unreasonably withheld), incur any new indebtedness while the Notes are outstanding, except no consent shall be required in connection with indebtedness incurred by the Company in the ordinary course of business or from any strategic investors. In addition, so long as the Notes are outstanding, the Company shall not create or impose any material lien upon any material property or assets (including intellectual property) of the Company or any of its subsidiaries except for Permitted Liens (as defined in the Note Purchase Agreement).

The Note contains the following event of default provisions:

- the failure to pay principal or interest within ten business days after such amounts are due;
- any material breach by the Company of any representations or warranties made in the Notes;
- the holder of any indebtedness of the Company shall accelerate any payment of any amount on any such indebtedness, the aggregate principal amount of which indebtedness is in excess of \$500,000, and such indebtedness has not been discharged in full or such acceleration has not been stayed, rescinded or annulled within fifteen (15) business days of such acceleration;
- a judgment for the payment of money shall be rendered against the Company for an amount in excess of \$500,000 in the aggregate for all such judgments that shall remain unpaid for a period of sixty (60) consecutive days;
- Company files any petition or action for relief under any bankruptcy or makes any assignment for the benefit of creditors or an involuntary petition is filed against the Company under any bankruptcy statute now or hereafter in effect, and such petition is not dismissed or discharged within 45 days; or

- A proceeding or case shall be commenced in respect of the Company without its application or consent, in any court of competent jurisdiction, seeking (i) its liquidation, dissolution or winding up, (ii) the appointment of a trustee or the like of it or of all or any substantial part of its assets or (iii) similar relief in respect of it under any law providing for the relief of debtors, and such proceeding or case described shall continue undismissed, or unstayed and in effect, for a period of forty-five (45) consecutive days or any order for relief shall be entered in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic) against the Company or any of its subsidiaries and shall continue undismissed, or unstayed and in effect for a period of forty-five (45) consecutive days.
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Pursuant to the closing of the Private Placement and Exchange on March 30, 2018, the Company issued (i) Senior Notes in the aggregate principal amount of approximately \$2,084,028, including \$834,027 from the Promissory Note Exchange, (ii) Junior Notes in the aggregate principal amount of approximately \$1,294,900 solely pursuant to the Series B Exchange, and (iii) an aggregate of 337,894 Note Warrants for an aggregate Purchase Price of approximately \$3,378,928, including the Exchange.

After deducting placement agent fees and other offering expenses, the Company received net proceeds of approximately \$1.13 million prior to the repayment of \$300,000 of the Promissory Note. Additionally, the Company will issue an aggregate of 86,957 placement agent warrants with a term of five years, an exercise price equal to \$1.27 per share, and a cashless exercise provision.

Pursuant to the Exchange, the Promissory Note and the Series B Preferred stock have been cancelled and are no longer outstanding.

The foregoing description of the Private Placement and related transactions does not purport to be complete and is qualified in its entirety by reference to the complete text of the (i) form of Note Purchase Agreement filed as Exhibit 10.1 hereto; (ii) form of Exchange Agreement filed as Exhibit 10.2 hereto, (iii) form of Senior Note filed as Exhibit 4.1 hereto, (iv) form of Junior Note filed as Exhibit 4.2 hereto, and (v) form of Note Warrant filed as Exhibit 4.3 hereto.

The issuance of the securities pursuant to the Private Placement and the Exchange were exempt from registration pursuant to Section 4(2) of, and Regulation D promulgated under, and Section 3(a)(9) of, the Securities Act of 1933, as amended.

### **Item 2.03. Creation of a Direct Financial Obligation.**

The disclosure set forth under Item 1.01 above is hereby incorporated in its entirety under this Item 2.03.

### **Item 3.02. Unregistered Sales of Equity Securities.**

As described more fully in Item 1.01 above, the issuance of securities pursuant to the Private Placement and the Exchange were exempt from registration pursuant to Section 4(2) of, and Regulation D promulgated under, and Section 3(a)(9) of, the Securities Act of 1933, as amended. The securities issued in the Private Placement and the Exchange have not been registered under the Securities Act or any other applicable securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act.

### **Item 9.01. Financial Statement and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">4.1</a>	Form of Senior Note.
<a href="#">4.2</a>	Form of Junior Note.
<a href="#">4.3</a>	Form of Note Warrant.
<a href="#">10.1</a>	Form of Note Purchase Agreement.
<a href="#">10.2</a>	Form of Exchange Agreement.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. [1]  
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METASTAT, INC.

Dated: April 5, 2018

By: /s/ Douglas A. Hamilton  
Name: Douglas A. Hamilton  
Title: President and CEO

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**THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR UNLESS METASTAT, INC. SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT THE REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.**

**METASTAT, INC.**

**Senior Non-Convertible Promissory Bridge Note**

U.S. \$[\_\_\_\_\_] ]  
No.: [\_\_\_\_\_] ]

**Issuance Date:** [\_\_], 2018  
**Maturity Date:** [Six (6) Months Following the Issuance Date]

**FOR VALUE RECEIVED**, MetaStat, Inc., a Nevada corporation (the "Company"), hereby promises to pay to the order of [\_\_\_\_\_] or any permitted holder (the "Payee") of this senior non-convertible promissory bridge note (this "Note"), at the principal office of the Payee set forth herein, or at such other place as the Payee may designate in writing to the Company, the principal sum of [\_\_\_\_\_] Dollars (\$[\_\_\_\_\_] ), with interest on the unpaid principal balance hereof at a rate equal to ten percent (10%) per annum commencing effective as of the Issuance Date (the "Commencement Date"), in such currency of the United States of America as at the time shall be legal tender for the payment of public and private debts and in immediately available funds, as provided in this Note. This Note has been entered into pursuant to the terms of a note purchase agreement (the "Purchase Agreement") dated as of [\_\_\_\_\_] , 2018 by and among the Company and the purchasers signatory thereto. Unless otherwise separately defined herein, each capitalized term used in this Note shall have the same meaning as set forth in the Purchase Agreement.

1. Principal, Interest and Prepayment.

(a) The Company shall repay the entire principal balance plus accrued and unpaid interest thereon (the "Outstanding Balance") then outstanding under this Note no later than [six (6) months following the Issuance Date] (the "Maturity Date").

(b) Interest on the outstanding principal balance of this Note shall accrue at a rate of ten percent (10%) per annum commencing on the Commencement Date, which interest shall be computed on the basis of the actual number of days elapsed and a year of three hundred and sixty-five (365) days. Furthermore, upon the occurrence of an Event of Default (as defined below), then to the extent permitted by applicable law, the Company will pay interest to the Payee on the then outstanding principal balance of the Note from the date of the Event of Default until this Note is paid in full at the rate of twelve percent (12%) per annum.

(c) The Company may not prepay this Note, either in whole or in part, absent the Payee's prior written consent.

2. Automatic Exchange of Outstanding Balance upon Qualified Offering. Subject to the terms and conditions of this Section 2 and provided this Note remains outstanding, this Note shall automatically exchange at the Outstanding Balance (the "Automatic Exchange"), without any action on the part of the Payee, into such number of fully paid and non-assessable securities (e.g. shares and warrants) to be issued in the Qualified Offering (as defined below). With respect to the Automatic Conversion, the Company and/or the Company's investment banker(s) shall communicate and provide notice of the timing, pricing and closing of the Qualified Offering to the Payee in the same manner as all other investors in the Qualified Offering. The Payee shall be deemed to be a purchaser in the Qualified Offering and shall be granted all rights afforded to an investor in the Qualified Offering and shall enter into such reasonable definitive documentation with respect to the Qualified Offering. For purposes of this Note, "Qualified Offering" shall mean one or a series of offerings of equity or equity-linked securities following the date of this Note, resulting in aggregate gross proceeds of at least \$6,628,927 to the Company, including the Automatic Exchange of the Notes into the Qualified Offering.

3. Rank. This Note shall rank senior with respect to payment to all existing and future indebtedness of the Company including the junior non-convertible promissory bridge note issued pursuant to the Purchase Agreement and to the Company's issued and outstanding equity securities, except as otherwise required by applicable law.

4. Additional Indebtedness. The Company shall not, without first obtaining the consent of from the Payee (which consent will not be unreasonably withheld), incur any new Indebtedness (indebtedness of the Company which does not exist as of the date of this Note) while this Note is outstanding; provided, however, that the consent of the Payee will not be required with respect to Permitted Indebtedness.

5. Prohibition on Liens. So long as this Note is outstanding, the Company shall not create or impose any material Lien of the Company or any of its Subsidiaries pursuant to the terms of any agreement or instrument to which any of them is a party or by which any of them may be bound or to which any of their property or any of them is subject, except for Permitted Liens. Failure to comply with the terms of this Section 5 shall be deemed an Event of Default pursuant to Section 8 of this Note.

6. Non-Business Days. Whenever any payment to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of New York, such payment may be due on the next succeeding Business Day and such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

7. Representations and Warranties of the Company. The Company represents and warrants to the Payee as follows:

(a) The Company has been incorporated and is validly existing and in good standing under the laws of the State of Nevada, with full corporate power and authority to own, lease and operate its properties and to conduct its business as currently conducted.

(b) This Note has been duly authorized, validly executed and delivered on behalf of the Company and is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to limitations on enforcement by general principles of equity and by bankruptcy or other laws affecting the enforcement of creditors' rights generally.

(c) The execution, delivery and performance of this Note will not: (i) conflict with or result in a material breach of or a default under any of the terms or provisions of, (A) the Company's articles of incorporation or by-laws, or (B) any material provision of any indenture, mortgage, deed of trust or other material agreement or instrument to which the Company is a party or by which it or any of its material properties or assets is bound; (ii) result in a violation of any material provision of any law, statute, rule, regulation, or any existing applicable decree, judgment or order by any court, Federal or state regulatory body, administrative agency, or other governmental body having jurisdiction over the Company, or any of its material properties or assets; or (iii) result in the creation or imposition of any material lien or encumbrance upon any material property or assets of the Company pursuant to the terms of any agreement or instrument to which the Company is a party or may be bound or to which the Company or any of its property is subject.

(d) No consent, approval or authorization of or designation, declaration or filing with any governmental authority on the part of the Company is required in connection with the valid execution and delivery of this Note.



8. Events of Default. The occurrence of any of the following events shall be an “Event of Default” under this Note:

(a) the Company shall fail to make the payment of any principal amount outstanding for a period of ten (10) Business Days after the date such payment shall become due and payable hereunder; or

(b) the Company shall fail to make the payment of any accrued and unpaid interest for a period of ten (10) Business Days after the date such interest shall become due and payable hereunder; or

(c) any material breach by the Company of any representations or warranties made by the Company herein; or

(d) the holder of any Indebtedness of the Company shall accelerate any payment of any amount or amounts of principal or interest on any such Indebtedness (other than with respect to this Note and notes of like tenor) prior to its stated maturity or payment date, the aggregate principal amount of which Indebtedness is in excess of \$500,000, whether such Indebtedness now exists or shall hereinafter be created, and such accelerated payment entitles the holder thereof to immediate payment of such Indebtedness which is due and owing and such Indebtedness has not been discharged in full or such acceleration has not been stayed, rescinded or annulled within fifteen (15) Business Days of such acceleration; or

(e) A judgment or judgments for the payment of money shall be rendered against the Company for an amount in excess of \$500,000 in the aggregate (net of any applicable insurance coverage) for all such judgments that shall remain unpaid for a period of sixty (60) consecutive days or more after its entry or issue or that shall not be discharged, released, dismissed, stayed or bonded (due to an appeal or otherwise) within the sixty (60) consecutive day period after its entry or issue; or

(f) the Company shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or assets, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, as amended (the “Bankruptcy Code”) or under the comparable laws of any jurisdiction (foreign or domestic), (iv) file a petition seeking to take advantage of any bankruptcy, insolvency, moratorium, reorganization or other similar law affecting the enforcement of creditors’ rights generally, or (v) acquiesce in writing to any petition filed against it in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic); or

(g) a proceeding or case shall be commenced in respect of the Company without its application or consent, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, moratorium, dissolution, winding up, or composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of it or of all or any substantial part of its assets or (iii) similar relief in respect of it under any law providing for the relief of debtors, and such proceeding or case described in clause (i), (ii) or (iii) shall continue undismissed, or unstayed and in effect, for a period of forty-five (45) consecutive days or any order for relief shall be entered in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic) against the Company or any of its Subsidiaries and shall continue undismissed, or unstayed and in effect for a period of forty-five (45) consecutive days.

9. Remedies Upon An Event of Default. If an Event of Default shall have occurred and shall be continuing, the Payee of this Note may at any time at its option, (a) declare, by providing the Company with not less than ten (10) Business Days' prior written notice, the entire unpaid principal balance of this Note together with all interest accrued and unpaid hereon, due and payable, and upon the Company's receipt of such notice, the same shall be accelerated and so due and payable; provided, however, that upon the occurrence of an Event of Default described in (i) Sections 8(f) and (g), without presentment, demand, protest, or notice, all of which are hereby expressly unconditionally and irrevocably waived by the Company, the outstanding principal balance and accrued and unpaid interest hereunder shall be immediately due and payable, and (ii) Sections 8(a) through (e), the Payee may exercise or otherwise enforce any one or more of the Payee's rights, powers, privileges, remedies and interests under this Note or applicable law. No course of delay on the part of the Payee shall operate as a waiver thereof or otherwise prejudice the right of the Payee. No remedy conferred hereby shall be exclusive of any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

10. Rights and Remedies. No course of delay on the part of the Payee shall operate as a waiver thereof or otherwise prejudice the right of the Payee. No remedy conferred hereby shall be exclusive of any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise. Notwithstanding anything to the contrary contained in this Note, Payee agrees that its rights and remedies hereunder are limited to receipt of cash or securities of the Company in the amounts described herein.

11. Replacement. Upon receipt of a duly executed and notarized written statement from the Payee with respect to the loss, theft or destruction of this Note (or any replacement hereof), and without requiring an indemnity bond or other security, or, in the case of a mutilation of this Note, upon surrender and cancellation of such Note, the Company shall issue a new Note, of like tenor and amount, in lieu of such lost, stolen, destroyed or mutilated Note.

12. Parties in Interest; Transferability. This Note shall be binding upon the Company and its successors and assigns and the terms hereof shall inure to the benefit of the Payee and its successors and permitted assigns. This Note may not be transferred or sold, pledged, hypothecated or otherwise granted as security by the Payee without the prior written consent of the Company, which consent will not be unreasonably withheld.

13. Amendments. This Note may not be modified or amended in any manner except in writing executed by the Company and the holders holding a majority of the then outstanding Principal Balance of the Notes issued pursuant to the Purchase Agreement

14. Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) on the date of transmission upon hand delivery or by delivery via telecopy, facsimile or email at the address, email address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

Address of the Payee:

[ ]

[ ]

[ ]

Attention: [ ]

Tel. No.: [ ]

Fax No.: [ ]

Email: [ ]

Address of the Company:

MetaStat, Inc.

27 Drydock Ave., 2<sup>nd</sup> Floor

Boston, MA 02110

Attention: Chief Executive Officer

Tel. No.: (617) 531-6500

Fax No.: (617) 482-3337

Email: [dhamilton@metastat.com](mailto:dhamilton@metastat.com) and [dschneiderman@metastat.com](mailto:dschneiderman@metastat.com)

15. Governing Law. This Note shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to the choice of law provisions. This Note shall not be interpreted or construed with any presumption against the party causing this Note to be drafted.

16. Headings. Article and section headings in this Note are included herein for purposes of convenience of reference only and shall not constitute a part of this Note for any other purpose.

17. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, at law or in equity (including, without limitation, a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a Payee's right to pursue actual damages for any failure by the Company to comply with the terms of this Note. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable and material harm to the Payee and that the remedy at law for any such breach may be inadequate. Therefore, the Company agrees that, in the event of any such breach or threatened breach, the Payee shall be entitled, in addition to all other available rights and remedies, at law or in equity, to seek and obtain such equitable relief, including but not limited to an injunction restraining any such breach or threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

18. Failure or Delay Not Waiver. No failure or delay on the part of the Payee in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

19. Enforcement Expenses. The Company agrees to pay all reasonable costs and expenses of enforcement of this Note, including, without limitation, reasonable attorneys' fees and expenses.

20. Binding Effect. The obligations of the Company and the Payee set forth herein shall be binding upon the successors and permitted assigns of each such party.

21. Compliance with Securities Laws. The Payee acknowledges and agrees that this Note is being acquired solely for the Payee's own account and not as a nominee for any other party, and for investment purposes only and not with a view to the resale or distribution of any part thereof, and that the Payee shall not offer, sell or otherwise dispose of this Note other than in compliance with applicable federal and state laws. The Payee understands that this Note constitutes "restricted securities" under applicable federal and state securities laws and that such securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act"). The Payee represents and warrants to the Company that the Payee is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act. This Note and any Note issued in substitution or replacement therefore shall be stamped or imprinted with a legend in substantially the following form:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR UNLESS METASTAT, INC. SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT THE REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED."

22. Severability. The provisions of this Note are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall not in any manner affect such provision in any other jurisdiction or any other provision of this Note in any jurisdiction.

23. Consent to Jurisdiction. Each of the Company and the Payee (i) hereby irrevocably submits to the jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in New York county for the purposes of any suit, action or proceeding arising out of or relating to this Note and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Each of the Company and the Payee consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address set forth in 14 hereof and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 23 shall affect or limit any right to serve process in any other manner permitted by applicable law.

24. Waivers. Except as otherwise specifically provided herein, the Company hereby waives presentment, demand, notice of nonpayment, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and does hereby consent to any number of renewals or extensions of the time for payment hereof and agrees that any such renewals or extensions may be made without notice and without affecting its liability herein, AND DOES HEREBY WAIVE TRIAL BY JURY. No delay or omission on the part of the Payee in exercising its rights under this Note, or course of conduct relating hereto, shall operate as a waiver of such rights or any other right of the Payee, nor shall any waiver by the Payee of any such right or rights on any one occasion be deemed a waiver of the same right or rights on any future occasion.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Company has executed and delivered this Note as of the date first written above.

**METASTAT, INC.**

By: \_\_\_\_\_

Name:

Title:

**THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR UNLESS METASTAT, INC. SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT THE REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.**

**METASTAT, INC.**

**Junior Non-Convertible Promissory Bridge Note**

U.S. \$[\_\_\_\_\_] ]  
No.: [\_\_\_\_\_] ]

**Issuance Date:** [\_\_\_\_\_] , 2018  
**Maturity Date:** [Six (6) Months Following the Issuance Date]

**FOR VALUE RECEIVED**, MetaStat, Inc., a Nevada corporation (the "Company"), hereby promises to pay to the order of [\_\_\_\_\_] or any permitted holder (the "Payee") of this junior non-convertible promissory bridge note (this "Note"), at the principal office of the Payee set forth herein, or at such other place as the Payee may designate in writing to the Company, the principal sum of [\_\_\_\_\_] Dollars (\$[\_\_\_\_\_] ), with interest on the unpaid principal balance hereof at a rate equal to ten percent (10%) per annum commencing effective as of the Issuance Date (the "Commencement Date"), in such currency of the United States of America as at the time shall be legal tender for the payment of public and private debts and in immediately available funds, as provided in this Note. This Note has been entered into pursuant to the terms of a note purchase agreement (the "Purchase Agreement") dated as of [\_\_\_\_\_] , 2018 by and among the Company and the purchasers signatory thereto. Unless otherwise separately defined herein, each capitalized term used in this Note shall have the same meaning as set forth in the Purchase Agreement.

1. Principal, Interest and Prepayment.

(a) The Company shall repay the entire principal balance plus accrued and unpaid interest thereon (the "Outstanding Balance") then outstanding under this Note no later than [six (6) months following the Issuance Date] (the "Maturity Date").

(b) Interest on the outstanding principal balance of this Note shall accrue at a rate of ten percent (10%) per annum commencing on the Commencement Date, which interest shall be computed on the basis of the actual number of days elapsed and a year of three hundred and sixty-five (365) days. Furthermore, upon the occurrence of an Event of Default (as defined below), then to the extent permitted by applicable law, the Company will pay interest to the Payee on the then outstanding principal balance of the Note from the date of the Event of Default until this Note is paid in full at the rate of twelve percent (12%) per annum.

(c) The Company may not prepay this Note, either in whole or in part, absent the Payee's prior written consent.

2. Automatic Exchange of Outstanding Balance upon Qualified Offering. Subject to the terms and conditions of this Section 2 and provided this Note remains outstanding, this Note shall automatically exchange at the Outstanding Balance (the "Automatic Exchange"), without any action on the part of the Payee, into such number of fully paid and non-assessable securities (e.g. shares and warrants) to be issued in the Qualified Offering (as defined below). With respect to the Automatic Conversion, the Company and/or the Company's investment banker(s) shall communicate and provide notice of the timing, pricing and closing of the Qualified Offering to the Payee in the same manner as all other investors in the Qualified Offering. The Payee shall be deemed to be a purchaser in the Qualified Offering and shall be granted all rights afforded to an investor in the Qualified Offering and shall enter into such reasonable definitive documentation with respect to the Qualified Offering. For purposes of this Note, "Qualified Offering" shall mean one or a series of offerings of equity or equity-linked securities following the date of this Note, resulting in aggregate gross proceeds of at least \$6,628,927 to the Company, including the Automatic Exchange of the Notes into the Qualified Offering.

3. Rank. This Note shall rank junior with respect to payment to the senior non-convertible promissory bridge notes issued pursuant to the Purchase Agreement and senior to all future indebtedness of the Company and to the Company's issued and outstanding equity securities, except as otherwise required by applicable law.

4. Additional Indebtedness. The Company shall not, without first obtaining the consent of from the Payee (which consent will not be unreasonably withheld), incur any new Indebtedness (indebtedness of the Company which does not exist as of the date of this Note) while this Note is outstanding; provided, however, that the consent of the Payee will not be required with respect to Permitted Indebtedness.

5. Prohibition on Liens. So long as this Note is outstanding, the Company shall not create or impose any material Lien of the Company or any of its Subsidiaries pursuant to the terms of any agreement or instrument to which any of them is a party or by which any of them may be bound or to which any of their property or any of them is subject, except for Permitted Liens. Failure to comply with the terms of this Section 5 shall be deemed an Event of Default pursuant to Section 8 of this Note.

6. Non-Business Days. Whenever any payment to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of New York, such payment may be due on the next succeeding Business Day and such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

7. Representations and Warranties of the Company. The Company represents and warrants to the Payee as follows:

(a) The Company has been incorporated and is validly existing and in good standing under the laws of the State of Nevada, with full corporate power and authority to own, lease and operate its properties and to conduct its business as currently conducted.

(b) This Note has been duly authorized, validly executed and delivered on behalf of the Company and is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to limitations on enforcement by general principles of equity and by bankruptcy or other laws affecting the enforcement of creditors' rights generally.

(c) The execution, delivery and performance of this Note will not: (i) conflict with or result in a material breach of or a default under any of the terms or provisions of, (A) the Company's articles of incorporation or by-laws, or (B) any material provision of any indenture, mortgage, deed of trust or other material agreement or instrument to which the Company is a party or by which it or any of its material properties or assets is bound; (ii) result in a violation of any material provision of any law, statute, rule, regulation, or any existing applicable decree, judgment or order by any court, Federal or state regulatory body, administrative agency, or other governmental body having jurisdiction over the Company, or any of its material properties or assets; or (iii) result in the creation or imposition of any material lien or encumbrance upon any material property or assets of the Company pursuant to the terms of any agreement or instrument to which the Company is a party or may be bound or to which the Company or any of its property is subject.

(d) No consent, approval or authorization of or designation, declaration or filing with any governmental authority on the part of the Company is required in connection with the valid execution and delivery of this Note.

8. Events of Default. The occurrence of any of the following events shall be an “Event of Default” under this Note:

(a) the Company shall fail to make the payment of any principal amount outstanding for a period of ten (10) Business Days after the date such payment shall become due and payable hereunder; or

(b) the Company shall fail to make the payment of any accrued and unpaid interest for a period of ten (10) Business Days after the date such interest shall become due and payable hereunder; or

(c) any material breach by the Company of any representations or warranties made by the Company herein; or

(d) the holder of any Indebtedness of the Company shall accelerate any payment of any amount or amounts of principal or interest on any such Indebtedness (other than with respect to this Note and notes of like tenor) prior to its stated maturity or payment date, the aggregate principal amount of which Indebtedness is in excess of \$500,000, whether such Indebtedness now exists or shall hereinafter be created, and such accelerated payment entitles the holder thereof to immediate payment of such Indebtedness which is due and owing and such Indebtedness has not been discharged in full or such acceleration has not been stayed, rescinded or annulled within fifteen (15) Business Days of such acceleration; or

(e) A judgment or judgments for the payment of money shall be rendered against the Company for an amount in excess of \$500,000 in the aggregate (net of any applicable insurance coverage) for all such judgments that shall remain unpaid for a period of sixty (60) consecutive days or more after its entry or issue or that shall not be discharged, released, dismissed, stayed or bonded (due to an appeal or otherwise) within the sixty (60) consecutive day period after its entry or issue; or

(f) the Company shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or assets, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Federal Bankruptcy Code, as amended (the “Bankruptcy Code”) or under the comparable laws of any jurisdiction (foreign or domestic), (iv) file a petition seeking to take advantage of any bankruptcy, insolvency, moratorium, reorganization or other similar law affecting the enforcement of creditors’ rights generally, or (v) acquiesce in writing to any petition filed against it in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic); or

(g) a proceeding or case shall be commenced in respect of the Company without its application or consent, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, moratorium, dissolution, winding up, or composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of it or of all or any substantial part of its assets or (iii) similar relief in respect of it under any law providing for the relief of debtors, and such proceeding or case described in clause (i), (ii) or (iii) shall continue undismissed, or unstayed and in effect, for a period of forty-five (45) consecutive days or any order for relief shall be entered in an involuntary case under the Bankruptcy Code or under the comparable laws of any jurisdiction (foreign or domestic) against the Company or any of its Subsidiaries and shall continue undismissed, or unstayed and in effect for a period of forty-five (45) consecutive days.



9. Remedies Upon An Event of Default. If an Event of Default shall have occurred and shall be continuing, the Payee of this Note may at any time at its option, (a) declare, by providing the Company with not less than ten (10) Business Days' prior written notice, the entire unpaid principal balance of this Note together with all interest accrued and unpaid hereon, due and payable, and upon the Company's receipt of such notice, the same shall be accelerated and so due and payable; provided, however, that upon the occurrence of an Event of Default described in (i) Sections 8(f) and (g), without presentment, demand, protest, or notice, all of which are hereby expressly unconditionally and irrevocably waived by the Company, the outstanding principal balance and accrued and unpaid interest hereunder shall be immediately due and payable, and (ii) Sections 8(a) through (e), the Payee may exercise or otherwise enforce any one or more of the Payee's rights, powers, privileges, remedies and interests under this Note or applicable law. No course of delay on the part of the Payee shall operate as a waiver thereof or otherwise prejudice the right of the Payee. No remedy conferred hereby shall be exclusive of any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

10. Rights and Remedies. No course of delay on the part of the Payee shall operate as a waiver thereof or otherwise prejudice the right of the Payee. No remedy conferred hereby shall be exclusive of any other remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise. Notwithstanding anything to the contrary contained in this Note, Payee agrees that its rights and remedies hereunder are limited to receipt of cash or securities of the Company in the amounts described herein.

11. Replacement. Upon receipt of a duly executed and notarized written statement from the Payee with respect to the loss, theft or destruction of this Note (or any replacement hereof), and without requiring an indemnity bond or other security, or, in the case of a mutilation of this Note, upon surrender and cancellation of such Note, the Company shall issue a new Note, of like tenor and amount, in lieu of such lost, stolen, destroyed or mutilated Note.

12. Parties in Interest; Transferability. This Note shall be binding upon the Company and its successors and assigns and the terms hereof shall inure to the benefit of the Payee and its successors and permitted assigns. This Note may not be transferred or sold, pledged, hypothecated or otherwise granted as security by the Payee without the prior written consent of the Company, which consent will not be unreasonably withheld.

13. Amendments. This Note may not be modified or amended in any manner except in writing executed by the Company and the holders holding a majority of the then outstanding Principal Balance of the Notes issued pursuant to the Purchase Agreement

14. Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) on the date of transmission upon hand delivery or by delivery via telecopy, facsimile or email at the address, email address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur.

Address of the Payee:

[\_\_\_\_\_]

[\_\_\_\_\_]

[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Tel. No.: [\_\_\_\_\_]

Fax No.: [\_\_\_\_\_] Email: [\_\_\_\_\_]

Address of the Company:

MetaStat, Inc.

27 Drydock Ave., 2<sup>nd</sup> Floor

Boston, MA 02110

Attention: Chief Executive Officer

Tel. No.: (617) 531-6500

Fax No.: (617) 482-3337

Email: [dhamilton@metastat.com](mailto:dhamilton@metastat.com) and [dschneiderman@metastat.com](mailto:dschneiderman@metastat.com)

15. Governing Law. This Note shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to the choice of law provisions. This Note shall not be interpreted or construed with any presumption against the party causing this Note to be drafted.

16. Headings. Article and section headings in this Note are included herein for purposes of convenience of reference only and shall not constitute a part of this Note for any other purpose.

17. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note, at law or in equity (including, without limitation, a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a Payee's right to pursue actual damages for any failure by the Company to comply with the terms of this Note. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable and material harm to the Payee and that the remedy at law for any such breach may be inadequate. Therefore, the Company agrees that, in the event of any such breach or threatened breach, the Payee shall be entitled, in addition to all other available rights and remedies, at law or in equity, to seek and obtain such equitable relief, including but not limited to an injunction restraining any such breach or threatened breach, without the necessity of showing economic loss and without any bond or other security being required.

18. Failure or Delay Not Waiver. No failure or delay on the part of the Payee in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

19. Enforcement Expenses. The Company agrees to pay all reasonable costs and expenses of enforcement of this Note, including, without limitation, reasonable attorneys' fees and expenses.

20. Binding Effect. The obligations of the Company and the Payee set forth herein shall be binding upon the successors and permitted assigns of each such party.

21. Compliance with Securities Laws. The Payee acknowledges and agrees that this Note is being acquired solely for the Payee's own account and not as a nominee for any other party, and for investment purposes only and not with a view to the resale or distribution of any part thereof, and that the Payee shall not offer, sell or otherwise dispose of this Note other than in compliance with applicable federal and state laws. The Payee understands that this Note constitutes "restricted securities" under applicable federal and state securities laws and that such securities have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act"). The Payee represents and warrants to the Company that the Payee is an "accredited investor" as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act. This Note and any Note issued in substitution or replacement therefore shall be stamped or imprinted with a legend in substantially the following form:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR UNLESS METASTAT, INC. SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT THE REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED."

22. Severability. The provisions of this Note are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall not in any manner affect such provision in any other jurisdiction or any other provision of this Note in any jurisdiction.

23. Consent to Jurisdiction. Each of the Company and the Payee (i) hereby irrevocably submits to the jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in New York county for the purposes of any suit, action or proceeding arising out of or relating to this Note and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Each of the Company and the Payee consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address set forth in 14 hereof and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 23 shall affect or limit any right to serve process in any other manner permitted by applicable law.

24. Waivers. Except as otherwise specifically provided herein, the Company hereby waives presentment, demand, notice of nonpayment, protest and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Note, and does hereby consent to any number of renewals or extensions of the time for payment hereof and agrees that any such renewals or extensions may be made without notice and without affecting its liability herein, AND DOES HEREBY WAIVE TRIAL BY JURY. No delay or omission on the part of the Payee in exercising its rights under this Note, or course of conduct relating hereto, shall operate as a waiver of such rights or any other right of the Payee, nor shall any waiver by the Payee of any such right or rights on any one occasion be deemed a waiver of the same right or rights on any future occasion.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Company has executed and delivered this Note as of the date first written above.

**METASTAT, INC.**

By: \_\_\_\_\_

Name:

Title:

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

### COMMON STOCK PURCHASE WARRANT

#### METASTAT, INC.

Warrant Shares: [ ]

Initial Exercise Date: [ ], 2018

Warrant No. W- [ ]

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, [ ] or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the five-year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from MetaStat, Inc., a Nevada corporation (the "Company"), up to [ ] shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(c). This Warrant is being issued in accordance with the Note Purchase Agreement (the "Purchase Agreement"), dated [ ], 2018, among the Company and the purchasers signatory thereto.

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Purchase Agreement. The following definitions shall apply for purposes of this Warrant:

a) "Business Day" means any day except Saturday, Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

b) "Trading Day" means a day on which the principal Trading Market is open for trading; provided, that in the event that the Common Stock is not listed or quoted on a Trading Market, then Trading Day shall mean a Business Day.

c) "Trading Market" means whichever of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the New York Stock Exchange, the NYSE American, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market, the OTC Bulletin Board or any tier of the OTC Markets Group, Inc. (or any successors to any of the foregoing).

Section 2.

Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or email attachment) of the Notice of Exercise in the form annexed hereto. Within the earlier of (i) three (3) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within five (5) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within two (2) Business Days of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.

b) Cashless Exercise. Notwithstanding any provision herein to the contrary, commencing six (6) months from the Initial Exercise Date if the Per Share Market Value (as defined below) of one share of Common Stock is greater than the Exercise Price (at the date of calculation as set forth below) and there is not an effective registration statement under the Securities Act providing for the resale of the Warrant Shares, in lieu of exercising this Warrant by payment of cash, the Holder may exercise this Warrant by a cashless exercise by surrender of this Warrant at the principal office of the Company together with the properly endorsed Notice of Exercise, in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = Y \times \frac{(B-A)}{B}$$

Where X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised.

A = the Exercise Price.

B = the Per Share Market Value of one share of Common Stock.

For purposes hereof, "Per Share Market Value" means on any particular date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted for trading on a Trading Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of Common Stock so reported, or (c) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Securities issuable pursuant to the Purchase Agreement then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant Shares being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(b).

c) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be **\$2.00**, subject to adjustment hereunder (the "Exercise Price").

d) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. Warrant Shares purchased hereunder shall be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder and the Holder has provided the Company with written representations as reasonably requested by the Company in connection with such legend removal or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 and the Holder has provided the Company with written representations as reasonably requested by the Company in connection with such legend removal, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earlier of (i) three (3) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.



e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates) (such Persons, "Attribution Parties"), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates (or Attribution Parties) and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any such increase in the Beneficial Ownership Limitation will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3.

Certain Adjustments.

a) Adjustments for Stock Splits, Combinations, Certain Dividends and Distributions. If the Company shall, at any time or from time to time after the Initial Exercise Date, effect a split of the outstanding Common Stock (or any other subdivision of its shares of Common Stock into a larger number of shares of Common Stock), combine the outstanding shares of Common Stock into a smaller number of shares of Common Stock, or make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in shares of Common Stock, then, in each event (i) the number of shares of Common Stock for which this Warrant shall be exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of shares of Common Stock that a record holder of the same number of shares of Common Stock for which this Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (ii) the Exercise Price then in effect shall be adjusted to equal (A) the Exercise Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment.

b) Adjustment for Other Dividends and Distributions. If the Company shall, at any time or from time to time after the Initial Exercise Date, make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in (i) cash, (ii) any evidences of indebtedness, or any other securities of the Company or any property of any nature whatsoever, other than, in each case, shares of Common Stock; or (iii) any warrants or other rights to subscribe for or purchase any evidences of indebtedness, or any other securities of the Company or any property of any nature whatsoever, other than, in each case, shares of Common Stock, then, and in each event, (A) the number of shares of Common Stock for which this Warrant shall be exercisable shall be adjusted to equal the product of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such adjustment multiplied by a fraction (1) the numerator of which shall be the last closing bid price per share of the Common Stock at the date of taking such record and (2) the denominator of which shall be such last closing bid price per share of the Common Stock minus the amount allocable to one share of Common Stock of any such cash so distributable and of the fair value (as determined in good faith by the Board) of any and all such evidences of indebtedness, shares of stock, other securities or property or warrants or other subscription or purchase rights so distributable, and (B) the Exercise Price then in effect shall be adjusted to equal (1) the Exercise Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (2) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment. A reclassification of the Common Stock (other than a change in par value, or from par value to no par value or from no par value to par value) into shares of Common Stock and shares of any other class of stock shall be deemed a distribution by the Company to the holders of its Common Stock of such shares of such other class of stock within the meaning of this Section 3(b) and, if the outstanding shares of Common Stock shall be changed into a larger or smaller number of shares of Common Stock as a part of such reclassification, such change shall be deemed a subdivision or combination, as the case may be, of the outstanding shares of Common Stock within the meaning of Section 3(a).

c) Adjustments for Reclassification, Exchange or Substitution. If the Common Stock for which this Warrant is exercisable at any time or from time to time after the Initial Exercise Date shall be changed to the same or different number of shares of any class or classes of stock, whether by reclassification, exchange, substitution or otherwise (other than by way of a stock split or combination of shares or stock dividends provided for in Section 3(a), Section 3(b), or a reorganization, merger, consolidation, or sale of assets provided for in Section 3(d)), then, and in each event, an appropriate revision to the Exercise Price shall be made and provisions shall be made (by adjustments of the Exercise Price or otherwise) so that, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, in lieu of Common Stock, the kind and amount of shares of stock and other securities receivable upon reclassification, exchange, substitution or other change, by holders of the number of shares of Common Stock for which this Warrant was exercisable immediately prior to such reclassification, exchange, substitution or other change, all subject to further adjustment as provided herein.

d) Adjustments for Reorganization, Merger, Consolidation or Sales of Assets. If at any time or from time to time after the Initial Exercise Date there shall be a capital reorganization of the Company (other than by way of a stock split or combination of shares or stock dividends or distributions provided for in Section 3(a), and Section 3(b), or a reclassification, exchange or substitution of shares provided for in Section 3(c)), or a merger or consolidation of the Company with or into another corporation where the holders of the Company's outstanding voting securities prior to such merger or consolidation do not own over 50% of the outstanding voting securities of the merged or consolidated entity, immediately after such merger or consolidation, or the sale of all or substantially all of the Company's properties or assets to any other person (an "Organic Change"), then as a part of such Organic Change an appropriate revision to the Exercise Price shall be made if necessary and provision shall be made if necessary (by adjustments of the Exercise Price or otherwise) so that, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, in lieu of Common Stock, the kind and amount of shares of stock and other securities or property of the Company or any successor corporation resulting from the Organic Change. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3(d) with respect to the rights of the Holder after the Organic Change to the end that the provisions of this Section 3(d) (including any adjustment in the Exercise Price then in effect and the number of shares of stock or other securities deliverable upon exercise of this Warrant) shall be applied after that event in as nearly an equivalent manner as may be practicable.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder a notice by facsimile or email setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4.                    Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations reasonably requested in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be substantially identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “Warrant Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with the provisions of the Purchase Agreement and applicable securities laws.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5.                    Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Automatic Exercise upon Expiration. In the event that, upon the Termination Date, the Per Share Market Value of one share of Common Stock (or other security issuable upon the exercise hereof) as determined in accordance with this Warrant above is greater than the Exercise Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to a Cashless Exercise as to all shares (or such other securities) for which this Warrant shall not previously have been exercised or converted, and the Company shall promptly deliver the shares (or such other securities) issued upon such exercise to the Holder; provided, however, to the extent that the foregoing automatic exercise would result in the Holder exceeding the Beneficial Ownership Limitation, then the Company shall issue to the Holder such number of Preferred Shares in an equivalent manner so that the number of Preferred Conversion Shares underlying such Preferred Shares would equal the number of Warrant Shares issuable upon such automatic exercise, as would not result in the Holder exceeding the Beneficial Ownership Limitation.

e) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be reasonably necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be reasonably necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, reasonably necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be reasonably necessary from any public regulatory body or bodies having jurisdiction thereof.



f) Governing Law; Jurisdiction. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any of the conflicts of law principles which would result in the application of the substantive law of another jurisdiction. Each of the Company and the Holder (i) hereby irrevocably submits to the jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in New York county for the purposes of any suit, action or proceeding arising out of or relating to this Warrant or any of the other Transaction Documents or the transactions contemplated hereby or thereby and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper.

g) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant will have restrictions upon resale imposed by state and federal securities laws.

h) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that all rights hereunder terminate on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

i) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address of the addressee at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address of the addressee on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2<sup>nd</sup>) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth in the Company's records.

j) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

k) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

l) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

m) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the prior written consent of the Company and the holders of a majority of the Warrant Shares underlying the then outstanding Warrants issued pursuant to the Purchase Agreement.

n) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

o) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

\*\*\*\*\*

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

**METASTAT, INC.**

By: \_\_\_\_\_  
Name:  
Title:



**NOTICE OF EXERCISE**

TO: METASTAT, INC.

(1) The undersigned hereby elects to purchase \_\_\_\_\_ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

\_\_\_\_\_

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(3) Accredited Investor. The undersigned is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

(4) The undersigned intends that payment of the Exercise Price shall be made as (check one):

Cash Exercise \_\_\_\_\_

Cashless Exercise \_\_\_\_\_

If the Holder has elected a Cash Exercise, the Holder shall pay the sum of \$ \_\_\_\_\_ by certified or official bank check (or via wire transfer) to the Company in accordance with the terms of the Warrant.

If the Holder has elected a Cashless Exercise, a certificate shall be issued to the Holder for the number of shares equal to the whole number portion of the product of the calculation set forth below, which is \_\_\_\_\_. The Company shall pay a cash adjustment in respect of the fractional portion of the product of the calculation set forth below in an amount equal to the product of the fractional portion of such product and the Per Share Market Value on the date of exercise, which product is \_\_\_\_\_.

$$X = Y \times \frac{(B-A)}{B}$$

Where:

The number of shares of Common Stock to be issued to the Holder is (“X”).

The number of shares of Common Stock purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised is (“Y”).

The Exercise Price is (“A”).

The Per Share Market Value of one share of Common Stock is (“B”).

[SIGNATURE OF HOLDER]

Name of Investing Entity: \_\_\_\_\_

*Signature of Authorized Signatory of Investing Entity:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Date: \_\_\_\_\_

**ASSIGNMENT FORM**

(To assign the foregoing warrant, execute this form and supply required information. Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, [\_\_\_\_] all of or [\_\_\_\_\_] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

\_\_\_\_\_ whose address is  
\_\_\_\_\_  
\_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

Holder's Signature: \_\_\_\_\_

Holder's Address: \_\_\_\_\_  
\_\_\_\_\_

## NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (this “Agreement”) is made as of March 30, 2018 by and between MetaStat, Inc. (the “Company”), a Nevada corporation, with offices at 27 Drydock Ave., 2<sup>nd</sup> Floor, Boston MA 02210 and the purchasers listed on Exhibit A attached hereto (the “Purchasers”).

**WHEREAS**, the Company desires to sell to the Purchasers, and the Purchasers desire to purchase from the Company through a private placement (the “Offering”), (i) senior non-convertible promissory bridge notes in the aggregate principal amount of up to \$2,334,027 (the “Senior Notes”), (ii) junior non-convertible promissory bridge notes in the aggregate principal amount of \$1,294,900 (the “Junior Notes”) and, together with the Senior Notes, the “Notes”), and (iii) warrants to purchase shares of Common Stock (the “Note Warrants”); and

**WHEREAS**, the Company and each of the Purchasers are executing and delivering this Agreement in accordance with and in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act and Rule 506(b) of Regulation D (“Regulation D”) as promulgated by the United States Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”); and

**WHEREAS**, the Offering is being conducted through Alere Financial Partners, LLC, a division of Cova Capital Partners, LLC, a non-exclusive registered placement agent (the “Agent”).

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and obligations hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Purchasers, intending to be legally bound, hereby agree as follows:

## ARTICLE I

## Definitions

**Section 1.1** Certain Definitions. When used herein, the following terms shall have the respective meanings indicated:

“Board of Directors” means the Company’s board of directors.

“Business Day” means any day other than a Saturday, a Sunday or a day on which the OTCQB (or other principal exchange) is closed or on which banks in the City of New York are required or authorized by law to be closed.

“Common Stock” means shares of the Company’s common stock, par value \$0.0001 per share.

“Exchange Act” means the Securities Exchange Act of 1934, as amended (or any successor act), and the rules and regulations thereunder (or respective successors thereto).

“Indebtedness” shall mean (a) any liabilities for borrowed money or amounts owed (other than trade accounts payable incurred in the ordinary course of business), (b) all guaranties, endorsements and other contingent obligations in respect of Indebtedness of others, whether or not the same should be reflected in the Company’s consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (c) the present value of any lease payments due under leases required to be capitalized in accordance with U.S. GAAP, except in each of the foregoing cases (a) through (c), for Permitted Indebtedness.

“Intellectual Property Rights” means all U.S. and foreign patents, trademarks, domain names (whether or not registered) and any patentable improvements or copyrightable derivative works thereof, websites and intellectual property rights relating thereto, service marks, trade names, copyrights, licenses and authorizations, if any, and all rights with respect to the foregoing, if any, which are necessary for the conduct of their respective business as now conducted without any conflict with the rights of others, except where the failure to so own or possess would not have a Material Adverse Effect.

“Lien” means, with respect to any Property, any mortgage, pledge, hypothecation, assignment, deposit arrangement, security interest, tax lien, financing statement, pledge, charge, or other lien, easement, encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such Property (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing), except in each of the foregoing cases for Permitted Liens.

“Material Adverse Effect” means any material adverse effect on the business, operations, properties, or financial condition of the Company and its Subsidiaries, taken as a whole, and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company to perform any of its obligations under this Agreement in any material respect.

“Permitted Indebtedness” means Indebtedness incurred (a) in the ordinary course of business, which shall include trade payables and accruals in accordance with the Company’s past practice, and (b) from any participant in a strategic transaction with the Company that has been approved by a majority of the disinterested directors of the Company, provided that (A) any such Indebtedness shall only be incurred from a person that is, itself or through its Subsidiaries, an operating company in a business synergistic with the business of the Company and in which the Company receives benefits in addition to the investment of funds, and (B) the primary purpose of such Indebtedness is not to raise capital.

“Permitted Liens” means: (1) liens in connection with the purchase of equipment secured by such equipment; (2) liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature, in each case, other than for the payment of debt incurred in the ordinary course of business; (3) liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor; (4) pledges or deposits by a person under worker’s compensation laws, unemployment insurance laws or similar legislation; (5) liens imposed by law, such as carriers’, warehousemen’s, landlord’s and mechanics’ liens, in each case, incurred in the ordinary course of business; (6) judgment liens not giving rise to an Event of Default (as defined in the Notes) so long as such lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired; (7) liens arising solely by virtue of any statutory or common law provision relating to banker’s liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; and (8) liens under licensing agreements entered into by the Company for use of intellectual property entered into in the ordinary course of business.

“Promissory Note” means the 10% convertible promissory note issued by the Company pursuant to that certain Exchange Agreement dated January 17, 2017, in the aggregate principal amount of \$1,000,000 plus all accrued and unpaid interest thereon, which is convertible into shares of Common Stock at \$2.00 per share and has a maturity date of September 30, 2017.

“Promissory Note Exchange” means the exchange of the Promissory Note at the Promissory Note Exchange Amount into Senior Notes and Note Warrants pursuant hereto.

“Promissory Note Exchange Amount” means \$834,027.00.

“Property” means property and/or assets of all kinds, whether real, personal or mixed, tangible or intangible (including, without limitation, all rights relating thereto).

“Rule 144” means Rule 144 of the Commission, as amended, promulgated pursuant to the Securities Act or any successor provision.

“Securities” means the Notes, the Note Warrants and the Warrant Shares that may be issued pursuant to Article 2 herein.

“Series B Preferred” means the shares of the Company’s Series B Convertible Preferred Stock with a stated value of \$5,500 per share, originally issued by the Company pursuant that certain Securities Purchase Agreement dated December 31, 2014, as amended March 27, 2015, plus all accrued and unpaid dividends thereon, which is convertible into shares of Common Stock at \$0.83 per share.

“Series B Exchange” means the exchange of the Series B Preferred at the Series B Exchange Amount into Junior Notes and Note Warrants pursuant hereto.

“Series B Exchange Amount” means \$1,294,900.00.

“Short Sales” means all “short sales” as defined in Rule 200 of Regulation SHO under the Securities Exchange Act of 1934 (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

“Subsidiary” means any corporation or other entity of which at least a majority of the securities or other ownership interests having ordinary voting power (absolutely or contingently) for the election of directors or other persons performing similar functions are at the time owned directly or indirectly by the Company and/or any of its other Subsidiaries.

“Trading Day” means a day on which the OTCQB is open for trading.

“Transaction Documents” means this Agreement, the Notes, the Note Warrants, the Exchange Agreement, the Confidential Private Purchaser Questionnaire and all other, agreements, documents, and other instruments executed and delivered by or on behalf of the Company in connection with the Offering.

“U.S. GAAP” means United States generally accepted accounting principles, applied on a consistent basis, as set forth in (i) opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements of the Financial Accounting Standards Board and (iii) interpretations of the Commission and the Staff of the Commission. Accounting principles are applied on a “consistent basis” when the accounting principles applied in a current period are comparable in all material respects to those accounting principles applied in a preceding period, except to the extent that new accounting standards have been adopted by such organizations applicable as of the current period.

## ARTICLE II

### Purchase and Sale of the Securities

Section 2.1 Purchase and Sale of the Securities. Upon the following terms and conditions, the Company is offering to each Purchaser and each Purchaser is purchasing from the Company the number of Securities set forth opposite such Purchaser’s name on Exhibit A attached hereto.

Section 2.2 Notes. Subject to the terms and conditions hereof, the Company agrees to issue and sell to the Purchasers and the Purchasers agree to purchase from the Company, at the Closing (as defined below), the Senior Notes and Junior Notes, as set forth opposite such Purchaser’s name on Exhibit A attached hereto. The Junior Notes shall be issued solely pursuant to the Series B Exchange. The terms of the Senior Notes shall be substantially as set forth in the form of Senior Note attached hereto as Exhibit B-1 and the terms of the Junior Notes shall be substantially as set forth in the form of Junior Note attached hereto as Exhibit B-2. This purchase commitment is made in accordance with and subject to the terms and conditions described in this Agreement.

Section 2.3 Note Warrants. Each of the Purchasers shall be issued Note Warrants on a pro rata basis to purchase an aggregate of 10,000 shares of Common Stock (each a “Warrant Share” and collectively, the “Warrant Shares”) for each \$100,000 principal amount of Notes issued pursuant hereto. The Note Warrants, in substantially the form attached hereto as Exhibit C, shall expire five (5) years following the applicable Closing Date and have an initial exercise price per Warrant Share of \$2.00.

Section 2.4 Warrant Shares. The Company has authorized and has reserved and covenants and agrees to continue to reserve, free of all preemptive rights and other similar contractual rights of stockholders and/or others, a number of shares of Common Stock equal to one hundred percent (100%) of the number of Warrant Shares as shall from time to time be sufficient to effect exercise of all of the Note Warrants then outstanding.

Section 2.5 Purchase Price and Closing. Subject to the terms and conditions hereof, the Company agrees to issue and sell to the Purchasers and, in consideration of and in express reliance upon the representations, warranties, covenants, terms and conditions of this Agreement, the Purchasers, severally but not jointly, agree to purchase the Securities set forth opposite their respective names on Exhibit A attached hereto for an aggregate purchase price of up to \$3,628,927 (the "Purchase Price"), provided, however, that a portion of the Purchase Price shall be paid by certain Purchasers in connection with the Promissory Note Exchange pursuant to Section 2.6 below and by certain Purchasers in connection with the Series B Exchange pursuant to Section 2.7 below. The initial closing (the "Initial Closing") of the purchase and sale of the Securities to be acquired by the Purchasers from the Company under this Agreement shall take place at such time as Purchasers have executed this Agreement, and all of the conditions set forth in Article V hereof and applicable to the Initial Closing shall have been fulfilled or waived in accordance herewith (the "Initial Closing Date"). After the Initial Closing, the Company may conduct any number of additional closings (each, an "Additional Closing" and, together with the Initial Closing, a "Closing") so long as the final Additional Closing occurs on or before April 6, 2018, unless mutually extended by the Company and the Agent. Subject to all conditions to Closing have been satisfied or waived, each Closing shall take place at such time and place as the parties shall agree (a "Closing Date").

Section 2.6 Exchange of Promissory Note. The parties hereto acknowledge and agree that, at and as a condition to Purchasers purchasing the Securities at the Initial Closing, the holder of the Promissory Note shall enter into an exchange agreement (the "Exchange Agreement") in substantially the form attached hereto as Exhibit D, and accordingly be deemed a Purchaser under this Agreement and parties to the other Transaction Documents, and in connection with the Promissory Note Exchange will receive (i) Senior Notes with a principal amount equal to the Promissory Note Exchange Amount and (ii) Note Warrants based on the formula set forth in Section 2.3 hereof. The parties agree that the Promissory Note Exchange Amount shall be deemed to constitute a portion of the Purchase Price for purposes of this Agreement, including, without limitation, Section 2.5 hereof.

Section 2.7 Exchange of Series B Preferred. The parties hereto acknowledge and agree that, at and as a condition to Purchasers purchasing the Securities at the Initial Closing, the holder of the Series B Preferred shall enter into the Exchange Agreement, and accordingly be deemed a Purchaser under this Agreement and parties to the other Transaction Documents, and in connection with the Series B Exchange will receive (i) Junior Notes with a principal amount equal to the Series B Exchange Amount and (ii) Note Warrants based on the formula set forth in Section 2.3 hereof. The parties agree that the Series B Exchange Amount shall be deemed to constitute a portion of the Purchase Price for purposes of this Agreement, including, without limitation, Section 2.5 hereof.

Section 2.8 Payment, Escrow Agent, and Obligations of the Escrow Agent.

(a) Each Purchaser's appropriate cash Purchase Price (i.e., a purchase price equal to the principal amount of Notes to be purchased by such Purchaser) as set forth on Exhibit A attached hereto, shall be paid to Signature Bank, as escrow agent for MetaStat, Inc. (the "Escrow Agent"), by wire transfer of immediately available funds in U.S. dollars (or in the form of a personal or cashier's check) in accordance with the wire and delivery instructions attached hereto as Exhibit E. The Purchase Price shall accompany the delivery of the executed Transaction Documents by such Purchaser.

(b) The Purchaser acknowledges and agrees that this Agreement and any other documents delivered in connection herewith will be held by the Agent on behalf of the Company, and the Purchase Price will be deposited in an escrow account (the "Escrow Account"), held by the Escrow Agent. In the event that this Agreement is not accepted in whole or in part by the Company for whatever reason, this Agreement and any other documents delivered in connection herewith will be returned to the Purchaser by the Agent at the address of the Purchaser as set forth on the Purchaser's signature page hereto, and any Purchase Price deposited in the Escrow Account shall be returned to the Purchaser by the Escrow Agent in accordance with the payment information provided by the Agent to the Escrow Agent.

(c) The Purchaser agrees that the Escrow Agent shall have no accountability or obligations to the Purchaser whatsoever and acknowledges that the Escrow Agent is accountable only to the Company and the Agent. The Purchaser agrees that when the Purchase Price is deposited in the Escrow Account, the Escrow Agent's only duty shall be to deliver the Purchase Price to the Company or its designees, all solely according to payment instructions submitted jointly by the Company and the Agent (the "Payment Instructions"), and the Escrow Agent shall require no further instructions from the Purchaser in delivering the same to the Company or its designees. The Escrow Agent shall upon notice of a Closing Date jointly from the Company and the Agent, release to the Company or its designees the proceeds of the Offering in accordance with the Payment Instructions. In the event the Company rejects the purchase pursuant to this Agreement in whole or in part, the Escrow Agent shall return such Purchaser's Purchase Price directly to the Purchaser without interest or deduction there from. The proceeds of the Escrow Account shall be distributed in accordance with Section 2.5.

### ARTICLE III

#### Representations and Warranties

Section 3.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchasers, as of the date hereof (except as set forth on the Company Disclosure Schedule attached hereto with each numbered Schedule corresponding to the section number herein) and as of each Closing Date (except for the representations and warranties that speak as of a specific date, which shall be made as of such date), as follows:

(a) Organization, Good Standing and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada and has the requisite corporate power to own, lease and operate its properties and assets and to conduct its business as it is now being conducted. The Company is duly qualified to do business and is in good standing in every jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary except for any jurisdiction(s) (alone or in the aggregate) in which the failure to be so qualified will not have a Material Adverse Effect on the Company's consolidated financial condition.

(b) Corporate Power, Authority and Enforcement. The Company has the requisite corporate power and authority to enter into and perform this Agreement and the other Transaction Documents, and to issue and sell the Securities in accordance with the terms hereof and thereof. The execution, delivery and performance of this Agreement and the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action, and no further consent or authorization of the Company or its Board of Directors or stockholders is required. Each of the Transaction Documents constitutes, or shall constitute when executed and delivered, a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

(c) Capitalization. The authorized capital stock of the Company and the shares thereof currently issued and outstanding as of the date hereof is set forth on Schedule 3.1(c) hereto. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all applicable federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except as contemplated by the Transaction Documents or as set forth on Schedule 3.1(c) hereto:



(i) no shares of Common Stock are entitled to preemptive, conversion or other rights and there are no outstanding options, warrants, scrip, rights to subscribe to, call or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company;

(ii) there are no contracts, commitments, understandings, or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company or options, securities or rights convertible into shares of capital stock of the Company;

(iii) the Company is not a party to any agreement granting registration or anti-dilution rights to any person with respect to any of its equity or debt securities; and

(iv) the Company is not a party to, and it has no knowledge of, any agreement restricting the voting or transfer of any shares of the capital stock of the Company.

The offer and sale of all capital stock, convertible securities, rights, warrants, or options of the Company issued prior to the Closing complied in all material respects with all applicable federal and state securities laws. The Company has furnished or made available to the Purchasers true and correct copies of the Company's Articles of Incorporation, as amended and in effect on the date hereof (the "Articles"), and the Company's Bylaws, as amended and in effect on the date hereof (the "Bylaws"). Except as restricted under applicable federal, state, local or foreign laws and regulations, the Transaction Documents, or as set forth on Schedule 3.1(c), no written or oral contract, instrument, agreement, commitment, obligation, plan or arrangement of the Company shall limit the payment of dividends on the Common Stock.

(d) Issuance of Securities, Etc. The Securities to be issued at the Closing have been duly authorized by all necessary corporate action and the Notes and Note Warrants when paid for or issued in accordance with the terms hereof, will be validly issued and outstanding, fully paid and nonassessable and, immediately after the Closing, the Purchasers will be the owners of all of such securities and have good and valid title to all of such securities, free and clear of all encumbrances, except as may be imposed under federal and state securities laws. When any Warrant Shares are issued in accordance with the exercise of the Warrants, such Warrant Shares will be duly authorized by all necessary corporate action and validly issued and outstanding, fully paid and nonassessable, and the holders will be entitled to all rights accorded to a holder of Common Stock and will be the record and beneficial owners of all of such securities and have good and valid title to all of such securities, free and clear of all encumbrances.

(e) Subsidiaries. Schedule 3.1(c) hereto sets forth each Subsidiary of the Company, showing the jurisdiction of its incorporation or organization and showing the percentage of ownership of each Subsidiary. Each Subsidiary has been duly incorporated or otherwise organized and is validly existing and in good standing in each of their respective jurisdictions of incorporation or organization. Each Subsidiary is duly qualified to do business and is in good standing in every jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary except for any jurisdiction(s) (alone or in the aggregate) in which the failure to be so qualified will not have a Material Adverse Effect. There are no outstanding preemptive, conversion or other rights, options, warrants or agreements granted or issued by or binding upon any Subsidiary for the purchase or acquisition of any shares of capital stock of any Subsidiary or any other securities convertible into, exchangeable for or evidencing the rights to subscribe for any shares of such capital stock. Neither the Company nor any Subsidiary is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of the capital stock of any Subsidiary or any convertible securities, rights, warrants or options of the type described in the preceding sentence. Except as filed as exhibits to the Commission Documents (as defined below), neither the Company nor any Subsidiary is party to, nor has any knowledge of, any agreement restricting the voting or transfer of any shares of the capital stock of any Subsidiary.

(f) Commission Documents, Financial Statements. For the two-year period preceding the date hereof, the Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the Commission pursuant to the reporting requirements of the Exchange Act, including material filed pursuant to Section 13(a) or 15(d) of the Exchange Act (all of the foregoing including filings incorporated by reference therein being referred to herein as the “Commission Documents”). The Company has not provided to the Purchasers any material non-public information or other information which, according to applicable law, rule or regulation, was required to have been disclosed publicly by the Company but which has not been so disclosed, other than (i) with respect to the transactions contemplated by this Agreement, or (ii) pursuant to a non-disclosure or confidentiality agreement signed by the Purchasers. At the time of the respective filings, the Commission Documents filed during the two-year period preceding the date hereof complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder and other federal, state and local laws, rules and regulations applicable to such documents. None of the Commission Documents, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Commission Documents (the “Financial Statements”) complied as of their respective filing dates as to form in all material respects with applicable accounting requirements and the published rules and regulations of the Commission or other applicable rules and regulations with respect thereto. The Financial Statements have been prepared in accordance U.S. GAAP during the periods involved (except (i) as may be otherwise indicated in the Financial Statements or the notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements), and fairly present in all material respects the consolidated financial position of the Company as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

(g) No Material Adverse Effect. Since February 28, 2017, neither the Company nor any Subsidiary has experienced or suffered any Material Adverse Effect.

(h) No Undisclosed Liabilities. Other than as disclosed on Schedule 3.1(h) or set forth in the Commission Documents, neither the Company nor the Subsidiary has any liabilities, obligations, claims or losses (whether liquidated or unliquidated, secured or unsecured, absolute, accrued, contingent or otherwise) other than those incurred in the ordinary course of the Company’s business since February 28, 2017 and those which, individually or in the aggregate, do not have a Material Adverse Effect.

(i) No Undisclosed Events or Circumstances. No event or circumstance has occurred or exists with respect to the Company or any Subsidiary or their respective businesses, properties, operations or financial condition, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed.

(j) Indebtedness. The Financial Statements set forth all outstanding secured and unsecured Indebtedness of the Company on a consolidated basis, or for which the Company or any Subsidiary have commitments as of the date of Financial Statements or any subsequent period that would require disclosure. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness which, individually or in the aggregate, would have a Material Adverse Effect.

(k) Title to Assets. Each of the Company and its Subsidiaries has good and marketable title to (i) all properties and assets purportedly owned or used by them as reflected in the Financial Statements, (ii) all properties and assets necessary for the conduct of their business as currently conducted, and (iii) all of the real and personal property reflected in the Financial Statements free and clear of any Lien. All leases are valid and subsisting and in full force and effect.

(l) Actions Pending. There is no action, suit, claim, investigation, arbitration, alternate dispute resolution proceeding or any other proceeding pending or, to the knowledge of the Company, threatened against or involving the Company or any Subsidiary (i) which questions the validity of this Agreement or any of the other Transaction Documents or the transactions contemplated hereby or thereby or any action taken or to be taken pursuant hereto or thereto or (ii) involving any of their respective properties or assets. To the knowledge of the Company, there are no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Company or any Subsidiary or any of their respective executive officers or directors in their capacities as such.

(m) Compliance with Law. The Company and each Subsidiary have all franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals necessary for the conduct of their respective business as now being conducted by it unless the failure to possess such franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(n) No Violation of Law. The business of the Company and each Subsidiary is not being conducted in violation of any federal, state, local or foreign governmental laws, or rules, regulations and ordinances of any of any governmental entity, except for possible violations which singularly or in the aggregate could not reasonably be expected to have a Material Adverse Effect. The Company is not required under federal, state, local or foreign law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under the Transaction Documents, or issue and sell the Securities in accordance with the terms hereof or thereof (other than (x) any consent, authorization or order that has been obtained as of the date hereof, (y) any filing or registration that has been made as of the date hereof or (z) any filings which may be required to be made by the Company with the Commission or state securities administrators subsequent to the Closing).

(o) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated herein and therein do not and will not (i) violate any provision of the Articles or Bylaws, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Company is a party or by which it or its properties or assets are bound, (iii) create or impose a Lien or (iv) result in a violation of any federal, state, local or foreign statute, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or any of its Subsidiaries or by which any Property or asset of the Company or any of its Subsidiaries are bound or affected, provided, however, that, excluded from (ii)-(iv) above are such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect.

(p) Taxes. The Company and each Subsidiary, to the extent its applicable, has accurately prepared and filed all federal, state and other tax returns required by law to be filed by it, has paid or made provisions for the payment of all taxes shown to be due and all additional assessments, and adequate provisions have been and are reflected in the consolidated financial statements of the Company for all current taxes and other charges to which the Company or any Subsidiary, if any, is subject and which are not currently due and payable. None of the federal income tax returns of the Company have been audited by the Internal Revenue Service. The Company has no knowledge of any additional assessments, adjustments or contingent tax liability (whether federal, state or foreign) of any nature whatsoever, whether pending or threatened against the Company or any Subsidiary for any period, nor of any basis for any such assessment, adjustment or contingency.

(q) Certain Fees. Except as set forth on Schedule 3.1(q) hereto, no brokers fees, finders' fees or financial advisory fees or commissions will be payable by the Company with respect to the transactions contemplated by this Agreement and the other Transaction Documents.

(r) Intellectual Property. Each of the Company and its Subsidiaries owns or has the lawful right to use all Intellectual Property Rights. The Company has not received a written notice that any of the Intellectual Property Rights used by the Company violates or infringes upon the rights of any person. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by any person that the Company's business as now conducted infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of another. To the Company's knowledge, there is no existing infringement by another person of any of the Intellectual Property Rights that would have or would reasonably be expected to have a Material Adverse Effect. The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of its Intellectual Property Rights, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(s) Books and Records; Internal Accounting Controls. The books and records of the Company and each Subsidiary accurately reflect in all material respects the information relating to the business of the Company and the Subsidiaries. Except as disclosed on Schedule 3.1(s), the Company and each Subsidiary maintains a system of “internal control over financial reporting” (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain asset and liability accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any differences.

(t) Material Agreements. Any and all written or oral contracts, instruments, agreements, commitments, obligations, plans or arrangements, the Company and each Subsidiary is a party to, that a copy of which would be required to be filed with the Commission as an exhibit to a registration statement on Form S-1 (collectively, the “Material Agreements”) if the Company or any Subsidiary were registering securities under the Securities Act has previously been publicly filed with the Commission in the Commission Documents. Each of the Company and the Subsidiaries has in all material respects performed all the obligations required to be performed by them to date under the foregoing agreements, have received no notice of default and are not in default under any Material Agreement now in effect the result of which would cause a Material Adverse Effect.

(u) Transactions with Affiliates. Except as set forth in the Financial Statements or in the Commission Documents, there are no loans, leases, agreements, contracts, royalty agreements, management contracts or arrangements or other continuing transactions between (a) the Company or any Subsidiary on the one hand, and (b) on the other hand, any officer, employee, consultant or director of the Company, or any of its Subsidiaries, or any person owning any capital stock of the Company or any Subsidiary or any member of the immediate family of such officer, employee, consultant, director or stockholder or any corporation or other entity controlled by such officer, employee, consultant, director or stockholder, or a member of the immediate family of such officer, employee, consultant, director or stockholder.

(v) Securities Act of 1933. Assuming the accuracy of the representations of the Purchasers set forth in Section 3.2 hereof, the Company has complied with all applicable federal and state securities laws in connection with the offer, issuance and sale of the Securities hereunder. Neither the Company nor anyone acting on its behalf, directly or indirectly, has or will sell, offer to sell or solicit offers to buy any of the Securities or similar securities to, or solicit offers with respect thereto from, or enter into any preliminary conversations or negotiations relating thereto with, any person, or has taken or will take any action so as to bring the issuance and sale of any of the Securities in violation of the registration provisions of the Securities Act and applicable state securities laws, and neither the Company nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of any of the shares of Common Stock.

(w) Governmental Approvals. Except for the filing of any notice prior or subsequent to the Closing Date that may be required under applicable state and/or federal securities laws (which if required, shall be filed on a timely basis), including the filing of a Form D, no authorization, consent, approval, license, exemption of, filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, is or will be necessary for, or in connection with, the execution or delivery of the Securities or for the performance by the Company of its obligations under the Transaction Documents.

(x) Employees. Except as disclosed on Schedule 3.1(x), neither the Company nor any Subsidiary has any collective bargaining arrangements covering any of its employees. Except as disclosed in the Commission Documents, Schedule 3.1(x) sets forth a list of the employment contracts, agreements regarding proprietary information, non-competition agreements, non-solicitation agreements, confidentiality agreement, or any other similar contract or restrictive covenant, relating to the right of any officer, employee or consultant to be employed or engaged by the Company. Since February 28, 2017, no officer, consultant or key employee of the Company or any Subsidiary whose termination, either individually or in the aggregate, would have a Material Adverse Effect, has terminated or, to the knowledge of the Company, has any present intention of terminating his or her employment or engagement with the Company or any Subsidiary.

(y) Absence of Certain Developments. Except as disclosed on Schedule 3.1(y), since February 28, 2017, neither the Company nor the Subsidiaries have:

- (i) issued any stock, bonds or other corporate securities or any rights, options or warrants with respect thereto;
- (ii) borrowed any amount or incurred or become subject to any liabilities (absolute or contingent) except current liabilities incurred in the ordinary course of business which are comparable in nature and amount to the current liabilities incurred in the ordinary course of business during the comparable portion of its prior fiscal year, as adjusted to reflect the current nature and volume of the Company's or such Subsidiary's business;
- (iii) discharged or satisfied any Lien or paid any obligation or liability (absolute or contingent), other than current liabilities paid in the ordinary course of business;
- (iv) declared or made any payment or distribution of cash or other Property to stockholders with respect to its stock, or purchased or redeemed, or made any agreements so to purchase or redeem, any shares of its capital stock;
- (v) sold, assigned or transferred any other tangible assets, or canceled any debts or claims, except in the ordinary course of business;
- (vi) sold, assigned or transferred any patent rights, trademarks, trade names, copyrights, trade secrets or other intangible assets or Intellectual Property Rights, or disclosed any proprietary confidential information to any person except to customers in the ordinary course of business or to the Purchasers or their representatives;
- (vii) suffered any substantial losses or waived any rights of material value, whether or not in the ordinary course of business, or suffered the loss of any material amount of prospective business;
- (viii) made any changes in employee compensation except in the ordinary course of business and consistent with past practices;
- (ix) made capital expenditures or commitments therefor that aggregate in excess of \$100,000;
- (x) entered into any other transaction other than in the ordinary course of business, or entered into any other material transaction, whether or not in the ordinary course of business;
- (xi) made charitable contributions or pledges in excess of \$10,000;
- (xii) suffered any material damage, destruction or casualty loss, whether or not covered by insurance;
- (xiii) experienced any material problems with labor or management in connection with the terms and conditions of their employment;
- (xiv) effected any two or more events of the foregoing kind which in the aggregate would be material to the Company or its Subsidiaries; or
- (xv) entered into an agreement, written or otherwise, to take any of the foregoing actions.

(z) Investment Company Act. The Company is not, and is not an affiliate of, and immediately after receipt of payment for the Securities, will not be or be an affiliate of, an “investment company” within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an “investment company” subject to registration under the Investment Company Act of 1940, as amended.

(aa) No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any security or solicited any offers to buy any security under circumstances that would cause the offering and/or sale of the Securities pursuant to this Agreement to be integrated with prior offerings by the Company for purposes of the Securities Act which would prevent the Company from selling the Securities pursuant to Rule 506 under the Securities Act, nor will the Company or any of its affiliates take any action or steps that would cause the Offering and/or sale of the Securities to be integrated with other offerings.

(bb) Sarbanes-Oxley Act. The Company is in compliance in all material respects with the applicable provisions of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), and the rules and regulations promulgated thereunder, that are effective and for which compliance by the Company is required as of the date hereof. The Company has established disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) for the Company and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission’s rules and forms. The Company’s certifying officers have evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered by the Company’s most recently filed periodic report under the Exchange Act (such date, the “Evaluation Date”). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the Company’s internal control over financial reporting (as such term is defined in the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

(cc) Shell Company Status. The Company is not currently an issuer identified in Securities Act Rule 144(i)(1).

(dd) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from the OTCQB to the effect that the Company is not in compliance with the listing or maintenance requirements of the OTCQB. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements

(ee) Use of Proceeds. Except as disclosed on Schedule 3.1(ee), the Company hereby covenants to use the net proceeds received from the Offering to (i) repay \$300,000 of the Promissory Note concurrent with the Initial Closing, (ii) research and development activities primarily related to the Company’s therapeutic and companion diagnostic technologies, and (iii) for general corporate and working capital purposes.

**Section 3.2 Representations and Warranties of Each of the Purchasers.** Each Purchaser, severally and not jointly with the other Purchasers, hereby makes the following representations and warranties to the Company as of the date hereof, with respect solely to itself and not with respect to any other Purchaser:

(a) Organization and Good Standing of the Purchasers. If the Purchaser is an entity, such Purchaser is a corporation, partnership or limited liability company duly incorporated or organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization.

(b) Authorization and Power. Such Purchaser has the requisite power and authority to enter into and perform this Agreement and each of the other Transaction Documents to which such Purchaser is a party and to purchase the Securities, being sold to it hereunder. The execution, delivery and performance of this Agreement and each of the other Transaction Documents to which such Purchaser is a party by such Purchaser and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate, partnership or limited liability company action, and no further consent or authorization of such Purchaser or its Board of Directors, stockholders, partners, members, or managers, as the case may be, is required. This Agreement and each of the other Transaction Documents to which such Purchaser is a party has been duly authorized, executed and



delivered by such Purchaser and constitutes, or shall constitute when executed and delivered, a valid and binding obligation of such Purchaser enforceable against such Purchaser in accordance with the terms hereof, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

(c) No Conflicts. Such Purchaser is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under this Agreement or any other Transaction Document to which such Purchaser is a party or to purchase the Securities in accordance with the terms hereof, provided, that for purposes of the representation made in this sentence, such Purchaser is assuming and relying upon the accuracy of the relevant representations and agreements of the Company herein.

(d) Status of Purchasers. Such Purchaser is an "accredited investor" as defined in Regulation D under the Securities Act and as set forth on the questionnaire (the "Confidential Private Purchaser Questionnaire") attached hereto as Exhibit F and made part hereof. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act and such Purchaser is not a broker-dealer, nor an affiliate of a broker-dealer, unless indicated on such Confidential Private Purchaser Questionnaire.

(e) Acquisition for Investment. Such Purchaser is acquiring the Securities solely for its own account for the purpose of investment and not with a view to or for sale in connection with a distribution. Such Purchaser does not have a present intention to sell the Securities, nor a present arrangement (whether or not legally binding) or intention to effect any distribution of the Securities to or through any person or entity; provided, however, that by making the representations herein, such Purchaser does not agree to hold the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with federal and state securities laws applicable to such disposition. Each Purchaser acknowledges that it is able to bear the financial risks associated with an investment in the Securities and that it has been given full access to such records of the Company and to the officers of the Company and received such information as it has deemed necessary or appropriate to conduct its due diligence investigation and has sufficient knowledge and experience in investing in companies similar to the Company in terms of the Company's stage of development so as to be able to evaluate the risks and merits of its investment in the Company.

(f) Opportunities for Additional Information. Such Purchaser acknowledges that such Purchaser has had the opportunity to ask questions of and receive answers from, or obtain additional information from, the executive officers of the Company concerning the financial and other affairs of the Company. Such Purchaser acknowledges and agrees that neither the Agent nor any Affiliate of the Agent has provided such Purchaser with any information or advice with respect to the Securities nor is such information or advice necessary or desired. Neither the Agent nor any Affiliate thereof has made or makes any representation as to the Company or the quality of the Securities and the Agent and any Affiliate thereof may have acquired non-public information with respect to the Company which such Purchaser agrees need not be provided to it. In connection with the issuance of the Securities to such Purchaser, neither the Agent nor any of its Affiliates has acted as a financial advisor or fiduciary to such Purchaser.

(g) No General Solicitation. Such Purchaser acknowledges that the Securities were not offered to such Purchaser by means of any form of general or public solicitation or general advertising, or publicly disseminated advertisements or sales literature, including (i) any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media, or broadcast over television or radio, or (ii) any seminar or meeting to which such Purchaser was invited by any of the foregoing means of communications.

(h) Rule 144. Such Purchaser understands that the Notes, Note Warrants, and Warrant Shares must be held indefinitely unless such Notes, Note Warrants, and Warrant Shares are registered under the Securities Act or an exemption from registration is available. Such Purchaser acknowledges that such Purchaser is familiar with Rule 144 and that such person has been advised that Rule 144 permits resales only under certain circumstances. Such Purchaser understands that to the extent that Rule 144 is not available, such Purchaser may be unable to sell any Notes, Note Warrants, and Warrant Shares without either registration under the Securities Act or the existence of another exemption from such registration requirement.

(i) General. Such Purchaser understands that the Securities are being offered and sold in reliance on a transactional exemption from the registration requirements of federal and state securities laws and the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein in order to determine the applicability of such exemptions and the suitability of such Purchaser to acquire the Securities.

(j) Independent Investment. Except as may be disclosed in any filings with the Commission by the Purchasers under Section 13 and/or Section 16 of the Exchange Act, no Purchaser has agreed to act with any other Purchaser for the purpose of acquiring, holding, voting or disposing of the Securities purchased hereunder for purposes of Section 13(d) under the Exchange Act, and each Purchaser is acting independently with respect to its investment in the Securities.

(k) Certain Fees. Except as set forth on Schedule 3.1(q) hereto, each Purchaser has no knowledge (without any investigation or due inquiry) of any brokers fees, finders' fees or financial advisory fees or commissions payable by the Company with respect to the transactions contemplated by this Agreement and the other Transaction Documents.

(l) No Short Sales. The Purchaser has not directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, executed any Short Sales (as defined below), of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any Agent representing the Company setting forth the material terms of the transactions contemplated by this Agreement and ending immediately following the public dissemination of the Press Release (as defined below).

(m) Lock-Up. Each Purchaser hereby agrees with the Company that such Purchaser will not offer, sell, or contract to sell any of the Company's securities and/or shares of Common Stock that it or its affiliates beneficially owns (currently or acquires in the future) (the "Lock-Up Shares") on a national exchange or in the public marketplace for a period commencing on the Initial Closing Date through December 31, 2018 (the "Lock-Up Period"). Furthermore, if at the expiration of the Lock-Up Period, the Company delivers a notice, pursuant to Section 4.3, to the Purchaser on or prior to the expiration of the Lock-Up Period (the "Extension Notice"), indicating that the Company is actively negotiating private or public offering of equity or equity-linked securities (the "Qualified Offering"), then the restrictions of this Section 3.2(m) shall automatically be extended to the earlier of (i) ninety (90) days following the expiration of the Lock-Up Period, or (ii) the filing of a Form 8-K with the Commission disclosing the closing of the Qualified Offering (the "Extension Period"). During the Lock-Up Period and Extension Period (if any), the Purchaser may offer, sell, or contract to sell, whether in whole or in part, the Lock-Up Shares in a privately negotiated transaction with a third party (the "Third-Party Purchaser"), provided, however, that the Third-Party Purchaser enters into a similar lock-up agreement with the Company.

## ARTICLE IV

### Covenants

The Company covenants with each of the Purchasers as follows, which covenants are for the benefit of the Purchasers and their permitted assignees (as defined herein).

Section 4.1 Securities Compliance. The Company shall notify the Commission in accordance with its rules and regulations, of the transactions contemplated by any of the Transaction Documents, including filing a Form D with respect to the Securities as required under Regulation D and applicable "blue sky" laws, and shall take all other necessary action and proceedings as may be required and permitted by applicable law, rule and regulation, for the legal and valid issuance of the Securities to the Purchasers or subsequent holders.



Section 4.2 Compliance with Laws. The Company shall comply, and cause each Subsidiary to comply in all respects, with all applicable laws, rules, regulations and orders, except for such non-compliance which singularly or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

Section 4.3 Keeping of Records and Books of Account. The Company shall keep and cause each Subsidiary to keep adequate records and books of account, in which complete entries will be made in accordance with U.S. GAAP consistently applied, reflecting all financial transactions of the Company and each Subsidiary.

Section 4.4 Reservation of Shares. So long as any of the Note Warrants remain outstanding, the Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, a sufficient number of shares of Common Stock needed to provide for the issuance of the Warrant Shares.

Section 4.5 Disclosure of Transaction. The Company shall issue a press release describing the material terms of the transactions contemplated hereby (the “Press Release”) as soon as practicable after the Initial Closing. The Company shall also file with the Commission, a Current Report on Form 8-K describing the material terms of the transactions contemplated hereby (and attaching as exhibits thereto this Agreement and other Transaction Documents) within four (4) Business Days following the Initial Closing.

Section 4.6 Disclosure of Material Information. The Company and the Subsidiaries covenant and agree that neither it nor any other person acting on its or their behalf has provided or, from and after the filing of the Press Release, will provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information (other than with respect to the transactions contemplated by this Agreement), unless prior thereto such Purchaser shall have executed a specific written agreement regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenants in effecting transactions in securities of the Company. Unless otherwise agreed to by the applicable parties, at the time of the filing of the Press Release, no Purchaser shall be in possession of any material, nonpublic information received from the Company, any of its Subsidiaries or any of its respective officers, directors, employees or agents, that is not disclosed in the Press Release. The Company shall not disclose the identity of any Purchaser in any filing with the Commission except as required by the rules and regulations of the Commission thereunder.

Section 4.7 Pledge of Securities. The Company acknowledges and agrees that the Securities may be pledged by a Purchaser in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of the Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Purchaser effecting a pledge of the Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document; provided, that a Purchaser and its pledgee shall be required to comply with the provisions of Article VI hereof in order to effect a sale, transfer or assignment of Securities to such pledgee. At a Purchaser’s expense, the Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by a Purchaser, in accordance with applicable laws relating to the transfer of the securities.

Section 4.8 No Integrated Offerings. The Company shall not make any offers or sales of any security (other than the Securities being offered or sold hereunder) under circumstances that would require registration of the Securities being offered or sold hereunder under the Securities Act.

Section 4.9 SEC Reports. Until the time that no Purchaser owns Securities, the Company covenants to maintain the registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

## ARTICLE V

### CONDITIONS

Section 5.1 Conditions Precedent to the Obligation of the Company to Sell the Securities. The obligation hereunder of the Company to issue and sell the Securities to the Purchasers is subject to the satisfaction or waiver, at or before each Closing, of each of the conditions set forth below. These conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion.

(a) Accuracy of Each Purchaser's Representations and Warranties. Each of the representations and warranties of each Purchaser in this Agreement and the other Transaction Documents that are qualified by materiality or by reference to any Material Adverse Effect shall be true and correct in all respects, and all other representations and warranties shall be true and correct in all material respects, as of the date when made and as of the Closing Date as though made at that time, except for representations and warranties that are expressly made as of a particular date, which shall be true and correct in all respects as of such date.

(b) Performance by the Purchasers. Each Purchaser shall have performed, satisfied and complied in all respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Purchaser at or prior to the Closing.

(c) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement.

(d) Delivery of Purchase Price. The Purchase Price for the Securities being paid for in cash shall have been delivered to the Escrow Account in accordance with the instructions provided herein.

(e) Delivery of Transaction Documents. The Transaction Documents to which the Purchasers are parties shall have been duly executed and delivered by the Purchasers to the Company.

Section 5.2 Conditions Precedent to the Obligation of the Purchasers to Purchase the Shares. The obligation hereunder of each Purchaser to acquire and pay for the Securities is subject to the satisfaction or waiver, at or before each Closing, of each of the conditions set forth below. These conditions are for each Purchaser's sole benefit and may be waived by such Purchaser at any time in its sole discretion.

(a) Accuracy of the Company's Representations and Warranties. Each of the representations and warranties of the Company in this Agreement and the other Transaction Documents that are qualified by materiality or by reference to any Material Adverse Effect shall be true and correct in all respects, and all other representations and warranties shall be true and correct in all material respects, as of the date when made and as of the Closing Date as though made at that time, except for representations and warranties that are expressly made as of a particular date, which shall be true and correct in all respects as of such date.

(b) Performance by the Company. The Company shall have performed, satisfied and complied in all respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing.

(c) Necessary Consents. The Company shall have received all necessary consents to perform the transaction contemplated by this Agreement and the Transaction Documents.

(d) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement.

(e) No Proceedings or Litigation. No action, suit or proceeding before any arbitrator or any governmental authority shall have been commenced, and no investigation by any governmental authority shall have been threatened, against the Company or any Subsidiary, or any of the officers, directors or affiliates of the Company or any Subsidiary seeking to restrain, prevent or change the transactions contemplated by this Agreement, or seeking damages in connection with such transactions.

(f) Certificates. Promptly following each Closing, the Company shall deliver to the Purchasers the certificates for the Notes and the Note Warrants being acquired by such Purchaser at the Closing to such address set forth next to each Purchaser's name on Exhibit A attached hereto with respect to such Closing.

(g) Resolutions. The Board of Directors of the Company shall have adopted resolutions consistent with Section 3.1(b) hereof in a form reasonably acceptable to such Purchaser.

(h) No Suspensions of Trading in Common Stock. The Common Stock shall not have been suspended, as of the Closing Date, by the Commission or the OTCQB from trading on the OTCQB nor shall suspension by the Commission or the OTCQB have been threatened, as of the Closing Date, either (A) in writing by the Commission or the OTCQB or (B) by falling below the minimum listing maintenance requirements of the OTCQB.

(i) Officer's Certificate. The Company shall have delivered to the Purchasers a certificate of an executive officer of the Company, dated as of each Closing Date, confirming the accuracy of the Company's representations, warranties and covenants as of each Closing Date and confirming the compliance by the Company with the conditions precedent set forth in this Section 5.2 as of each Closing Date.

(j) Delivery of Transaction Documents. The Transaction Documents to which the Company is a party shall have been duly executed and delivered by the Company to the Purchasers.

(k) Legal Opinions. The Purchasers shall have received opinions, each dated as of Closing Date, from Loeb & Loeb, LLP and Sherman & Howard LLC, in form and substance satisfactory to the Purchasers.

## ARTICLE VI

### Stock Certificate Legend

#### Section 6.1 Legend.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.7, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) Each certificate representing the Securities shall be stamped or otherwise imprinted with a legend substantially in the following form (in addition to any legend required by applicable state securities or “blue sky” laws):

“THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.”

(c) The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an “accredited investor” as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser’s expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are subject to registration, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder.

(d) So long as the Company has received written representations from such Purchaser as reasonably requested by the Company in connection with such legend removal (which shall not include representations with respect to the sale of any securities), certificates evidencing the Notes and Warrant Shares shall not contain any legend (including the legend set forth in Section 6.1(b) hereof), (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Notes and Warrant Shares pursuant to Rule 144, (iii) if such Notes and Warrant Shares are eligible for sale under Rule 144, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall cause its counsel to issue a legal opinion to its transfer agent promptly after the effective date of any registration statement filed in connection with this Agreement if required by its transfer agent to effect the removal of the legend hereunder, subject to the Company receiving written representations from such Purchaser as reasonably requested by the Company in connection with such legend removal (which shall not include representations with respect to the sale of any securities). If such Notes and Warrant Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144, or if the Notes and Warrant Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Notes and Warrant Shares or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Notes and Warrant Shares shall be issued free of all legends, subject to the Company receiving written representations from such Purchaser as reasonably requested by the Company in connection with such legend removal (which shall not include representations with respect to the sale of any securities). The Company agrees that following the effective date of any registration statement filed in connection with this Agreement or at such time as such legend is no longer required under this Section 6.1(d), it will, no later than three Trading Days following the delivery by a Purchaser to the Company or its transfer agent of a certificate representing Notes and Warrant Shares, as the case may be, issued with a restrictive legend (such third Trading Day, the “Legend Removal Date”), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends, subject to the Company receiving written representations from such Purchaser as reasonably requested by the Company in connection with such legend removal (which shall not include representations with respect to the sale of any securities). The Company may not make any notation on its records or give instructions to the transfer agent that enlarge the restrictions on transfer set forth in this Section 6.1(d). Certificates for Securities subject to legend removal hereunder shall be transmitted by the transfer agent to the Purchaser by crediting the account of the Purchaser’s prime broker with the Depository Trust Company System as directed by such Purchaser.

(e) In addition to such Purchaser’s other available remedies, subject to the Company receiving written representations from such Purchaser as reasonably requested by the Company in connection with such legend removal (which shall not include representations with respect to the sale of any securities), the Company shall pay to a Purchaser, in cash, if the Company fails to (i) issue and deliver (or cause to be delivered) to a Purchaser by the Legend Removal Date a certificate representing the Securities so delivered to the Company by such Purchaser that is free from all restrictive and other legends or (ii) if after the Legend Removal Date such Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of shares of Common Stock equal to all or any portion of the number of shares of Common Stock that such Purchaser anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of such Purchaser’s total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the “Buy-In Price”) over the product of (A) such number of Underlying Shares that the Company was required to deliver to such Purchaser by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by such Purchaser to the Company of the applicable Securities (as the case may be) and ending on the date of such delivery and payment under this clause (ii).

(f) Each Purchaser, severally and not jointly with the other Purchasers, agrees with the Company that such Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 6.1(f) is predicated upon the Company's reliance upon this understanding and is subject to the Company receiving written representations from such Purchaser as reasonably requested by the Company in connection with such legend removal (which shall not include representations with respect to the sale of any securities).

(g) At any time during the period commencing from the six (6) month anniversary of the date of this Agreement, if the Company shall fail for any reason to satisfy the current public information requirements under Rule 144(c) (a "Public Information Failure"), then, in addition to each Purchaser's other available remedies, the Company shall pay to each Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to one quarter of one percent (0.25%) of the aggregate Purchase Price of each such Purchaser's Securities on the day of a Public Information Failure and such amount on each day thereafter until the date such Public Information Failure is cured. The payments to which a Purchaser shall be entitled pursuant to this Section 6.1(g) are referred to herein as "Public Information Failure Payments." For purposes hereof, a "Public Information Failure" shall not be deemed to have occurred or be continuing during any Rule 12b-25 extension period for any annual, quarterly or other report required to be filed by the Company with the Commission unless a Purchaser is not permitted to sell Common Stock pursuant to Rule 144, counsel for the Company will not provide any required Rule 144 legal opinions, or an effective registration statement is not available during such extension period. Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred, and (ii) the third (3rd) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of one half of one percent (0.50%) per month (prorated for partial months) until paid in full. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Public Information Failure, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

## ARTICLE VII

### Indemnification

Section 7.1 General Indemnity. The Company agrees to indemnify and hold harmless the Purchasers (and their respective directors, officers, managers, partners, members, shareholders, affiliates, agents, successors and assigns) from and against any and all losses, liabilities, deficiencies, costs, damages and expenses (including, without limitation, reasonable attorneys' fees, charges and disbursements) incurred by the Purchasers as a result of any breach of the representations, warranties or covenants made by the Company herein. In no event shall any Indemnified Party (as defined below) be entitled to recover consequential or punitive damages resulting from a breach or violation of this Agreement.

Section 7.2 Indemnification Procedure. Any party entitled to indemnification under this Article VII (an “Indemnified Party”) will give written notice to the indemnifying party of any matters giving rise to a claim for indemnification; provided, that the failure of any party entitled to indemnification hereunder to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Article VII except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any action, proceeding or claim is brought against an Indemnified Party in respect of which indemnification is sought hereunder, the indemnifying party shall be entitled to participate in and, unless in the reasonable judgment of the Indemnified Party a conflict of interest between it and the indemnifying party may exist with respect of such action, proceeding or claim, to assume the defense thereof with counsel reasonably satisfactory to the Indemnified Party. In the event that the indemnifying party advises an Indemnified Party that it will contest such a claim for indemnification hereunder, or fails, within thirty (30) days of receipt of any indemnification notice to notify, in writing, such person of its election to defend, settle or compromise, at its sole cost and expense, any action, proceeding or claim (or discontinues its defense at any time after it commences such defense), then the Indemnified Party may, at its option, defend, settle or otherwise compromise or pay such action or claim. In any event, unless and until the indemnifying party elects in writing to assume and does so assume the defense of any such claim, proceeding or action, the Indemnified Party’s costs and expenses arising out of the defense, settlement or compromise of any such action, claim or proceeding shall be losses subject to indemnification hereunder. The Indemnified Party shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party, which relates to such action or claim. The indemnifying party shall keep the Indemnified Party fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. If the indemnifying party elects to defend any such action or claim, then the Indemnified Party shall be entitled to participate in such defense with counsel of its choice at its sole cost and expense. The indemnifying party shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall be liable for any settlement if the indemnifying party is advised of the settlement but fails to respond to the settlement within thirty (30) days of receipt of such notification. Notwithstanding anything in this Article VII to the contrary, the indemnifying party shall not, without the Indemnified Party’s prior written consent, settle or compromise any claim or consent to entry of any judgment in respect thereof which imposes any future obligation on the Indemnified Party or which does not include, as an unconditional term thereof, the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect of such claim. The indemnity agreements contained herein shall be in addition to (a) any cause of action or similar rights of the Indemnified Party against the indemnifying party or others, and (b) any liabilities the indemnifying party may be subject to pursuant to the law.

## ARTICLE VIII

### Miscellaneous

Section 8.1 Fees and Expenses. Except as otherwise set forth in this Agreement and the other Transaction Documents, each party shall pay the fees and expenses of its advisors, counsel, accountants and other experts, if any, and all other expenses, incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement.

Section 8.2 Specific Enforcement; Consent to Jurisdiction.

(a) The Company and the Purchasers acknowledge and agree that irreparable damage may occur in the event that any of the provisions of this Agreement or the other Transaction Documents were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties may be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement or the other Transaction Documents and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which any of them may be entitled by law or equity.



(b) Each of the Company and the Purchasers (i) hereby irrevocably submits to the exclusive jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in New York county for the purposes of any suit, action or proceeding arising out of or relating to this Agreement or any of the other Transaction Documents or the transactions contemplated hereby or thereby and (ii) hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such court, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. Each of the Company and the Purchasers consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 8.2 shall affect or limit any right to serve process in any other manner permitted by law. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

Section 8.3 Entire Agreement; Amendment. This Agreement and the other Transaction Documents contains the entire understanding and agreement of the parties with respect to the matters covered hereby and, except as specifically set forth herein or in the Transaction Documents, neither the Company nor any of the Purchasers makes any representations, warranty, covenant or undertaking with respect to such matters and they supersede all prior understandings and agreements with respect to said subject matter, all of which are merged herein. No provision of this Agreement may be waived or amended other than by a written instrument signed by the Company and the holders of over fifty percent (50%) of the Notes then outstanding (the “Majority Holders”), and no provision hereof may be waived other than by a written instrument signed by the party against whom enforcement of any such waiver is sought. No such amendment shall be effective to the extent that it applies to less than all of the holders of the Shares then outstanding. No consideration shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of any of this Agreement unless the same consideration is also offered to all of the parties to this Agreement.

Section 8.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via electronic mail (“Email”) at the Email address set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via Email at the Email address set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2<sup>nd</sup>) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

Section 8.5 Waivers. No waiver by any party of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provisions, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

Section 8.6 Headings. The section headings contained in this Agreement (including, without limitation, section headings and headings in the exhibits and schedules) are inserted for reference purposes only and shall not affect in any way the meaning, construction or interpretation of this Agreement. Any reference to the masculine, feminine, or neuter gender shall be a reference to such other gender as is appropriate. References to the singular shall include the plural and vice versa.



Section 8.7 Successors and Assigns. This Agreement may not be assigned by a party hereto without the prior written consent of the Company or the Purchasers, as applicable, provided, however, that, subject to federal and state securities laws and as otherwise provided in the Transaction Documents, a Purchaser may assign its rights and delegate its duties hereunder in whole or in part (i) to a third party acquiring all or substantially all of its Securities in a private transaction or (ii) to an affiliate, in each case, without the prior written consent of the Company or the other Purchasers, after notice duly given by such Purchaser to the Company provided, that no such assignment or obligation shall affect the obligations of such Purchaser hereunder and that such assignee agrees in writing to be bound, with respect to the transferred securities, by the provisions hereof that apply to the Purchasers. The provisions of this Agreement shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

Section 8.8 No Third Party Beneficiaries. The Agent shall be the third party beneficiary of the representations and warranties of the Company in Section 3.1 and the representations and warranties of the Purchasers in Section 3.2. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Article VII and this Section 8.8.

Section 8.9 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to any of the conflicts of law principles which would result in the application of the substantive law of another jurisdiction. This Agreement shall not be interpreted or construed with any presumption against the party causing this Agreement to be drafted.

Section 8.10 Survival. The representations and warranties of the Company and the Purchasers shall survive the execution and delivery hereof and the Closing hereunder for a period of eighteen (18) month following the Closing Date.

Section 8.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other parties hereto, it being understood that all parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

Section 8.12 Publicity. The Company agrees that it will not disclose, and will not include in any public announcement, the name of the Purchasers without the consent of the Purchasers unless and until such disclosure is required by law or applicable regulation, and then only to the extent of such requirement.

Section 8.13 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

Section 8.14 Further Assurances. From and after the date of this Agreement, upon the request of any Purchaser or the Company, each of the Company and the Purchasers shall execute and deliver such instrument, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement, the Notes, the Note Warrants, the Warrant Shares, and the other Transaction Documents.

Section 8.15 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding or action for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. For reasons of administrative convenience only, certain Purchasers and their respective counsel have chosen to communicate with the Company through the legal counsel of the Agent. The legal counsel of the Agent does not represent any of the Purchasers and only represents the Agent, which is its client. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Note Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**METASTAT, INC.**

Address for Notice:

By: \_\_\_\_\_  
Name:  
Title:

MetaStat, Inc.  
27 Drydock Ave., 2<sup>nd</sup> Floor  
Boston, MA 02210  
Attention: Douglas A. Hamilton, CEO  
Telephone No.: (617) 531-0870  
Facsimile No. (646) 304-7086  
Email: dhamilton@metastat.com  
With an Email copy to: dschneiderman@metastat.com

With a copy to (which shall not constitute notice):

Loeb & Loeb LLP  
345 Park Avenue  
New York, NY 10154  
Attention: David J. Levine, Esq.  
Telephone No.: 212-407-4923  
Facsimile No.: 212-818-1184  
Email: dlevine@loeb.com

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR PURCHASERS FOLLOWS]

[COMPANY SIGNATURE PAGE TO NOTE PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Note Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: \_\_\_\_\_

*Signature of Authorized Signatory of Purchaser:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Purchaser's Tax I.D. or Social Security Number: \_\_\_\_\_

Email Address of Authorized Signatory: \_\_\_\_\_

Phone Number of Authorized Signatory: \_\_\_\_\_

Address for Notice to Purchaser:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address for Delivery of Securities to Purchaser (if not same as address for notice):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Purchase Price: \$ \_\_\_\_\_

Note Warrants: \_\_\_\_\_

**[PURCHASER SIGNATURE PAGE TO NOTE PURCHASE AGREEMENT]**

**EXHIBIT A  
TO THE NOTE PURCHASE AGREEMENT**

**LIST OF PURCHASERS**

**Close and Closing Date:**

**Name and Address  
of Purchasers**

[\_\_\_\_\_]

**Purchase Price**

\$\_[\_\_\_\_\_]

**Number of Securities Purchased**

Senior Notes: \$\_[\_\_\_\_\_]  
# Note Warrants: [\_\_\_\_\_]

A-1

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**EXHIBIT B-1  
TO THE NOTE PURCHASE AGREEMENT**

**FORM OF SENIOR NOTE**

B-1

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**EXHIBIT B-2  
TO THE NOTE PURCHASE AGREEMENT**

**FORM OF JUNIOR NOTE**

B-2

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**EXHIBIT C  
TO THE NOTE PURCHASE AGREEMENT**

**FORM OF NOTE WARRANT**

C-1

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**EXHIBIT D  
TO THE NOTE PURCHASE AGREEMENT**

**FORM OF EXCHANGE AGREEMENT**

D-1

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**EXHIBIT E  
TO THE NOTE PURCHASE AGREEMENT**

**ESCROW WIRE INSTRUCTIONS**

E-1

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**EXHIBIT F  
TO THE NOTE PURCHASE AGREEMENT**

**CONFIDENTIAL PRIVATE PURCHASER QUESTIONNAIRE**

F-1

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## EXCHANGE AGREEMENT

This EXCHANGE AGREEMENT (this "Agreement") is made effective as of March 30, 2018 (the "Execution Date") by and among MetaStat, Inc., a Nevada corporation (the "Company") and [ ] (the "Investor").

## RECITALS

WHEREAS, the Company and the Investor entered into a securities purchase agreement dated as of December 31, 2014, as amended on March 27, 2015 (the "Series B Purchase Agreement"), pursuant to which the Company issued and sold to the Payee: (i) shares of Series B Convertible Preferred Stock (the "Series B Preferred") with a stated value of \$5,500 per share, which is convertible into shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock") and (ii) five-year warrants to purchase 91,000 shares of Common Stock at \$10.50 per share (the "Series A Warrants") for an aggregate purchase price of \$1,001,000.00;

WHEREAS, the Company and the Investor entered into that certain Exchange Agreement dated January 17, 2017 (the "Exchange Agreement"), pursuant to which the Company issued to the Investor a 10% convertible promissory note (the "Promissory Note"), in the aggregate principal amount of \$1,000,000.00, which is convertible into shares of Common Stock at \$2.00 per share, and having a maturity date of September 30, 2017, in accordance with the terms of the Exchange Agreement;

WHEREAS, Investor is currently the beneficial owner of 226,2941 shares of Series B Preferred plus accrued and unpaid dividends through March 30, 2018 in the amount of \$50,116.00 for an aggregate stated value of \$1,294,900.00 (the "Stated Value");

WHEREAS, Investor is currently the beneficial owner of the Promissory Note in the principal amount of \$1,000,000.00 plus accrued and unpaid interest through March 30, 2018 of \$134,027.00 (the "Principal Balance");

WHEREAS, the Company is currently conducting a private placement (the "Private Placement") pursuant to a note purchase agreement dated on or about March 30, 2018 (the "Note Purchase Agreement") in the form attached hereto as Exhibit A, which consists of (i) senior non-convertible promissory bridge notes (the "Senior Notes"), in the form attached hereto as Exhibit B, (ii) junior non-convertible promissory bridge notes (the "Junior Notes," and together with the Senior Notes, the "Notes"), in the form attached hereto as Exhibit C, and (iii) five-year warrants with an exercise price of \$2.00 per share (the "Note Warrants") to purchase 10,000 shares of Common Stock for every \$100,000 principal amount of Notes, in the form attached hereto as Exhibit D. The shares of Common Stock the Warrants are exercisable into shall be referred to as the "Warrant Shares";

WHEREAS, concurrently, but in no event later than two (2) business days following the Closing (as defined below), the Company shall repay to the Investor \$300,000.00 (the "Cash Payment") of the Principal Balance, leaving \$834,027.00 principal amount of the Promissory Note remaining (the "Note Exchange Balance") for the Exchange (as defined below).

WHEREAS, the Company desires, and the Investor agrees, that the Investor exchange (the "Exchange") the Promissory Note, the Series B Preferred, and the Series A Warrants for the following securities to be issued in the Private Placement: (i) a Senior Note in the aggregate principal amount equal to \$834,027.00 (the Note Exchange Balance), (ii) a Junior Note in the aggregate principal amount equal to \$1,294,900.00 (the Stated Value), and (iii) Warrants to purchase an aggregate of 212,893 shares of Common Stock (the "Note Warrants"), upon the terms and conditions set forth herein and shall be deemed a purchaser under the Note Purchase Agreement;

WHEREAS, each of the Notes, the Note Warrants, and the Warrant Shares is intended to qualify as an exempted security under Section 3(a)(9) or Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act").

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Investor agree as follows:

### ARTICLE I

#### THE EXCHANGE

1.1 Closing. Subject to the terms and conditions set forth in this Agreement, the Company and the Investor shall exchange (i) the Promissory Note in consideration for the issuances of a Senior Note in the aggregate principal amount equal to \$834,027.00 (the Note Exchange Balance) and 83,403 Note Warrants, and (ii) the Series B Preferred and the Series A Warrant in consideration for the issuances of a Junior Note in the aggregate principal amount equal to \$1,294,900.00 (the Stated Value), and 129,490 Note Warrants. The closing of the Exchange and issuance of the Notes and Note Warrants (the "Closing") shall take place at the offices of the Company, 27 Drydock Ave., 2<sup>nd</sup> Floor, Boston, MA 02210 on the date hereof or such other date as the parties shall agree (the "Closing Date").

1.2 Exchange.

(a) Investor Obligations. At the Closing, the Investor shall deliver or promptly cause to be delivered to the Company (i) the original Promissory Note, (ii) the certificates representing the Series B Preferred, or an indemnification undertaking with respect to such certificates in the event of the loss, theft or destruction of such certificates (iii) an executed copy of this Agreement, and (iv) an executed copy of the Note Purchase Agreement and any other related Private Placement documents.

(b) Company Obligations. At the Closing, the Company shall deliver or promptly cause to be delivered to the Investor (i) the Notes, (ii) the Note Warrants, (iii) an executed copy of this Agreement, and (iv) an executed copy of the Note Purchase Agreement and any other related Private Placement documents. Promptly, but in no event later than two (2) business days following the Closing, the Company shall pay the Cash Payment of \$300,000.00 to the Investor, according to written wire instructions provided by the Investor to the Company attached hereto on Exhibit E, or otherwise agreed to by the parties.

(c) Promissory Note, Series B Preferred and Series A Warrant. Effective as of the Closing Date, the Promissory Note, the Series B Preferred and the Series A Warrant shall be deemed automatically canceled and of no further force or effect and shall thereafter represent only the right to receive the Notes and Note Warrants (sometimes collectively referred to herein as the "New Securities"), and the Cash Payment .

### ARTICLE II

#### REPRESENTATIONS AND WARRANTIES

2.1 Investor Representations and Warranties. The Investor hereby represents and warrants to the Company as follows on the Execution Date and the Closing Date:

(a) Organization; Authority. The Investor, if not a natural person, is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The Investor has the requisite power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder. This Agreement has been duly executed by the Investor, and when delivered by the Investor in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Investor, enforceable against it in accordance with its terms.

(b) Ownership of the Promissory Note, Series B Preferred and Series A Warrant. The Investor is the sole owner of the Promissory Note, the Series B Preferred, and the Series A Warrant free and clear of any and all liens, claims and encumbrances of any kind.

(c) Investment Intent. The Investor is acquiring the New Securities as principal for its own account for investment purposes only and not with a view to or for distributing or reselling such New Securities or any part thereof, except pursuant to sales that are exempt from the registration requirements of the Securities Act and/or sales registered under the Securities Act. The Investor does not have any agreement or understanding, directly or indirectly, with any person or entity to distribute the New Securities.

(d) Investor Status. At the time the Investor was offered the New Securities, it was, and at the date hereof it is, an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act. The Investor is not a broker-dealer.

(e) General Solicitation. The Investor is not acquiring the New Securities as a result of or subsequent to any advertisement, article, notice or other communication regarding the New Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(f) Reliance. The Investor understands and acknowledges that (i) the New Securities are being offered and sold to it without registration under the Securities Act in a transaction that is exempt from the registration provisions of the Securities Act, and (ii) the availability of such exemption depends in part on, and the Company will rely upon the accuracy and truthfulness of, the foregoing representations, and the Investor hereby consents to such reliance.

(g) Brokers and Finders. The Investor has no knowledge of any person who will be entitled to or make a claim for payment of any finder fee or other compensation as a result of the consummation of the transactions contemplated by this Agreement.

2.2 Company Representations and Warranties. The Company hereby makes the following representations and warranties to each Investor on the Execution Date and on the Closing Date:

(a) Organization and Qualification. The Company is a corporation incorporated, validly existing and in good standing under the laws of the State of Nevada, with the requisite corporate power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction where the nature of the business it conducts makes such qualification necessary, except where the failure to do so would not have a material adverse effect on the Company.

(b) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and to issue the Notes, the Note Warrants and Warrant Shares, upon exercise of the Note Warrants in accordance with the terms of the Note Warrants and otherwise to carry out its obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and any other agreements and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Company’s Board of Directors, and no further consent or authorization of the Company, its Board of Directors (including any committee thereof) or any class of the Company’s stockholders is required. This Agreement, the Notes, and the Note Warrants have been duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligations of the Company enforceable against the Company, in accordance with their terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors’ rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(c) Issuance of the New Securities. The Notes and the Note Warrants, when issued at the Closing, will be duly authorized, validly issued, fully paid and non-assessable and will be free and clear of all taxes, liens, options or other encumbrances of any nature (except for those imposed under applicable securities laws).

(d) No Conflicts. The execution, delivery and performance of this Agreement, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance and reservation for issuance, as applicable, of the Warrant Shares will not, (i) result in a violation of the certificate of incorporation of the Company (the “Certificate of Incorporation”) or the bylaws of the Company (the “Bylaws”) or (ii) result in a violation of any law, rule, regulation, order, judgment or decree (including United States federal and state securities laws and regulations and rules or regulations of any self-regulatory organizations to which either the Company or its securities are subject) applicable to the Company or by which any property or asset of the Company is bound or affected. The Company is not in violation of its Certificate of Incorporation, Bylaws or other organizational documents. The Company is not in default (and no event has occurred which, with notice or lapse of time or both, would put the Company in default) under, nor has there occurred any event giving others (with notice or lapse of time or both) any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company is a party except for such violations, defaults or events that have had a material adverse effect.

(e) Absence of Certain Changes. Since February 28, 2017, there has been no material adverse change and no material adverse development in the business, properties, operations, prospects, financial condition or results of operations of the Company, except as disclosed in the reports, schedules, forms, statements and other documents (including all financial statements and schedules thereto and all exhibits included therein and documents incorporated by reference therein) required to be filed by the Company with the Securities and Exchange Commission (the “SEC”) pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended, filed before the date hereof. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any bankruptcy or receivership law nor does the Company have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy proceedings with respect to the Company.

(f) Certain Fees. No fees or commissions will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by this Agreement.

### ARTICLE III

#### OTHER COVENANTS

3.1 Securities Laws. The Investor acknowledges that the Notes, Note Warrants and Warrant Shares have not been registered under the Securities Act and may only be disposed of pursuant to an available exemption from or in a transaction not subject to the registration requirements of the Securities Act.

3.2 Restrictive Legend. The Investor agrees to the imprinting of the following legend, or in similar form, on the Notes, Note Warrants and Warrant Shares:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

3.3 Reservation of Shares. The Company shall at all times have authorized and reserved for the purpose of issuance a sufficient number of Warrant Shares.

ARTICLE IV

MISCELLANEOUS

4.1 Fees and Expenses. Except as set forth in this Section 4.1, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all stamp and other taxes and duties levied in connection with the issuance of the New Securities.

4.2 Entire Agreement; Amendments. This Agreement together with the exhibits and schedules hereto, dated as of the Execution Date, contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

4.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email at the email address specified in this Section prior to 6:00 p.m. (New York City time) on a business day, against electronic confirmation thereof, (ii) the business day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email at the email address specified in this Agreement later than 6:00 p.m. (New York City time) on any date, against electronic confirmation thereof, (iii) the business day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company: MetaStat, Inc.  
27 Drydock Ave., 2nd Floor  
Boston, MA 02210  
Facsimile No.: (646) 304-7086  
Email: dschniederma@metastat.com  
Attn: Daniel Schneiderman

With copies to (which shall not constitute notice): Loeb & Loeb LLP  
345 Park Ave.  
New York, NY 10154  
Facsimile No.: (212) 898-1184  
Email: dlevine@loeb.com  
Attn: David Levine

If to the Investor: [ ]  
[ ]  
[ ]  
Attention: [ ]  
Tel. No.: [ ]  
Fax No.: [ ]  
Email: [ ]

or such other address as may be designated in writing hereafter, in the same manner, by such person or entity.

4.4 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and by the Investor. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

4.5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.





4.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Investor may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Company.

4.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person or entity.

4.8 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. The Company and the Investor irrevocably consent to the jurisdiction of the United States federal courts and state courts located in the State of New York in any suit or proceeding based on or arising under this Agreement and irrevocably agree that all claims in respect of such suit or proceeding may be determined in such courts.

4.9 Survival. The representations and warranties contained herein shall survive until the expiration of the first anniversary following the Closing. The agreements and covenants contained herein shall survive the Closing and the delivery of the New Securities until the expiration of the applicable statute of limitations (if any) therefor.

4.10 Execution. This Agreement may be executed in one or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that all parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or a scanned copy via electronic mail, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile or scanned signature page were an original thereof.

4.11 Severability. In case any one or more of the provisions of this Agreement shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision which shall be a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

4.12 Further Assurances. The parties hereto agree that each shall execute and deliver any and all further agreements, instruments, certificates and other documents, and shall take any and all action, as any of the parties hereto may reasonably deem necessary or desirable in order to carry out the intent of the parties to this Agreement.

4.13 Attorneys' Fees. If either party shall commence an action or proceeding to enforce any provisions relating to the obligations to close the transactions contemplated by this Agreement prior to the Closing, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

*[signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Exchange Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**COMPANY:**

**METASTAT, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**INVESTOR:**

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Exchange Agreement]

**Exhibit A**

[Form of Note Purchase Agreement]

**Exhibit B**

[Form of Senior Note]

**Exhibit C**

[Form of Junior Note]

**Exhibit D**

[Form of Note Warrant]

**Exhibit E**

[Wire Instructions]