

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
ASSURE HOLDINGS CORP.**

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

3841
(Primary Standard Industrial
Classification Code Number)

82-2726719
(I.R.S. Employer
Identification Number)

**4600 South Ulster Street, Suite 1225
Denver, Colorado 80237
Telephone: 720-287-3093**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Corporation Trust Company of Nevada
701 S Carson Street, Suite 200
Carson City, NV 89701
Telephone: 888-724-9870**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**Kenneth Sam
Dorsey & Whitney LLP
1400 Wewatta Street, Suite 400
Denver, CO 80202
Telephone: (303) 629-3445**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement, as determined by market and other conditions.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer:
Non-accelerated filer:

Accelerated filer:
Smaller reporting company:
Emerging Growth Company:

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount To Be Registered ⁽¹⁾	Proposed Maximum Offering Price Per Share ⁽²⁾	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee ⁽³⁾
Common Stock, \$0.001 par value	16,357,703	\$ 1.06	\$ 17,339,165	\$ 1,892
Common Stock, \$0.001 par value, underlying Warrants	16,357,703	\$ 1.06	\$ 17,339,165	\$ 1,892
Total:	32,715,406		\$ 34,678,330	\$ 3,784

(1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the "Securities Act"), there are also being registered hereby an additional indeterminate number of shares of the Registrant's common stock, \$0.001 par value per share, as may become issuable to the selling stockholders as a result of stock splits, stock dividends and similar transactions, and, in any such event, the number of shares registered hereby shall be automatically increased to cover the additional shares.

(2) Estimated in accordance with Rule 457(c) under the Securities Act, solely for the purpose of calculating the registration fee, based on the average of the high and low closing prices of the Registrant's common stock on December 29, 2020, as reported on the OTCQB[®] Venture Market (the "OTCQB").

(3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to \$109.10 per \$1,000,000 of the proposed maximum aggregate offering price.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.

Subject to completion. Dated December 30, 2020.

PRELIMINARY PROSPECTUS



32,715,406 SHARES OF COMMON STOCK

This prospectus relates to the offering and resale by the selling stockholders identified herein of up to 32,715,406 shares of common stock issued or issuable to such selling stockholders, including 16,357,703 shares of common stock issuable upon the exercise of outstanding warrants. The selling stockholders acquired their shares of common stock and warrants from us in December 2020 as part of private placement of common stock and warrants. Please see “*Description of Private Placement*” beginning on page 85 of this prospectus.

We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. Upon the cash exercise of the warrants, we will receive the exercise price of such warrants, for an aggregate of approximately \$12.8 million.

The selling stockholders may sell all or a portion of the shares of common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. Please see the section entitled “*Plan Of Distribution*” on page 90 of this prospectus for more information. For a list of the selling stockholders, see the section entitled “*Selling Stockholders*” on page 87 of this prospectus. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

Our common stock is quoted on the OTCQB under the symbol “ARHH” and on the TSX Venture Exchange (the “TSX-V”) under the symbol “IOM.” On December 29, 2020, the closing price per share of our common stock as quoted on the OTCQB was \$1.09 per share and as traded on the TSX-V was CDN\$1.30 per share.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read the entire prospectus and any amendments or supplements carefully before you make your investment decision.

Investing in our securities involves risks. You should carefully read the “*Risk Factors*” beginning on page [12](#) of this prospectus before investing.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read the entire prospectus and any amendments or supplements carefully before you make your investment decision.

Neither the Securities and Exchange Commission nor any other regulatory commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2020.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus or contained in any prospectus supplement or free writing prospectus filed with the Securities and Exchange Commission (the “**SEC**”). Neither we nor the selling stockholders have authorized anyone to provide you with additional information or information different from that contained in this prospectus filed with the SEC. The selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: Neither we nor the selling stockholders have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

As used in this prospectus, unless otherwise designated, the terms “**we**,” “**us**,” “**our**,” the “**Company**,” “**Assure**” and “**our Company**” refer to Assure Holdings Corp., a Nevada corporation, and its subsidiaries.

Unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to “**CS**” or “**CDNS**” refer to Canadian dollars and all references to “**common shares**” and “**shares**” refer to the common shares in our capital stock, unless otherwise indicated.

Assure Holdings Corp., the Assure logo and other trademarks or service marks of Assure appearing in this prospectus are the property of Assure or its subsidiaries. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

As a company with less than \$1.07 billion in revenue during our most recently completed fiscal year, we qualify as an “*emerging growth company*” as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other exemptions from requirements that are otherwise applicable to public companies that are not emerging growth companies. These provisions include:

- reduced disclosure about our executive compensation arrangements;
- exemptions from non-binding shareholder advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than \$1.07 billion in annual revenues as of the end of a fiscal year, if we are deemed to be a large-accelerated filer under the rules of the SEC or if we issue more than \$1.0 billion of non-convertible debt over a three-year period.

EXCHANGE RATE INFORMATION

Unless stated otherwise, all dollar amounts are in United States dollars. Certain dollar amounts are expressed in Canadian dollars (“Cdn\$”).

The annual average exchange rates for Canadian dollars in terms of the United States dollar for each of the two years in the period ended December 31, 2019, as quoted by the Bank of Canada, were as follows:

Year ended December 31	
2019	2018
Cdn\$1.3269	Cdn\$1.2957

On December 29, 2020, the daily rate for United States dollars in terms of the Canadian dollar, as quoted by the Bank of Canada, was US \$1.00 = Cdn\$1.2806

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This registration statement and the documents that are incorporated herein by reference contain certain forward-looking statements within the meaning of Canadian and United States securities laws, including the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements include all statements that do not relate solely to historical or current facts and may be identified by the use of words including, but not limited to the following; “may,” “believe,” “will,” “expect,” “project,” “estimate,” “anticipate,” “plan,” “continue,” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. These forward-looking statements are based on the Company’s current plans and expectations and are subject to a number of risks, uncertainties and other factors which could significantly affect current plans and expectations and our future financial condition and results. These factors, which could cause actual results, performance and achievements to differ materially from those anticipated.

You should read this prospectus completely and with the understanding that actual future results may materially differ from expectations set forth in forward looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof, when evaluating the information presented in this registration statement or our other disclosures because current plans, anticipated actions, and future financial conditions and results may differ from those expressed in any forward-looking statements made by or on behalf of the Company.

We have not undertaken any obligation to publicly update or revise any forward-looking statements. All of our forward-looking statements speak only as of the date of the document in which they are made or, if a date is specified, as of such date. Subject to mandatory requirements of applicable law, we disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in expectations or any changes in events, conditions, circumstances or information on which the forward-looking statement is based. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the risk factors set forth in the section entitled “*Risk Factors*” in this prospectus.

SUMMARY OF RISK FACTORS

We and our business are subject to material risks, which could cause actual results, performance and achievements to differ materially from those anticipated, and the risk factors set forth in the section entitled “*Risk Factors*” beginning on page 12 of this prospectus. These risks can be summarized as follows:

Business Related Risks

- Our business and operations are subject to risks and uncertainty surrounding the future spread of COVID-19 and related variants as well as the potential impact that these may have on our future operations.
- We have incurred operating losses in some of our historical periods and we could incur additional losses until we successfully integrate acquired practices, improve collections for procedures and reduce operating expenses.
- We may need to raise additional funds to finance our operations and our expansion and growth plans; we may not be able to do so when necessary, and/or the terms of any financings may not be advantageous to us.
- Our business is not highly diversified and approximately 90% of our case volume is currently concentrated in Colorado, Louisiana and Texas where we are susceptible to local and regional fluctuations in demand for our service, downturns in the economy, adverse weather conditions, changes in local or state regulations, and other localized market changes.
- We face significant competition from other healthcare providers for patients, physicians, nurses and technical staff. Some of our competitors are larger and have longstanding and well-established relationships with physicians and third party payors in the community.

- We have a forbearance in connection with a formal notification from Central Bank & Trust, a part of Farmers & Stockmens Bank, related to our loan and credit facility, which alleged an event of default. We are in the process of negotiating revisions to our term loan and operating line with Central Bank.
- The operating and financial restrictions and covenants in our loan agreement with Central Bank may adversely affect our ability to finance future operations or capital needs or to engage in other business activities, including acquisition activities and organic growth and expansion.
- Our founder and director, Preston Parsons, is our single largest shareholder and beneficially owns approximately 22 million shares or 38.3% of our issued and outstanding shares of common stock. Mr. Parsons has the ability to influence the outcome of matters submitted to our shareholders for approval.
- Certain institutional investors beneficially own more than 5% of our issued and outstanding shares of common stock and may be able to influence the outcome of matters submitted to our shareholders for approval or propose changes that may disrupt our business.
- Our development will depend on the efforts of key management, key personnel and our relationships with medical partners in the surgical industry, and the loss of any of these people and partnerships, particularly to competitors, could have a material adverse effect on our business.
- We depend on payments from third party payors, including private insurers, managed care organizations and hospitals, which may cause fluctuations in our revenue and delays and uncertainties in the reimbursement rate and the timing of reimbursement.
- Value-based purchasing initiatives of both governmental and private payors tying financial incentives to quality and efficiency of care will increasingly affect the results of operations of hospitals and other health care facilities where we operate and may negatively impact our revenues.
- Public scrutiny of the intraoperative neuromonitoring industry in general could have a material adverse effect on our business and results of operations.
- Accounting adjustments due to changes in circumstances or estimates may require us to write off accounts receivables or write down intangible assets, such as goodwill, may have a material impact on our financial reporting and results of operations.
- Our business strategy has been to grow through expansion. Our efforts to execute our acquisition strategy may be affected by our ability to identify suitable candidates and negotiate and close acquisition transactions on acceptable terms.
- Our success, in large part, is dependent upon referrals to our physicians from other physicians, systems, health plans and others in the communities in which we operate, and upon our medical staff's ability to maintain good relations with these referral sources.
- We may be involved in lawsuits, claims, audits and investigations, including those arising out of services provided, personal injury claims, professional liability claims, billing and marketing practices, employment disputes and contractual claims.
- We are subject to rising costs, including malpractice insurance premiums or claims may adversely affect our business.
- Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.
- There is currently a shortage of certified, interoperative neurophysiologists in the United States.

Healthcare Industry Regulatory Risks

- The health care industry is heavily regulated, and we are required to comply with extensive and complex laws and regulations at the federal, state and local government levels. These regulations include:
 - Anti-Kickback Statute, a provision of the Social Security Act of 1972
 - Stark Law, 42 U.S.C. 1395nn, also known as the physician self-referral law

- Health Insurance Portability and Accountability Act of 1996
- Affordable Care Act
- Health Care and Education Reconciliation Act of 2010
- Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)
- If we fail to comply with applicable laws and regulations, we could suffer penalties or be required to make significant changes to our operations.
- As a healthcare provider, we are subject to professional liability claims both directly via our IONP staff and indirectly through the malpractice of our reading partners and surgical partners.
- Political and regulatory changes, including insurance options, billing restrictions, patient rights and reimbursement regulation, may have a negative impact on the healthcare industry and our business.

Risk Related to our Stock

- We qualify as an “emerging growth company” under the JOBS Act. As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements.
- Broad market and industry factors may affect the price of our common shares, regardless of our actual operating performance.
- Our common stock is defined as “penny stock” under the Exchange Act, and the rules promulgated thereunder.
- Our common stock is listed in Canada on the TSX-V and quoted on the OTCQB, but we are not listed on any national securities exchange.
- The issuance of shares of common stock upon exercise of outstanding warrants could result in substantial dilution to our stockholders, which may have a negative effect on the price of our common stock.

The foregoing is a summary of significant risk factors that we think could cause our actual results to differ materially from expected results. However, there could be additional risk factors besides those listed herein that also could affect us in an adverse manner. You should read the risk factors set forth in the section entitled “*Risk Factors*” beginning on page 12 of this prospectus.

POTENTIAL IMPACT OF THE COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. Since then, the COVID-19 coronavirus has spread to over 150 countries and every state in the United States. On January 30, 2020, the World Health Organization declared the outbreak of coronavirus a “Public Health Emergency of International Concern.” On March 11, 2020, the World Health Organization declared the outbreak a pandemic, and on March 13, 2020, the United States declared a national emergency. The spread of the virus in many countries continues to adversely impact global economic activity and has contributed to significant volatility and negative pressure in financial markets and supply chains. The pandemic has had, and could have a significantly greater, material adverse effect on the U.S. economy where we conduct a majority of our business. The pandemic has resulted, and may continue to result for an extended period, in significant disruption of global financial markets, which may reduce our ability to access capital in the future, which could negatively affect our liquidity.

Operations related to the support of surgical procedures may experience a delay in implementation due to the pandemic, including delays and cancellations of elective procedures.

The COVID-19 pandemic may also impact our workforce, supply chains or distribution networks or otherwise impact our ability to restock our medical device and supply inventories and depending upon the severity of the COVID-19 coronavirus’ continued spread in the United States and other countries, we may experience disruptions that could severely impact our business, including:

- limitation of company operations, including work from home policies and office closures;

- one or more key officers and/or employees could be personally affected by the virus;
- delays or difficulties in scheduling of surgical procedures that use our services;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site staff;
- diversion of healthcare resources away from the elective surgeries, including the diversion of hospitals facilities and hospital staff;
- interruptions due to limitations on travel imposed or recommended by federal or state governments, employers and others; and
- limitations in employee resources that would otherwise be focused on our business, due to sickness of employees or their families or the desire of employees to avoid contact with large groups of people.
- could impact the timing of reimbursement from commercial insurance companies.

The global outbreak of the COVID-19 coronavirus continues to rapidly evolve. In early December 2020, authorities in the United Kingdom reported mutations of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), which may indicate that the virus is replacing older versions of the virus and may increase the ability to infect cells.

On December 11, 2020, the U.S. Food and Drug Administration ("FDA") issued the first emergency use authorization ("EUA") for a vaccine developed by Pfizer-Bio Tech for the prevention of COVID-19 caused SARS-CoV-2 in individuals 16 years of age and older. On December 18, 2020, FDA issued EUA for a second vaccine for the prevention of COVID-19 developed by Moderna, Inc. Other vaccine manufacturers are anticipated to receive FDA approval for additional vaccines. The emergency use authorizations allow the vaccines to be distributed in the U.S. While clinical trials of the vaccines demonstrated a high degree of effectiveness, there remains uncertainty as to the effectiveness of the vaccines outside clinical trials, the timing of the rollout of the vaccines, the immunization and acceptance rate, potential side effects of the vaccines, potential mutation of COVID-19 in response to the vaccines and other risks and uncertainties.

The extent to which the COVID-19 coronavirus may continue to impact our business and our profitability and growth will depend on future developments to combat COVID-19, which are highly uncertain and cannot be predicted with confidence, such as the effectiveness of vaccines, the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

Health & Safety Measures Assure has taken include:

- cancellation of all non-essential travel;
- indefinite work from home policy for all employees not engaged in on-site medical facility activities;
- mandatory self-quarantine for anyone who has experienced any flu-like symptoms or has had contact with anyone believed to have been exposed to COVID-19; and
- capital and financial measures to increase cash position and preserve financial flexibility.

Significant uncertainty remains as to the potential impact of the COVID-19 pandemic on our operations, and on the global economy as a whole. However, the COVID-19 pandemic has had an immediate negative impact on our business and services revenue in 2020, which may continue 2021.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. Before making an investment decision, you should read the entire prospectus carefully, including the sections entitled “*Risk Factors*,” “*Caution Regarding Forward-Looking Statements*,” “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and in our consolidated financial statements and notes thereto.

In this prospectus, unless we indicate otherwise or the context requires, “Assure,” “company,” “our company,” “the company,” “we,” “our,” “ours” and “us” refer to Assure Holdings Corp. and its consolidated subsidiaries.

Our Business

Assure provides surgeons and hospitals with a comprehensive suite of Intraoperative Neurophysiological Monitoring (“**IONM**”) services. IONM has been well established as a standard of care for over 20 years as a risk mitigation tool during invasive surgeries such as neurosurgery, spine, ear, nose, and throat, cardiovascular, and other surgical procedures that place the nervous system at risk. We train and employ a board certified intraoperative neurophysiological staff who utilize state-of-the-art commercially available, medical equipment for our procedures that occur in an operating room. We also use third party neurologists/readers in a telehealth capacity.

History of IONM

Hans Berger, a German Psychiatrist, first reported EEG tracings in humans in 1928, but it was not until 1935 that O. Foerster and H. Altenberger first utilized EEG in the operative suite. Wilder Penfield, an American-Canadian neurosurgeon, is the first person credited with actively utilizing EEG in the form of ECoG to localize and surgically treat epilepsy (1951). Penfield is also credited with identifying and expanding the methods and techniques for mapping the functions of the brain. Still to this day we utilize the techniques that Dr Penfield pioneered to localize and map functional areas of the brain during different brain surgeries.

In the early 1970 with the development of more advanced spinal instrumentation and aggressive surgical techniques for the treatment of severe spinal deformities, created a need for intraoperative spinal cord monitoring. Up to this point, all the intraoperative monitoring had been for brain surgeries. In 1974, the Scoliosis Research Society found in the 7,800 scoliosis operations utilizing Harrington instrumentation, 87 patients developed severe spinal cord lesions. At the time the most widely utilized form of spinal cord function monitoring was to wake the patient up on the surgical table after the instrumentation had been placed and ask them to move their legs and feet. If the patient was able to move their legs and feet appropriately, the wake up test was deemed a success, the patient was then put back under anesthesia to finish the remainder of the surgery. If the patient failed the wake up test, the patient was put back to under anesthesia, and the surgeon revised the instrumentation and again attempted another wake up test. Waking the patient up intraoperatively, is a risky and time consuming procedure that is wholly imperfect as it only tests the motor aspect of the spinal cord, necessitating the development of methodologies for monitoring the spinal cord function throughout scoliosis correction surgery, reducing the need for intraoperative wake up tests. Also in the 1970s evoked potentials were being widely used in clinical diagnostic applications. C.L. Nash and his colleagues are credited with first looking at the utility of Somatosensory evoked potential monitoring as a measure of spinal cord function on patients that underwent scoliosis correction. In the 1980s neurosurgeons started utilizing current to directly stimulate the motor cortex of the brain and recording the resulting motor potential from the spinal cord. Then in the 1990s, surgeons and technologists found that stimulating the motor cortex through the scalp using higher amounts of current would allow for a less invasive way of monitoring the corticospinal motor pathways intraoperatively during spine surgeries. Other surgical disciplines looked at the utility and the neuroprotective measures that were occurring in the neurosurgical and orthopedic spine surgical discipline and have adapted IONM monitoring strategies to help reduce the post-operative neurological deficits noted within their discipline.

All in all the field of IONM was built off the backs of Neurosurgeons and Spine surgeons looking for ways to improve patient outcomes and reduce the need for intraoperative wake up tests. Today the field intraoperative neuromonitoring utilizes a multimodality (multiple test) methodology to provide neuroprotective measures for not only neurosurgery, spine surgery but vascular, ENT, genitourinary and general orthopedic surgeries.

Our Services and Expertise

Assure offers a turnkey full suite of IONM services from scheduling of the Interoperative Neurophysiologist (“INP”) and supervising practitioner, real time monitoring, patient advocacy and subsequent billing for the services. Assure strives to pair a surgeon with a team of Intraoperative Neurophysiologists in order to promote a level of familiarity, comfort and efficiency between the Surgeon and the INP. During each procedure we provide two types of services, Technical and professional IONM. Our in-house intraoperative neurophysiologists provide Technical IONM services during the procedure in the operating room, while third party neurologists/readers provide the Professional IONM component in a telehealth capacity. The Professional IONM services are primarily provided via Managed Service Agreements (“MSAs”) with surgeons or through agreements with Professional Entities (“PEs”). These PEs are contracted with neurologists/readers to provide IONM coverage in a telehealth capacity as a level of redundancy and risk mitigation in addition to the onsite technical services. Collectively, the technical and professional IONM services offered and rendered provide a turnkey platform to help make surgeries safer.

Our Markets

We primarily engage in the neuromonitoring of neurosurgeries, spinal procedures, ear, nose and throat (“ENT”) and vascular surgeries. Assure provides IONM services for approximately 131 surgeons in 66 hospitals and surgery centers (which we refer to as “**Procedure Facilities**”) located in: Colorado, Texas, Louisiana, Pennsylvania, Michigan, South Carolina, Arizona, and Utah. We have grown the number of IONM cases from 754 in 2016 to 6,745 for the 9 months ended September 30, 2020. This growth was realized through organic growth and the acquisition of Neuro-Pro Monitoring in the Dallas/Fort Worth market.

Neurophysiological staff

Assure currently employs 57 specialized IONM Interoperative Neurophysiologist that are board certified CNIM or board eligible CNIM by ABRET, an internationally recognized credentialing and accreditation institution. Assure Interoperative Neurophysiologists adhere to strict internal protocols and procedures that exceed the industry standards.

Assure has developed an in-house Intraoperative Neurophysiologist Fellowship program. This Fellowship program will train new INPs from start to board certification, allowing for consistently high caliber well trained professional INPs for placement into emerging and growing markets. Training and developing our own talent pool allow for more flexible scalability.

Strategy

Our strategy focuses on utilizing best of class personnel and partners to deliver outcomes that are beneficial to all stakeholders including patients, surgeons, hospitals, insurers, and shareholders. Our goal is to establish Assure as the premier provider of IONM services by offering a value-added platform that handles every component from scheduling, case coverage, patient advocacy, billing and collections.

Expansion into other areas for growth

The expansion into additional surgical verticals is part of our growth strategy. By applying our neuromonitoring platform to additional surgical verticals such as ear nose and throat, orthopedic and others, the addressable market for our service can be greatly expanded.

Management & Board of Directors

Our management team has significant industry expertise, an unwavering commitment to operational excellence and a proven track record of performance. Our culture of accountability runs throughout the entire organization and has contributed meaningfully to our success. Our management team is supported by team members with experience in operations management, business acquisitions and business integration. Our team brings extensive experience and is highly skilled at recognizing and acting upon market expansion opportunities. Our thoughtful approach to mergers and acquisition transactions has enabled the successful

integration of Neuro-Pro. Further, we are disciplined in our capital deployment strategy, focused on operational efficiencies, profitable expansion and revenue growth.

Over the past 24 months, Management and the Board have developed a culture of accountability and transparency and developed values which are meant to align and drive behavior across our organization. Our core values are: patient centric, integrity, teamwork, never satisfied, entrepreneurial, continuous improvement.

Medical Monitoring Advisory Committee

The Medical Monitoring Advisory Committee, is responsible for assisting the Board in (i) establishing best practices related to the Company's, including its subsidiaries, performance of services, (ii) continually evolving and refining techniques, process and procedures to ensure the highest quality of services, (iii) understanding how technology and equipment can be used and implemented to ensure the highest quality of services, and (iv) making recommendations to the Board on matters delegated to it by the Board from time to time. It is the intention of the Board that the Medical Monitoring Advisory Committee be comprised, in part, of medical professionals who can assist the Company with establishing, through research, development, and implementation of best practices and technology advancements, processes and operational infrastructure aimed at increasing the rate of successful outcomes in patient cases as a result of the use of intraoperative monitoring.

Currently, our Medical Monitoring Advisory Committee consists of Dr. Rumana (Chair), Mr. Summer, and Mr. Parsons.

Accreditation

In 2019, Assure earned The Joint Commission's Surgical Ambulatory Health Care Accreditation. Only the premier providers of IONM companies have achieved this nationally recognized quality indicator.

Capitalization

We have financed our capital and cash requirements primarily from revenues generated from services, using a bank facility and line of credit, receiving a loan from the Paycheck Protection Program, and issuing convertible debentures, common stock and warrants in private placement offerings. Our ability to maintain the carrying value of our assets and become profitable is dependent on successfully marketing our services, maintaining future profitable operations, improving our billing and collections processes, successfully negotiating pricing and payment arrangements with payors and maintaining our network of providers, the outcome of which cannot be predicted at this time. We intend to grow our operations by developing additional PE relationships and directly contracting with hospitals and surgery centers for services. In the future, we anticipate that it may be necessary for us to raise additional funds for the continuing development of our business strategy.

Principal Stockholders

As of the date of this prospectus, our founder and director, Preston Parsons, directly or indirectly, owns 20,876,240 shares of common stock and 156,250 warrants and options exercisable to acquire 1,000,000 shares of common stock, which in aggregate totals 22,032,490 shares of common stock (assuming full exercise of his warrants and options) or beneficial ownership of 38.3% of our issued and outstanding shares of common stock. Of the shares of common stock beneficially owned by Mr. Parsons, 3,300,000 shares were issued under a restricted stock grant agreement and are subject to forfeiture, which shares will vest on December 31, 2021 or earlier upon satisfaction of certain conditions. Mr. Parsons is our single largest shareholder and a control person for the purposes of Canadian and U.S. securities law. As a result, Mr. Parsons has the ability to influence the outcome of matters submitted to our shareholders for approval.

As of the date of this prospectus, certain institutional investors beneficially own more than 5% of our issued and outstanding shares of common stock, including the following Selling Shareholders named in this prospectus Manchester Explorer, L.P., Special Situations Fund III QP, L.P., Special Situations Life Sciences Fund, L.P. and Special Situations Private Equity Fund, L.P. As a result, these institutional investors have the ability to influence the outcome of matters submitted to our shareholders for approval.

Corporate Information and Structure

Assure Holdings Corp.

Assure Holding Corp. (“**Assure Holdings Corp.**”), formerly Montreux Capital Corp (“**Montreux**”), formed under the British Columbia Business Corporations Act in British Columbia, Canada on September 24, 2007, is a Nevada corporation, existing under the laws of the State of Nevada pursuant to its Articles of Domestication filed with the Nevada Secretary of State on May 15, 2017.

Assure Holdings, Inc.

Assure Holdings Corp is the sole shareholder of Assure Holdings, Inc. (“**Assure Holdings, Inc.**”), a Colorado corporation, formed under the laws of the State of Colorado on November 7, 2016. Assure Holdings, Inc. became a wholly owned subsidiary of Assure Holdings Corp on May 15, 2017 when Assure Holdings Inc. and its shareholders and Montreux, and its shareholders, entered into a Share Exchange Agreement pursuant to which the shareholders of Assure Holdings Inc. received shares of Montreux as consideration for their assignment of their shares in Assure Holdings, Inc. to Montreux. Assure Holdings, Inc. employs most of the corporate employees and performs various corporate services on behalf of the Assure Holdings Corp. and its subsidiaries.

Assure Holdings, Inc. is the sole member of Assure Neuromonitoring, LLC (“**Assure Neuromonitoring**”), a Colorado limited liability company formed under the laws of the state of Colorado on August 25, 2015. Assure Neuromonitoring became a wholly owned subsidiary of Assure Holdings, Inc. on November 7, 2016, when its members assigned their interest in Assure Neuromonitoring to Assure Holdings, Inc. for shares of Assure Holdings, Inc.

Assure Holdings, Inc. is the sole member of Assure Networks, LLC (“**Assure Networks**”), a Colorado limited liability company formed under the laws of the state of Colorado on November 2, 2016. Assure Networks became a wholly owned subsidiary of Assure Holdings, Inc. on November 7, 2016, when its members assigned their interest in Assure Networks to Assure Holdings, Inc. for shares of Assure Holdings, Inc.

Assure Holdings, Inc. is the sole member of Assure Equipment Leasing, LLC (“**Assure Equipment Leasing**”), a Colorado limited liability company formed under the laws of the state of Colorado on April 20, 2020.

Assure Neuromonitoring

Assure Neuromonitoring exists for the purpose of facilitating the performance of the neurophysiologist’s component of interoperative neuromonitoring services. Assure Neuromonitoring, either directly or by and through the Assure Neuromonitoring employs intraoperative neurophysiologists who utilize technical equipment and specialized training to actively monitor various neurophysiologic system functions during surgical procedures. In actively monitoring these systems during the procedures the INP can pre-emptively notify the operative team of changes to the neurophysiologic function, working to reduce post-operative neural deficits. The technologists perform their services in the operating room during surgical procedures. The technologists are certified by ABRET, a third party internationally recognized credentialing agency.

Assure Networks

Assure Networks exists for the purpose of facilitating the performance of the Professional Component of IONM. Assure Networks, either directly or by and through the Assure Networks subsidiaries owns interest in entities that either (i) directly perform the professional component through third party contracted neurologists or oversight reading physicians, or (ii) provide management services for entities owned by licensed physicians.

In the instances where Assure Networks or the applicable Assure Networks subsidiary owns an interest in the entity performing the professional component of IONM, such structure is based on a legal analysis that is completed by a third party law firm to determine the specific state law requirements with respect to the corporate practice of medicine. Once Assure Networks or the applicable Assure Networks subsidiary obtains a legal opinion regarding the recommended legal structure, the applicable entity is established.

In the instances where Assure Networks or the applicable Assure Networks subsidiary is unable to own an interest in the entity performing the professional component due to state specific regulations, Assure Networks or the applicable Assure Networks subsidiaries enters into a management services agreement whereby Assure Networks or the applicable Assure Networks subsidiaries agrees to perform management services on behalf of a third party unrelated entity performing the professional component of IONM and is paid fair market value compensation for such services. The fair market value compensation is based on a third-party fair market value valuation prepared by a professional valuation firm engaged by Assure Networks or the applicable Assure Networks subsidiary.

Assure Networks Texas Holdings, LLC

Assure Networks Texas Holdings, LLC (“**Assure Networks Texas Holdings**”) is a Texas limited liability company, formed under the laws of the State of Texas on November 12, 2019. On October 31, 2019, Assure Networks Texas Holdings, a wholly owned subsidiary of Assure Networks, acquired all of the assets of Neuro-Pro Series, LLC, Neuro-Pro Mgmt., LLC, Neuro-Pro Monitoring, LLC, MONRV, PLLC, NPJC, LLC, MONRVortho, PLLC, NPJCorto LLC and PRONRV, LLC (collectively, the “**Neuro-Pro Asset Purchase**”). The Neuro-Pro Asset Purchase increased the number of cases for both the neurophysiologists component and the Professional Component and expanded the presence for Assure Neuromonitoring, Assure Networks and the Assure Networks Subsidiaries in the State of Texas.

Our Property

Our principal executive offices are located at 4600 South Ulster Street, Suite 1225, Denver, Colorado 80237, and our telephone number is 1-720-287-3093. Our main corporate website is located at www.assureneuromonitoring.com. We are a reporting issuer in Canada and file reports on the SEDAR system. The information on our website or filed on SEDAR is not incorporated by reference into this prospectus.

Our Common Stock

Our common stock is quoted on the OTCQB under the symbol “ARHH” and on the TSX-V under the symbol “IOM.”

THE OFFERING	
Issuer	Assure Holdings Corp.
Securities Offered by the Selling Stockholders	32,715,406 shares of our common stock, including 16,357,703 shares issuable upon the exercise of warrants.
Trading Market	The common stock offered in this prospectus is quoted on the OTCQB under the symbol "ARHH" and on the TSX-V under the symbol "IOM". In the future, we intend to seek to have our common stock listed on a national securities exchange. However, we may not be successful in having our shares listed on a national securities exchange.
Common Stock Outstanding Before this Offering	56,378,939 shares ⁽¹⁾⁽²⁾
Common Stock Outstanding After this Offering	72,736,642 shares ⁽³⁾
Use of Proceeds	We will not receive any of the proceeds from the sale of the shares of our common stock being offered for sale by the selling stockholders. Upon the exercise of the warrants for an aggregate of 16,357,703 shares of common stock by payment of cash however, we will receive the exercise price of the warrants, or an aggregate of approximately \$12,759,000.
Plan of Distribution	The selling stockholders may sell all or a portion of the shares of common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. Registration of the common stock covered by this prospectus does not mean, however, that such shares necessarily will be offered or sold. See " <i>Plan of Distribution</i> ."
Risk Factors	Please read " <i>Risk Factors</i> " and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in the securities offered in this prospectus.
<hr/> <p>(1) The number of shares of common stock shown above to be outstanding after this offering is based on 56,378,939 shares outstanding as of December 29, 2020, and excludes the following:</p> <ul style="list-style-type: none"> • 16,357,703 shares of common stock issuable upon the exercise of outstanding warrants at \$0.78 per share, issued to selling stockholders in connection with the Private Placement; • 935,340 shares of common stock issuable upon exercise of warrants at \$1.90 per share; • 104,549 shares of common stock issuable upon exercise of warrants at \$1.40 per share; • 864,475 shares of common stock issuable upon exercise of warrants at \$1.00 per share; • 62,962 shares of common stock issuable upon exercise of warrants at \$0.81 per share; • 3,351,000 shares of common stock issuable upon the exercise of outstanding stock options; • 3,110,216 shares of common stock issuable upon conversion of convertible notes; and • 1,000,000 shares of common stock issuable as Performance Shares under the terms of a settlement and mutual release agreement dated March 4, 2019, between Assure and Matthew Willer, a former officer and director. 	

- (2) 5,000,000 shares of common stock were issued under a restricted stock grant to seven employees and/or officers of Assure and are subject to forfeiture under the terms of Restricted Stock Award Agreements. The restricted stock will vest on December 31, 2021 or earlier upon satisfaction of certain conditions.
- (3) Assumes the exercise of the warrants held by the selling stockholders into 16,357,703 shares of common stock.

RISK FACTORS

An investment in our securities involves a high degree of risk. You should consider carefully the following information about these risks, together with the other information contained in this prospectus, including the matters addressed in the section entitled “Caution Regarding Forward-Looking Statements,” beginning on page 12 of this prospectus, before making an investment decision. Our business, prospects, financial condition, and results of operations may be materially and adversely affected as a result of any of the following risks. The value of our securities could decline as a result of any of these risks. You could lose all or part of your investment in our securities. Some of the statements in “Risk Factors” are forward-looking statements. The following risk factors are not the only risk factors facing our Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, prospects, financial condition, and results of operations and it is not possible to predict all risk factors, nor can we assess the impact of all factors on us or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in or implied by any forward-looking statements.

Business Related Risks

The COVID-19 coronavirus has and can continue to adversely impact our business.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. Since then, the COVID-19 coronavirus has spread to over 150 countries and every state in the United States. On January 30, 2020, the World Health Organization declared the outbreak of coronavirus a “Public Health Emergency of International Concern.” On March 11, 2020, the World Health Organization declared the outbreak a pandemic, and on March 13, 2020, the United States declared a national emergency. The spread of the virus in many countries continues to adversely impact global economic activity and has contributed to significant volatility and negative pressure in financial markets and supply chains. The pandemic has had, and could have a significantly greater, material adverse effect on the U.S. economy where we conduct a majority of our business. The pandemic has resulted, and may continue to result for an extended period, in significant disruption of global financial markets, which may reduce our ability to access capital in the future, which could negatively affect our liquidity. Operations related to the sale and use of medical devices and supplies utilized in surgical procedures may experience a delay in implementation and expansion our Business.

On December 11, 2020, the U.S. Food and Drug Administration (“FDA”) issued the first emergency use authorization (“EUA”) for a vaccine developed by Pfizer-BioTech for the prevention of COVID-19 caused SARS-CoV-2 in individuals 16 years of age and older. On December 18, 2020, FDA issued EUA for a second vaccine for the prevention of COVID-19 developed by Moderna, Inc. Other vaccine manufacturers are anticipated to receive FDA approval for additional vaccines. The emergency use authorizations allow the vaccines to be distributed in the U.S. While clinical trials of the vaccines demonstrated a high degree of effectiveness, there remains uncertainty as to the effectiveness of the vaccines outside clinical trials, the timing of the rollout of the vaccines, the immunization and acceptance rate, potential side effects of the vaccines, potential mutation of COVID-19 in response to the vaccines and other risks and uncertainties.

The extent to which the COVID-19 coronavirus may continue to impact our business and our profitability and growth will depend on future developments to combat COVID-19, which are highly uncertain and cannot be predicted with confidence, such as the effectiveness of vaccines, the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

State and local governments may place mandates limiting elective surgeries in hospital facilities in order to reserve capacity for COVID-19 patients.

Historical negative operating results

In 2015, we launched our business as a neuromonitoring service company. Since its initial launch, the Company has generated operating losses in 2017 and 2020. The 2017 operating loss was due to a \$16 million non-cash expense related to shares of stock granted to two executives of the Company. There will be no expense recognized in future periods for these share grants. The 2020 operating loss relates primarily to the

Company reducing its revenue accrual rates and accounts receivable collection assumptions to be more in line with its current cash collection experience. The impact of this was approximately \$20 million in 2020. Commencing September 30, 2020, the Company commenced updating its revenue accrual rates and accounts receivable collection assumptions on a quarterly basis. Previously this was done on a semi-annual basis. The quarterly updates should reduce the risk of volatile fluctuations like those experienced in 2020. While fluctuations in the revenue accrual rates and accounts receivable collection assumptions will occur in the future, the Company does not expect them to be as significant as those previously experienced.

Our plan is to grow our business through expansion and we anticipate that we will be required to raise additional funds to finance our operations; however, we may not be able to do so when necessary and/or on terms advantageous or acceptable to us.

We have financed our capital and cash requirements primarily from revenues generated from services, using a bank facility and line of credit, and issuing convertible debentures, common stock and warrants in private placement offerings. Our ability to maintain the carrying value of our assets and become profitable is dependent on successfully marketing our services, maintaining future profitable operations, improving our billing and collections processes, successfully negotiating pricing and payment arrangements with payors and maintaining our network of providers, the outcome of which cannot be predicted at this time. We intend to grow our operations by developing additional PE relationships and directly contracting with hospitals and surgery centers for services. In the future, we anticipate that it may be necessary for us to raise additional funds for the continuing development of our business strategy.

Our operations to date have consumed substantial amounts of cash and we have sustained negative cash flows from our operations for the last several years. We anticipate that we will require future additional capital, including public or private financing, strategic partnerships or other arrangements with organizations that have capabilities and/or products that are complementary to our own capabilities and/or products, in order to continue the development of our product candidates. However, there can be no assurances that we will complete any financings, strategic alliances or collaborative development agreements, and the terms of such arrangements may not be advantageous to us. Any additional equity financing will be dilutive to our current stockholders and debt financing, if available, may involve restrictive covenants. If we raise funds through collaborative or licensing arrangements, we may be required to relinquish, on terms that are not favorable to us, rights to some of our technologies or product candidates that we would otherwise seek to develop or commercialize. Our failure to raise capital when needed could materially harm our business, financial condition and results of operations.

Our business strategy is to grow through expansion and acquisitions; however, our business is currently not highly diversified.

Our business strategy has been to grow through expansion. Although we operate in Colorado, Texas, Louisiana, Pennsylvania, Michigan, South Carolina, Arizona, and Utah, approximately 90% of our case volume is currently concentrated in Colorado, Louisiana and Texas, where we are susceptible to local and regional fluctuations in demand for our service, downturns in the economy, adverse weather conditions, changes in local or state regulations, and other localized market changes.

Our efforts to expand and execute our acquisition strategy may be affected by our ability to identify suitable candidates and negotiate and close acquisition transactions. We may encounter numerous business risks in acquiring additional facilities, and may have difficulty operating and integrating these facilities. Further, the companies or assets we acquire in the future may not ultimately produce returns that justify our investment. If we are not able to execute our acquisition strategy, our ability to increase revenues and earnings through external growth will be impaired.

Our loan agreement subjects us to covenants that affect the conduct of business. In the event that our common shares do not maintain a sufficient valuation, or potential acquisition candidates are unwilling to accept our common shares as all or part of the purchase consideration, we may be required to use more of our cash resources, if available, or to rely solely on additional financing arrangements to pursue our acquisition and development strategy. We may not have sufficient capital resources or be able to obtain financing on terms acceptable to us for our acquisition and development strategy, which would limit our growth. Without sufficient capital resources to implement this strategy, our future growth could be limited and operations

impaired. There can be no assurance that additional financing will be available to fund this growth strategy or that, if available, the financing will be on terms that are acceptable to us.

We face significant competition from other healthcare providers.

We compete with other IONM service providers for patients, surgeons, neurologist, and INPs. Some of our competitors have longstanding and well-established relationships with physicians and third party payors in the community. Some of our competitors are hospitals that provide IONM services for surgeries occurring within their hospital facilities. Some of our competitors are also significantly larger than us, may have access to greater marketing, financial and other resources and may be better known in the general community.

The competition among service providers, facilities and hospitals for surgeons, neurologists, professional staff and patients has intensified in recent years. We face competition from other providers that perform similar services, both inside and outside of our primary service areas. Some of our competitors are owned by non-profit or governmental entities, which may be supported by endowments and charitable contributions or by public or governmental support. These competitors can make capital expenditures without paying sales tax, may hold the property without paying property taxes and may pay for the equipment out of earnings not burdened by income taxes. This competitive advantage may affect our ability to compete effectively with these non-profit or governmental entities.

There are several large, publicly traded companies, divisions or subsidiaries of large publicly held companies, and several private companies that develop and acquire specialty services, which may include neuromonitoring, and these companies compete with us in the acquisition of additional businesses. Further, many surgeons groups develop groups that provide ancillary services, using consultants who typically perform these services for a fee and who may take a small equity interest in the ongoing operations of a business. We can give no assurances that we can compete effectively in these areas. If we are unable to compete effectively to recruit new surgeons, neurologists, attract patients, enter into arrangements with managed care payors or acquire new facilities, our ability to implement our growth strategies successfully could be impaired. This may have an adverse effect on our business, results of operations and financial condition.

We received a notice of default from Central Bank related to our term loan and operating line.

On September 1, 2020, we received a formal notification from Central Bank & Trust, a part of Farmers & Stockmens Bank, which advised that the additional reserves recorded by the Company against its accounts receivable constituted a material adverse change in the assets of the Company which thereby triggered an event of default under the loan agreement dated August 12, 2020 between us and Central Bank. Our term loan and operating line with Central Bank are secured by virtually all of the assets of the Company. We received a forbearance from Central bank and are in the process of negotiating revisions to our term loan and operating line. If are unable to renegotiate our Central Bank credit arrangement, we may need to accelerate repayment or face potential foreclosure under the security agreement with Central Bank.

Restrictive covenants in our loan agreement may restrict our ability to pursue our business strategies.

The operating and financial restrictions and covenants in our loan agreement may adversely affect our ability to finance future operations or capital needs or to engage in other business activities. Such agreements limit our ability, among other things, to:

- incur additional indebtedness or issue certain preferred equity;
- pay dividends on, repurchase or make distributions in respect of our common shares, prepay, redeem, or repurchase certain debt or make
- other restricted payments;
- make certain investments;
- create certain liens;
- enter into agreements restricting our subsidiaries' ability to pay dividends, loan money, or transfer assets to us;

- M&A activity requires the approval of Central Bank;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

A breach of any of these covenants could result in a default under our loan agreement and permits the lenders to cease making loans to us. Upon the occurrence of an event of default under the loan agreement, the creditors thereunder could elect to declare all amounts outstanding to be immediately due and payable and, in the case of our revolving credit facility, which is a part of the loan agreement, terminate all commitments to extend further credit.

If our operating performance declines, we may be required to obtain waivers from the lender under the loan agreement to avoid defaults thereunder. If we are not able to obtain such waivers, our creditors could exercise their rights upon default.

Furthermore, if we were unable to repay the amounts due and payable under our secured obligations, the creditors thereunder could proceed against the collateral granted to them to secure our obligations thereunder. We have pledged a significant portion of our assets, including our ownership interests in certain of our directly owned subsidiaries and all our accounts receivable as collateral under our loan agreement. If the creditor under our loan agreement accelerate the repayment of our debt obligations, we cannot assure you that we will have sufficient assets to repay our loan agreement, or will have the ability to borrow sufficient funds to refinance such indebtedness. Even if we were able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

Our Founder and Director, Preston Parsons, has a controlling interest in Assure.

As of the date of this prospectus, our founder and director, Preston Parsons, directly or indirectly, owns 20,876,240 shares of common stock and 156,250 warrants and options exercisable to acquire 1,000,000 shares of common stock, which in aggregate totals 22,032,490 shares of common stock (assuming full exercise of his warrants and options) or beneficial ownership of 38.3% of our issued and outstanding shares of common stock. Of the shares of common stock beneficially owned by Mr. Parsons, 3,300,000 shares were issued under a restricted stock grant agreement and are subject to forfeiture; which shares will vest on December 31, 2021 or earlier upon satisfaction of certain conditions. Mr. Parsons is our single largest shareholder and a control person for the purposes of Canadian and U.S. securities law. As a result, Mr. Parsons has the ability to influence the outcome of matters submitted to our shareholders for approval, which could include the election and removal of directors, amendments to our corporate governing documents and business combinations. In addition to his ability to influence matters submitted to our shareholders, the concentration of ownership in the hands of a single shareholder may discourage an unsolicited bid for our common stock and this may adversely impact the value and trading price of our common stock. In addition, sales of common stock by Mr. Parsons may adversely affect the trading price of our common stock.

Institutional investors beneficially own more than 5% of our issued and outstanding shares of common stock and may be able to influence the outcome of matters submitted to our shareholders for approval or propose changes that may disrupt our business.

As of the date of this prospectus, certain institutional investors beneficially own more than 5% of our issued and outstanding shares of common stock, including the following Selling Shareholders named in this prospectus Manchester Explorer, L.P., 9,375,000 shares of common stock (assuming exercise of the warrants); Special Situations Fund III QP, L.P., 6,581,346 shares of common stock (assuming exercise of the warrants); Special Situations Life Sciences Fund, L.P., 3,736,084 shares of common stock (assuming exercise of the warrants); and Special Situations Private Equity Fund, L.P., 3,125,000 shares of common stock (assuming exercise of the warrants). As a result, these institutional investors have the ability to influence the outcome of matters submitted to our shareholders for approval or may propose changes that may disrupt our business.

Reliance on key personnel, industry partners and our ability to hire experienced employees and professionals

Our development will depend on the efforts of key management, key personnel and our relationships with medical partners in the surgical industry and our ability to hire experienced employees and professionals. Loss

of any of these people and partnerships, particularly to competitors, could have a material adverse effect on our business. Further, with respect to the future development of our business, it is necessary to attract additional partners and personnel for such development.

The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training and retaining such personnel may increase. Our business is dependent on our ability to hire and retain employees who have advanced clinical and other technical skills. Employees who meet these high standards are in great demand and are likely to remain a limited resource in the foreseeable future. If we are unable to recruit and retain a sufficient number of these employees, the ability to maintain and grow the business could be negatively impacted. A limited supply of qualified applicants may also contribute to wage increases which outpace the rate of inflation.

Factors outside our control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect our ability to employ the specific personnel required. Due to our relatively small size, the failure to retain or attract a sufficient number of key skilled personnel and partnerships could have a material adverse effect on our business, results of future operations and financial condition.

The intraoperative neuromonitoring industry is relatively new and is subject to risk associated with public scrutiny and gaps in technician oversight and formal board reviews.

The intraoperative neuromonitoring industry is relatively new and many of service providers are small privately held providers of intraoperative neuromonitoring that lack quality assurance programs. Our competitors may be more susceptible to adverse patient outcomes, thus raising public scrutiny of the industry as a whole. Such public scrutiny could impact our ability to maintain and grow the business.

Technicians within the intraoperative neuromonitoring industry are not subject to oversight or formal board reviews. Lack of oversight and reviews could lead to declining quality among providers who lack self-governed internal programs designed to ensure high-quality standards. Given the fragmented competitive landscape of the neuromonitoring industry, such gaps in appropriate clinical oversight could impact our ability to maintain or grow the business.

We are subject to fluctuations in revenues and payor mix.

We depend on payments from third party payors, including private insurers, managed care organizations and government healthcare programs. We are dependent on private and, to a lesser extent, governmental third party sources of payment for the procedures performed in Procedure Facilities. Our competitive position has been, and will continue to be, affected by reimbursement and co-payment initiatives undertaken by third party payors, including insurance companies, and, to a lesser extent, employers, and Medicare and Medicaid.

As an increasing percentage of patients become subject to healthcare coverage arrangements with managed care payors, our success may depend in part on our ability to negotiate favorable contracts on behalf of Procedure Facilities with managed care organizations, employer groups and other private third party payors. There can be no assurances that we will be able to enter into these arrangements on satisfactory terms in the future. Also, to the extent that Procedure Facilities have managed care contracts currently in place, there can be no assurance that such contracts will be renewed, or the rates of reimbursement held at current levels.

Managed care plans often set their reimbursement rates based on Medicare and Medicaid rates and consequently, although only a small portion of our revenues are from Medicare and Medicaid, the rates established by these payors may influence our revenues from private payors. As with most government reimbursement programs, the Medicare and Medicaid programs are subject to statutory and regulatory changes, possible retroactive and prospective rate adjustments, administrative rulings, freezes and funding reductions, all of which may adversely affect our revenues and results of operations.

The Centers for Medicare and Medicaid Services introduced substantial changes to reimbursement and coverage related to ambulatory surgical centers (“ASC”). Under these ASC rules, reimbursement levels decreased and remain subject to change. Consequently, our operating margins may continue to be under pressure as a result of changes in payor mix and growth in operating expenses in excess of increases in payments by third party payors. In addition, as a result of competitive pressures, our ability to maintain

operating margins through price increases to privately insured patients is limited. This could have a material adverse effect on our business, operating results and financial condition.

We currently do not bill for Medicare or Medicaid procedures.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third party payors, and others for services rendered and is recognized upon performance of the patient service. In determining net patient service revenue, management periodically reviews and evaluates historical payment data, payor mix and current economic conditions and adjusts, as required, the estimated collections as a percentage of gross billings in subsequent periods based on final settlements and collections. Management continues to monitor historical collections and market conditions to manage and report the effects of a change in estimates. While we believe that the current reporting and trending software provides us with an accurate estimate of net patient service revenues, any changes in collections or market conditions that we fail to accurately estimate or predict could have a material adverse effect on our operating results and financial condition.

We depend on reimbursement from a small group of third party payors which could lead to delays and uncertainties in the reimbursement rate and process.

Approximately 67% of our accrued revenue for the nine months ended September 30, 2020 relates to 23 third party payors. The loss or disruption of any one of these payors could have an adverse effect on our business, results of operations and financial condition. Additionally, about 80% of our cash collections during the nine months ended September 30, 2020 was concentrated among these same third party payors. Greater diversification of payors is dependent on expansion into new markets.

Our performance is greatly dependent on decisions that third party Payors make regarding their out-of-network benefits and alternatively, our ability to negotiate profitable contracts with Third Party Payors.

One of the complexities of our business is navigating the increasingly hostile environment for entities that are not participants in the health insurance companies' ("Third Party Payors") provider networks (also referred to as an out-of-network provider or facility). Third Party Payors negotiate discounted fees with providers and facilities in return for access to the patient populations which those Third-Party Payors cover. The providers and facilities that contractually agree to these rates become part of the Third-Party Payor's "network". We are currently out-of-network as to most Third-Party Payors.

There are several risks associated with not participating in Third Party Payor networks. First, not all Third-Party Payors offer coverage to their patients for services rendered by non-participants in that Third Party Payor's network. Further, it is typically the case that patients with so-called "out-of-network benefits" will be obliged to pay higher co-pays, higher deductibles, and a larger percentage of co-insurance payments. In addition, because the out-of-network coverage often mandates payment at a "usual and customary rate", the determination of the amounts payable by the Third-Party Payor can fluctuate.

Healthcare providers and facilities that choose not to participate in a Third-Party Payor's network often face longer times for their claims to be processed and paid. Further, many Third Party Payors aggressively audit claims from out-of-network providers and facilities and continuously change their benefit policies in various ways that restrict the ability of beneficiaries to access out of network benefits, and to restrict out-of-network providers from treating their beneficiaries. Consequently, it may become necessary for us to change our out-of-network strategy and join Third Party Payor networks. This may require us to negotiate and maintain numerous contracts with various Third-Party Payors. In either case, our performance is greatly dependent upon decisions that Third Party Payors make regarding their out-of-network benefits and alternatively, our ability to negotiate profitable contracts with Third Party Payors.

If it becomes necessary for us to convert entirely to in-network, there is no guarantee that we will be able to successfully negotiate these contracts. Further, we may experience difficulty in establishing and maintaining relationships with health maintenance organizations, preferred provider organizations, and other Third Party Payors. Out-of-network reimbursement rates are typically higher than in network reimbursement rates, so our revenue would likely decline if we move to an in-network provider strategy and fail to increase our volume of

business sufficiently to offset reduced in-network reimbursement rates. These factors could adversely affect our revenues and our business.

Historically, all privately insured cases were billed on an out-of-network basis. Over the past eighteen months the Company has shifted some of the business to direct and indirect contracts with the payors and related parties. However, as of September 30, 2020, approximately 83% of our privately insured cases remain out of network basis, without any reimbursement rate protection or consistent in-network patient enrollments typically seen from an in-network agreement. Accordingly, we are susceptible to changes in reimbursement policies and procedures by third party insurers and patients' preference of using their out of network benefits which could have an adverse effect on our business, results of operations and financial condition.

The industry trend toward value-based purchasing may negatively impact our revenues.

We believe that value-based purchasing initiatives of both governmental and private payors tying financial incentives to quality and efficiency of care will increasingly affect the results of operations of Procedure Facilities and may negatively impact our revenues if we are unable to meet expected quality standards.

We may be affected by the Patient Protection and Affordable Care Act ("ACA"), which contains several provisions intended to promote value-based purchasing in federal health care programs. Medicare now requires providers to report certain quality measures in order to receive full reimbursement increases for inpatient and outpatient procedures that were previously awarded automatically. In addition, hospitals that meet or exceed certain quality performance standards will receive increased reimbursement payments, while hospitals that have "excess readmissions" for specified conditions will receive reduced reimbursement. There is a trend among private payors toward value-based purchasing of health care services, as well. Many large commercial payors require hospitals to report quality data, and several of these payors will not reimburse hospitals for certain preventable adverse events.

We expect value based purchasing programs, including programs that condition reimbursement on patient outcome measures, to become more common, to involve a higher percentage of reimbursement amounts and to spread to reimbursement for ancillary services. Although we are unable to predict how this trend will affect our future results of operations, it could negatively impact our revenues if we are unable to meet quality standards established by both governmental and private payors.

State and Federal surprise billing legislation could lead to lower reimbursement rates.

The majority of U.S. states have laws protecting consumers against out-of-network balance billing or "surprise billing". U.S. congressional committees have also proposed federal legislation to prohibit surprise billing. While consumer collections represent a negligible amount of our total revenue, most state surprise billing laws have established payment standards based on the median in-network rate or a multiplier of what Medicare would pay. These payment standards are often less than the average out-of-network payment and could therefore have an adverse effect on reimbursement rates. Although we have already experienced lower reimbursement rates from such laws, additional impact may be experienced as more states and/or federal legislation is adopted. Today, approximately 20% of our third party payor revenue is contracted with in-network rate agreements and we are actively pursuing more in-network agreements to further mitigate this risk.

Our revenues will depend on our customers' continued receipt of adequate reimbursement from private insurers and government sponsored healthcare programs.

Political, economic, and regulatory influences continue to change the healthcare industry in the United States. The ability of hospitals to pay fees for our products partially depends on the extent to which reimbursement for the costs of such materials and related treatments will continue to be available from private health coverage insurers and other similar organizations. We may have difficulty gaining market acceptance for the products we sell if third party payors do not provide adequate coverage and reimbursement to hospitals. Major third party payors of hospitals, such as private healthcare insurers, periodically revise their payment methodologies based, in part, upon changes in government sponsored healthcare programs. We cannot predict these periodic revisions with certainty, and such revisions may result in stricter standards for reimbursement of hospital charges for certain specified products, potentially adversely impacting our business, results of operations, and financial conditions.

Accounting adjustments due to changes in circumstances or estimates may require us to write off accounts receivables or write down intangible assets, such as goodwill, may have a material impact on our financial reporting and results of operations.

We have made accounting adjustments due to changes in circumstances or estimates. For example, we made adjustments by writing off accounts receivable due to changes in accounting estimates for collections and we may write off additional accounts receivable, intangible assets, such as goodwill, or may be required to make adjustments to our financial statements based on changes in circumstances.

Accounts Receivable

When commencing operations in 2016, the Company was provided with collection experience from its then third party billing and collection company who billed other neuromonitoring companies in the United States. The Company used this third party collection experience to accrue revenue for its technical and professional neuromonitoring services. This practice continued until the end of 2018. At the end of 2018, the Company reviewed its own collection experience and determined that its collections for 2016 – 2017 technical and professional cases were lower than the amounts previously accrued. Accordingly, the Company reserved all its open accounts receivables to the amount determine from our actual historical collection experience. The Company then used its own collection experience to record technical and professional revenue for all subsequent services provided. In conjunction with the reserves recorded at the end of 2018, the Company instituted an accounting policy to update its technical and professional collection experience on a semi-annual basis based upon the average collection per procedure for the billings twenty four months prior.

The Company updated its technical and professional collection experience at the end of June 2019, December 2019 and June 2020. For each of these periods, the collection experience deteriorated from the previous semi-annual period estimates and additional reserves were recorded. In addition, at the end of December 2019 the Company reserved all of the previously recorded revenue amounts from a commercial insurance provider that refused to pay the Company for technical neuromonitoring cases.

In order to more precisely estimate and our accounts receivable reserves, in September 2020 the Company changed its accounting policy to update it technical and professional collection experience quarterly. This change in policy will not eliminate additional reserves being recorded for fluctuation in the technical and professional collection experience in future periods. However our change in policy is expected to reduce the magnitude of future reserves that are recorded as a result of fluctuations in the Company’s collection experience.

Goodwill and Intangible Assets

As a result of purchase accounting for our acquisition transactions, our balance sheet at September 30, 2020 contained intangible assets designated as either goodwill or intangibles totaling approximately \$2.9 million in goodwill and approximately \$4.2 million in intangibles. Additional acquisitions that result in the recognition of additional intangible assets would cause an increase in these intangible assets. On an ongoing basis, we evaluate whether facts and circumstances indicate any impairment of the value of intangible assets. As circumstances change, we cannot assure you that the value of these intangible assets will be realized. If we determine that a significant impairment has occurred, we will be required to write-off the impaired portion of goodwill or other intangible assets, which could have a material adverse effect on our results of operations in the period in which the write-off occurs.

We depend on referrals.

Our success, in large part, is dependent upon referrals to our physicians from other physicians, systems, health plans and others in the communities in which we operate, and upon our medical staff’s ability to maintain good relations with these referral sources. Physicians who use Procedure Facilities and those who refer patients are not our employees and, in many cases, most physicians have admitting privileges at other hospitals and (subject to any applicable non-competition arrangements) may refer patients to other providers. If we are unable to successfully cultivate and maintain strong relationships with our physicians and their referral sources, the number of procedures performed at Procedure Facilities may decrease and cause revenues to decline. This could adversely affect our business, results of operations and financial condition.

We may be subject to professional liability claims.

As a healthcare provider, we are subject to professional liability claims both directly and indirectly through the malpractice of members of our medical staff. We are responsible for the standard of care provided in Procedure Facilities by staff working in those facilities. We have legal responsibility for the physical environment and appropriate operation of our equipment used during surgical procedures. In addition, we are subject to various liability for the negligence of its credentialed medical staff under circumstances where we either knew or should have known of a problem leading to a patient injury. The physicians credentialed at Procedure Facilities are involved in the delivery of healthcare services to the public and are exposed to the risk of professional liability claims. Although we neither control the practice of medicine by physicians nor have responsibility for compliance with certain regulatory and other requirements directly applicable to physicians and their services, as a result of the relationship between us and the physicians providing services to patients in Procedure Facilities, we or our subsidiaries may become subject to medical malpractice claims under various legal theories. Claims of this nature, if successful, could result in damage awards to the claimants in excess of the limits of available insurance coverage. Insurance against losses related to claims of this type can be expensive and varies widely from state to state. We maintain and require the physicians on the medical staff of Procedure Facilities to maintain liability insurance in amounts and coverages believed to be adequate, presently \$1 million per claim to an aggregate of \$3 million per year.

Most malpractice liability insurance policies do not extend coverage for punitive damages. While extremely rare in the medical area, punitive damages are those damages assessed by a jury with the intent to “punish” a tortfeasor rather than pay for a material loss resulting from the alleged injury. We cannot assure you that we will not incur liability for punitive damage awards even where adequate insurance limits are maintained. We also believe that there has been, and will continue to be, an increase in governmental investigations of physician-owned facilities, particularly in the area of Medicare/Medicaid false claims, as well as an increase in enforcement actions resulting from these investigations. Investigation activity by private third party payors has also increased with, in some cases, intervention by the states’ attorneys general. Also possible are potential non-covered claims, or “qui tam” or “whistleblower” suits. Any adverse determination in a legal proceeding or governmental investigation, whether currently asserted or arising in the future, could have a material adverse effect on our financial condition.

We may be subject to liability claims for damages and other expenses not covered by insurance that could reduce our earnings and cash flows.

Our operations may subject us, as well as our officers and directors to whom we owe certain defense and indemnity obligations, to litigation and liability for damages. Our business, profitability and growth prospects could suffer if we face negative publicity or we pay damages or defense costs in connection with a claim that is outside the scope or limits of coverage of any applicable insurance coverage, including claims related to adverse patient events, contractual disputes, professional and general liability, and directors’ and officers’ duties. We currently maintain insurance coverage for those risks we deem are appropriate. However, a successful claim, including a professional liability, malpractice or negligence claim which is in excess of any applicable insurance coverage, or not covered by insurance, could have a material adverse effect on our earnings and cash flows. In addition, if our costs of insurance and claims increase, then our earnings could decline. Market rates for insurance premiums and deductibles have been steadily increasing. Our earnings and cash flows could be materially and adversely affected by any of the following:

We are subject to rising costs, including malpractice insurance premiums or claims may adversely affect our business

The costs of providing our services have been rising and are expected to continue to rise at a rate higher than that anticipated for consumer goods as a whole. These increased costs may arise from adverse risk management claims against us or increases in the rates for medical malpractice insurance. As a result, our business, operating results or financial condition could be adversely affected if we are unable to implement annual private pay increases due to changing market conditions or otherwise increase our revenues to cover increases in labor and other costs.

We may incur unexpected, material liabilities as a result of acquisitions.

Although we intend to conduct due diligence on any future acquisition, we may inadvertently invest in acquisitions that have material liabilities arising from, for example, the failure to comply with government regulations or other past activities. Although we have professional and general liability insurance, we do not currently maintain and are unlikely to acquire insurance specifically covering every unknown or contingent liability that may have occurred prior to our investment in Procedure Facilities, particularly those involving prior civil or criminal misconduct (for which there is no insurance). Incurring such liabilities as a result of future acquisitions could have an adverse effect on our business, operations and financial condition.

If we fail to successfully maintain an effective internal control over financial reporting, the integrity of our financial reporting could be compromised, which could result in a material adverse effect on our reported financial results.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.

We are dependent on the proper function, availability and security of our information systems, including without limitation those systems utilized in our scheduling and collection operations. We have undertaken measures to protect the safety and security of our information systems and the data maintained within those systems. As part of our efforts, we may be required to expend significant capital to protect against the threat of security breaches or to alleviate problems caused by breaches, including unauthorized access to patient data and personally identifiable information stored in our information systems and the introduction of computer malware to our systems. However, there can be no assurance our safety and security measures will detect and prevent security breaches in a timely manner or otherwise prevent damage or interruption of our systems and operations. We may be vulnerable to losses associated with the improper functioning, security breach or unavailability of our information systems.

Healthcare Industry Regulatory Risks***Our business is subject to intense government regulation***

The health care industry is heavily regulated and we are required to comply with extensive and complex laws and regulations at the federal, state and local government levels. A number of these laws only relate to the provision of Medicare and Medicaid billing. We currently do not bill for Medicare or Medicaid procedures. However, we are cognizant of these laws and regulations as we consider billing Medicare or Medicaid directly in the future.

Anti-Kickback Statutes

The federal Anti-Kickback Statute prohibits the knowing and willful offer, payment, solicitation or receipt of remuneration to induce the referral of a patient or the purchase, lease or order (or the arranging for or recommending of the purchase, lease or order) of healthcare items or services paid for by federal healthcare programs, including Medicare or Medicaid. A violation does not require proof that a person had actual knowledge of the statute or specific intent to violate the statute, and court decisions under the Anti-Kickback Statute have consistently held that the law is violated where one purpose of a payment is to induce or reward

referrals. Violation of the federal anti-kickback statute could result in felony conviction, administrative penalties, civil liability (including penalties) under the False Claims Act and/or exclusion from federal healthcare programs.

A number of states have enacted anti-kickback laws (including so-called “fee splitting” laws) that sometimes apply not only to state-sponsored healthcare programs but also to items or services that are paid for by private insurance and self-pay patients. State anti-kickback laws can vary considerably in their applicability and scope and sometimes have fewer statutory and regulatory exceptions than does the federal law. Enforcement of state anti-kickback laws varies widely and is often inconsistent and erratic.

Our management carefully considers the importance of such anti-kickback laws when structuring company operations. That said, we cannot assure that the applicable regulatory authorities will not determine that some of our arrangements with physicians violate the Anti-Kickback Statute or other applicable laws. An adverse determination could subject us to different liabilities, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

Physician Self- Referral (“Stark”) Laws

The federal Stark Law, 42 U.S.C. 1395nn, also known as the physician self-referral law, generally prohibits a physician from referring Medicare and Medicaid patients to an entity (including hospitals) providing “designated health services,” if the physician has a “financial relationship” with the entity, unless an exception applies. Designated health services include, among other services, inpatient hospital services, outpatient prescription drug services, clinical laboratory services, certain diagnostic imaging services, and other services that our affiliated physicians may order for their patients. The prohibition applies regardless of the reasons for the financial relationship, unless an exception applies. The exceptions to the federal Stark Law are numerous and often complex. The penalties for violating the Stark Law include civil penalties of up to \$15,000 for each violation and potential civil liability (including penalties) under the False Claims Act.

Some states have enacted statutes and regulations concerning physician self-referrals (*i.e.*, referrals by a physician to a health care entity in which the physician has an ownership interest). Such physician self-referrals laws may apply to the referral of patients regardless of payor source and/or type of health care service. These state laws may contain statutory and regulatory exceptions that are different from those of the federal law and that may vary from state to state. Enforcement of state physician self-referral laws varies widely and is often inconsistent and erratic.

Our management carefully considers the importance of physician self-referral laws when structuring company operations. That said, we cannot assure that the applicable regulatory authorities will not determine that some of our arrangements with physicians violate the Federal Stark Law or other applicable laws. An adverse determination could subject us to different liabilities, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

False Claims Act

The federal False Claims Act, 31 U.S.C. § 3729, imposes civil penalties for knowingly submitting or causing the submission of a false or fraudulent claim for payment to a government-sponsored program, such as Medicare and Medicaid. Violations of the False Claims Act present civil liability of treble damages plus a penalty of at least \$11,181 per false claim. The False Claims Act has “whistleblower” or “*qui tam*” provisions that allow individuals to commence a civil action in the name of the government, and the whistleblower is entitled to share in any subsequent recovery (plus attorney’s fees). Many states also have enacted civil statutes that largely mirror the federal False Claims Act, but allow states to impose penalties in a state court.

The False Claims Act has been used by the federal government and *qui tam* plaintiffs to bring enforcement actions under so-called “fraud and abuse” laws like the federal Anti-Kickback Statute and the Stark Law. Such actions are not based on a contention that claims for payment were factually false or inaccurate. Instead, such actions are based on the theory that accurate claims are deemed to be false/fraudulent if there has been noncompliance with some other material law or regulation. The existence of the False Claims Act, under

which so-called *qui tam* plaintiffs can allege liability for a wide range of regulatory noncompliance, increases the potential for such actions to be brought and has increased the potential financial exposure for such actions. These actions are costly and time-consuming to defend.

Our management carefully considers the importance of compliance with all applicable laws and when structuring company operations. Our management is aware of and actively works to minimize risk related to potential *qui tam* plaintiffs. That said, we cannot assure that the applicable enforcement authorities or *qui tam* plaintiffs will not allege violations of the False Claims Act or analogous state false claims laws. A finding of liability under the False Claims Act could have a material adverse effect on our business, financial condition or results of operations.

State Licensure and Accreditation

States have a wide variety of health care laws and regulations that potentially affect our operations and the operations of our partners. For example: (1) many states have implemented laws and regulations related to so-called “tele-health,” but whether those laws apply to our operations, and the obligations they impose, vary wildly; (2) some states have so-called corporate practice of medicine prohibitions, and such prohibitions are used to indirectly regulate ownership of health care companies and/or management companies; and (3) some states have “surprise billing” or out-of-network billing laws that impose a variety of obligations on health care providers and health plans. The failure to comply with all state regulatory obligations could be used by health plans to deny payment or to recoup funds, and any noncompliance could subject us to penalties or limitations that could have a material adverse effect on our business, financial condition or results of operations.

In addition, our partners’ healthcare facilities and professionals are subject to professional and private licensing, certification and accreditation requirements. These include, but are not limited to, requirements imposed by Medicare, Medicaid, state licensing authorities, voluntary accrediting organizations and third-party private payors. Receipt and renewal of such licenses, certifications and accreditations are often based on inspections, surveys, audits, investigations or other reviews, some of which may require affirmative compliance actions by us that could be burdensome and expensive. The applicable standards may change in the future. There can be no assurance that we will be able to maintain all necessary licenses or certifications in good standing or that they will not be required to incur substantial costs in doing so. The failure to maintain all necessary licenses, certifications and accreditations in good standing, or the expenditure of substantial funds to maintain them, could have an adverse effect on our business.

Health Information Privacy and Security Standards

The privacy and data security regulations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended, contain detailed requirements concerning (1) the use and disclosure of individually identifiable patient health information (“PHI”); (2) computer and data security standards regarding the protection of electronic PHI including storage, utilization, access to and transmission; and (3) notification to individuals and the federal government in the event of a breach of unsecured PHI. HIPAA covered entities and business associates must implement certain administrative, physical, and technical security standards to protect the integrity, confidentiality and availability of certain electronic health information received, maintained, or transmitted. Violations of the HIPAA privacy and security rules may result in civil and criminal penalties, including a tiered system of civil money penalties that range from \$100 to \$50,000 per violation, with a cap of \$1.5 million per year for identical violations. In the event of a breach, a HIPAA covered entity must promptly notify affected individuals of a breach. All breaches must also be reported to the federal government. Where a breach affects more than 500 individuals, additional reporting obligations apply. In addition to federal enforcement, State attorneys general may bring civil actions on behalf of state residents for violations of the HIPAA privacy and security rules, obtain damages on behalf of state residents, and enjoin further violations. Many states also have laws that protect the privacy and security of confidential, personal information, which may be similar to or even more stringent than HIPAA. Some of these state laws may impose fines and penalties on violators and may afford private rights of action to individuals who believe their personal information has been misused. We expect increased federal and state privacy and security enforcement efforts.

Our management carefully considers the importance of compliance with patient privacy and data security regulations when structuring company operations. Our management is aware of and actively works to

minimize risk related to patient privacy and data security. That said, we cannot assure that a breach will not occur or that the applicable enforcement authorities will not allege violations of HIPAA's patient privacy and data security regulations. A breach or an allegation of noncompliance with HIPAA's patient privacy and data security regulations could have a material adverse effect on our business, financial condition or results of operations.

Our operations are subject to the nation's healthcare laws, as amended, repealed, or replaced from time to time.

The ACA and the Health Care and Education Reconciliation Act of 2010 (collectively, the "**Health Care Reform Acts**") mandated changes specific to benefits under Medicare. In 2012, the U.S. Supreme Court upheld the constitutionality of the ACA, including the "individual mandate" provisions of the ACA that generally require all individuals to obtain healthcare insurance or pay a penalty. However, the U.S. Supreme Court also held that the provision of the ACA that authorized the Secretary of the U.S. Department of Health and Human Services ("**HHS**") to penalize states that choose not to participate in the expansion of the Medicaid program by removing all of its existing Medicaid funding was unconstitutional. In response to the ruling, a number of state governors opposed its state's participation in the expanded Medicaid program, which resulted in the ACA not providing coverage to some low-income persons in those states. In addition, several bills have been, and are continuing to be, introduced in U.S. Congress to amend all or significant provisions of the ACA, or repeal and replace the ACA with another law. In December 2017, the individual mandate was repealed via the Tax Cuts and Jobs Act of 2017. Afterwards, legal and political challenges as to the constitutionality of the remaining provisions of the ACA resumed.

The effect of these laws is subject to numerous variables, including the law's complexity, lack of complete implementing regulations and interpretive guidance, gradual and potentially delayed implementation or possible amendment, as well as the uncertainty as to the extent to which states will choose to participate in the expanded Medicaid program. The continued implementation of provisions of the ACA, the adoption of new regulations thereunder and ongoing challenges thereto, also added uncertainty about the current state of U.S. healthcare laws and could negatively impact our business, results of operations and financial condition. Healthcare providers could be subject to federal and state investigations and payor audits.

A cyber security incident could cause a violation of HIPAA, breach of customer and patient privacy, or other negative impacts.

We rely extensively on our information technology (or IT) systems to manage scheduling and financial data, communicate with customers and their patients, vendors, and other third parties, and summarize and analyze operating results. In addition, we have made significant investments in technology, including the engagement of a third party IT provider. A cyber-attack that bypasses our IT security systems could cause an IT security breach, a loss of protected health information, or other data subject to privacy laws, a loss of proprietary business information, or a material disruption of our IT business systems. This in turn could have a material adverse impact on our business and result of operations. In addition, our future results of operations, as well as our reputation, could be adversely impacted by theft, destruction, loss, or misappropriation of public health information, other confidential data, or proprietary business information. Computer malware, viruses, and hacking and phishing attacks by third parties have become more prevalent in our industry and may occur on our systems in the future. Because techniques used to obtain unauthorized access to or sabotage systems change frequently and generally are not recognized until successfully launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

As cyber-security threats develop and grow, it may be necessary to make significant further investments to protect data and infrastructure. If an actual or perceived breach of our security occurs, (i) we could suffer severe reputational damage adversely affecting customer or investor confidence, (ii) the market perception of the effectiveness of our security measures could be harmed, (iii) we could lose potential sales and existing customers, our ability to deliver our services or operate our business may be impaired, (iv) we may be subject to litigation or regulatory investigations or orders, and (v) we may incur significant liabilities. Our insurance coverage may not be adequate to cover the potentially significant losses that may result from security breaches.

If we fail to comply with applicable laws and regulations, we could suffer penalties or be required to make significant changes to our operations.

The health care industry is heavily regulated, and we are required to comply with extensive and complex laws and regulations at the federal, state and local government levels relating to among other things:

- *Insurance:* the collapse or insolvency of our insurance carriers; further increases in premiums and deductibles; increases in the number of liability claims against us or the cost of settling or trying cases related to those claims; an inability to obtain one or more types of insurance on acceptable terms, if at all; insurance carriers deny coverage of our claims; or our insurance coverage is not adequate.
- *Billing and Collections:* billing and coding for services, including documentation of care, appropriate treatment of overpayments and credit balances, and the submission of false statements or claims; relationships and arrangements with physicians and other referral sources and referral recipients, including self-referral restrictions, and prohibitions on kickbacks and other non-permitted forms of remuneration and prohibitions on the payment of inducements to Medicare and Medicaid beneficiaries in order to influence their selection of a provider.
- *Governmental Regulation:* licensure, certification, enrollment in government programs and certificate of need approval, including requirements affecting the operation, establishment and addition of services and facilities; the necessity, appropriateness, and adequacy of medical care, equipment, and personnel and conditions of coverage and payment for services; quality of care and data reporting; restrictions on ownership of surgery centers; operating policies and procedures; qualifications, training and supervision of medical and support personnel; and fee-splitting and the corporate practice of medicine;
- *Patient Care:* screening of individuals who have emergency medical conditions; workplace health and safety; consumer protection; anti-competitive conduct; and confidentiality, maintenance, data breach, identity theft and security issues associated with health-related and other personal information and medical records.

Because of the breadth of these laws and the narrowness of available exceptions and safe harbors, it is possible that some of our business activities could be subject to challenge under one or more of these laws. For example, failure to bill properly for services or return overpayments and violations of other statutes, such as the federal Anti-Kickback Statute or the federal Stark Law, may be the basis for actions under similar state laws. Under HIPAA, criminal penalties may be imposed for healthcare fraud offenses involving not just federal healthcare programs but also private health benefit programs. Enforcement actions under some statutes may be brought by the government as well as by a private person under a *qui tam* or “whistleblower” lawsuit. Federal enforcement officials have numerous enforcement mechanisms to combat fraud and abuse, including bringing civil actions under the Civil Monetary Penalty Law, which has a lower burden of proof than criminal statutes.

If we fail to comply with applicable laws and regulations, we could suffer civil or criminal penalties, including fines, damages, recoupment of overpayments, loss of licenses needed to operate, and loss of enrollment and approvals necessary to participate in Medicare, Medicaid and other government sponsored and third party healthcare programs. Federal enforcement officials have the ability to exclude from Medicare and Medicaid any investors, officers and managing employees associated with business entities that have committed healthcare fraud. Many of these laws and regulations have not been fully interpreted by regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Different interpretations or enforcement of existing or new laws and regulations could subject our current practices to allegations of impropriety or illegality, or require us to make changes in our operations, facilities, equipment, personnel, services, capital expenditure programs or operating expenses to comply with the evolving rules. Any enforcement action against us, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business. The laws and regulations governing the provision of healthcare services are frequently subject to change and may change significantly in the future. We cannot assure you that current or future legislative initiatives, government regulation or judicial or regulatory interpretations thereof will not have a material adverse effect on us. We cannot assure you that a review of our business by judicial, regulatory or accreditation authorities will not subject us to fines or penalties, require us to expend significant amounts, reduce the demand for our services or otherwise adversely affect our operations.

Risk Related to Our Stock***The price of our common shares is subject to volatility.***

Broad market and industry factors may affect the price of our common shares, regardless of our actual operating performance. Factors unrelated to our performance that may have an effect on the price of our securities include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow our securities; speculation about our business in the press or the investment community; lessening in trading volume and general market interest in our securities may affect an investor's ability to trade significant numbers of our securities; additions or departures of key personnel; sales of our common shares, including sales by our directors, officers or significant stockholders; announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures; and a substantial decline in the price of our securities that persists for a significant period of time could cause our securities to be delisted from an exchange, further reducing market liquidity. If an active market for our securities does not continue, the liquidity of an investor's investment may be limited and the price of our securities may decline. If an active market does not exist, investors may lose their entire investment. As a result of these factors, the market price of our securities at any given point in time may not accurately reflect our long-term value. Securities class-action litigation often has been brought against companies in periods of volatility in the market price of their securities and following major corporate transactions or mergers and acquisitions. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

There is a limited trading market for our common stock.

Our common stock is listed in Canada on the TSX-V and we are not listed on any national securities exchange, which results in limited trading volume for our common stock. Accordingly, investors may find it more difficult to buy and sell our shares than if our common stock was traded on an exchange. The TSX-V is a smaller exchange in Canada and your broker may not facilitate trades in Canada. Although our common stock is quoted in the United States on the OTCQB, it is an unorganized, inter-dealer, over-the-counter market which provides significantly less liquidity than the Nasdaq Capital Market or other national securities exchange. These factors may have an adverse impact on the trading and price of our common stock.

Our issuance of common stock upon exercise of warrants or options or conversion of convertible notes may depress the price of our common stock.

As of December 29, 2020, we had 56,378,939 shares of common stock issued and outstanding, outstanding warrants to purchase 18,025,328 shares of common stock; outstanding options to purchase 3,401,000 shares of common stock; outstanding convertible notes convertible into 3,110,326 shares of common stock; and an obligation to issue 1,000,000 shares of common stock issuable as Performance Shares under the terms of a settlement and mutual release agreement dated March 4, 2019, between Assure and Matthew Willer, a former officer and director. The issuance of shares of common stock in connection with convertible securities and obligations could result in substantial dilution to our stockholders, which may have a negative effect on the price of our common stock.

In addition, our articles authorize the issuance of 900,000,000 of shares of common stock. We may issue additional common stock in the future in connection with a future financing or acquisition.

Our common stock is "penny stock", which places restrictions on broker-dealers recommending the stock for purchase.

Our common stock is defined as "penny stock" under the Exchange Act, and the rules promulgated thereunder. The SEC has adopted regulations that define "penny stock" to include common stock that has a market price of less than \$5.00 per share, subject to certain exceptions. These rules include the following requirements:

- broker-dealers must deliver, prior to the transaction, a disclosure schedule prepared by the SEC relating to the penny stock market;

- broker-dealers must disclose the commissions payable to the broker-dealer and its registered representative;
- broker-dealers must disclose current quotations for the securities;
- if a broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market; and
- a broker-dealer must furnish its customers with monthly statements disclosing recent price information for all penny stocks held in the customer's account and information on the limited market in penny stocks.

Additional sales practice requirements are imposed on broker-dealers who sell penny stocks to persons other than established customers and accredited investors. For these types of transactions, the broker-dealer must make a special suitability determination for the purchaser and must have received the purchaser's written consent to the transaction prior to sale. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for our common stock. As a result, fewer broker-dealers may be willing to make a market in our stock, which could make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock. .

We qualify as an "emerging growth company" under the JOBS Act.

As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements. For so long as we are an emerging growth company, we will not be required to:

- have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- submit certain executive compensation matters to shareholder advisory votes, such as "say-on-pay" and "say-on-frequency"; and
- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive's compensation to median employee compensation.

We will remain an "emerging growth company" until the earliest of (i) the last day of the first fiscal year in which our total annual gross revenues exceed \$1.07 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, which would occur if the market value of our ordinary shares that is held by non-affiliates exceeds \$700 million as of the last business day of our most recently completed second fiscal quarter, (iii) the date on which we have issued more than \$1 billion in non-convertible debt during the preceding three year period or (iv) the last day of the fiscal year in which we celebrate the fifth anniversary of our first sale of registered common equity securities pursuant to the Securities Act of 1933, as amended. Until such time, however, we cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our stock price may be more volatile.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of our common stock being offered for sale by the selling stockholders. Upon the exercise of the warrants for an aggregate of 16,357,703 shares of common stock assuming all payments are made by cash and there is no reliance on cashless exercise provisions, we will receive the exercise price of the warrants, or an aggregate of \$12,759,008. We will bear all fees and expenses incident to our obligation to register the shares of common stock. Brokerage fees, commissions and similar expenses, if any, attributable to the sale of shares offered hereby will be borne by the applicable selling stockholders.

MARKET PRICE AND DIVIDENDS

Market Price for our Common Stock

Our common stock has been traded on the TSX-V under the symbol “IOM” since July 2017. Our common stock commenced quotation on the OTCQB under the symbol “ARHH” on February 25, 2019. Quotations on the OTCQB reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

Market Information

The primary trading market for our Common Stock is the TSX-V. The high and low sales prices for our Common Stock are as follows, (in CDN), for the following periods as reported by the TSX-V:

Period	High	Low	Volume
2020			
December (through December 15 th)	Cdn\$1.60	Cdn\$0.80	559,100
November	Cdn\$1.25	Cdn\$0.82	98,200
October	Cdn\$1.07	Cdn\$0.86	276,200
September	Cdn\$1.21	Cdn\$0.93	129,500
August	Cdn\$1.25	Cdn\$0.83	171,800
July	Cdn\$1.25	Cdn\$0.90	363,700
June	Cdn\$1.42	Cdn\$1.17	200,300
May	Cdn\$1.49	Cdn\$0.98	452,800
April	Cdn\$1.29	Cdn\$0.81	145,400
March	Cdn\$1.55	Cdn\$0.81	298,700
February	Cdn\$1.88	Cdn\$1.40	303,500
January	Cdn\$2.00	Cdn\$1.32	602,100
2019			
Quarter Ended March 31, 2019	Cdn\$3.11	Cdn\$1.46	1,175,300
Quarter Ended June 30, 2019	Cdn\$2.18	Cdn\$1.40	1,318,100
Quarter Ended September 30, 2019	Cdn\$2.44	Cdn\$1.44	2,164,500
Quarter Ended December 31, 2019	Cdn\$2.34	Cdn\$1.52	1,892,300
2018			
Quarter Ended March 31, 2018	Cdn\$4.39	Cdn\$1.36	1,892,900
Quarter Ended June 30, 2018	Cdn\$1.70	Cdn\$1.70	—
Quarter Ended September 30, 2018	Cdn\$2.91	Cdn\$1.70	659,900
Quarter Ended December 31, 2018	Cdn\$2.36	Cdn\$1.76	987,600

Holders

As of December 29, 2020 there were approximately 56 stockholders of record holding 56,378,939 shares of our common stock. This number does not include an indeterminate number of stockholders whose shares are held by brokers in street name through depositaries, including CDS & Co and CEDE & Co. The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of our common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to our common stock.

Dividend Policy

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements of our business. Any future determination to pay cash dividends will be at the discretion of our board of directors (the “**Board**”) and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our Board deems relevant. Our ability to pay cash dividends is subject to limitations imposed by state law.

OUR BUSINESS

Overview of Our Business

Assure is focused on providing surgeons, with a comprehensive suite of Intraoperative Neurophysiological monitoring or “IONM” services. IONM has been well established as a standard of care for over 20 years as a risk mitigation tool during invasive surgeries such as neurosurgeries, spinal procedures, ear, nose and throat surgeries, and vascular surgeries and other surgical procedures that place the nervous system at risk.

We train and employ an intraoperative neurophysiologic staff that are on site in the operating room during each procedure and monitors the surgical procedure using state of the art, commercially available, diagnostic medical equipment. Our Intraoperative Neurophysiologists are certified by ABRET, an internationally recognized third party credentialing agency. We provide two types of services during each procedure, neurophysiological and professional IONM. Our in-house Intraoperative Neurophysiologist staff provide Technical Services. The Professional IONM component of our business is operated through Managed Service Agreements with PEs. These PEs are contracted with neurologists/readers to provide IONM coverage in a telehealth capacity as a level of redundancy and risk mitigation in addition to the onsite Technical Services. The success of our service depends upon the timely and successful interpretation of the data signals by our Intraoperative Neurophysiologist and the reader, and the ability of the professional team to quickly determine if there is a deficit and the surgical intervention required to positively impact the patient and surgery. Collectively, the Technical and Professional IONM services provide a turnkey platform to help make surgeries safer. Our goal is to establish Assure as the premier provider of IONM services by offering a value-added platform that handles every component from scheduling, case coverage, patient advocacy, education, research and billing and collections. Our strategy focuses on utilizing best of class personnel and partners to deliver outcomes that are beneficial to all stakeholders including patients, surgeons, hospitals, insurers, and shareholders.

We primarily engage in the neuromonitoring of neurosurgeries, spinal procedures and vascular surgeries. The expansion into additional surgical verticals is part of our growth strategy. By applying our neuromonitoring platform to additional surgical verticals such as ear nose and throat, orthopedic and others, the addressable market for our service can be greatly expanded. We currently have operations in Louisiana, Michigan, Arizona, Pennsylvania, Texas, Colorado, South Carolina, and Utah. Our continued geographic expansion initiatives coupled with the surgical vertical expansion efforts and selective acquisitions are expected to generate substantial growth opportunities going forward. Our intention is to grow our operations by developing additional Managed Services Agreement relationships and directly contracting with hospitals and surgery centers for services. In the future, it may be necessary for us to raise additional funds for the continuing development of our business plan.

About IONM

According to the American Society of Neurophysiological Monitoring:

Intraoperative neurophysiological monitoring has been utilized in attempts to minimize neurological morbidity from operative manipulations. The goal of such monitoring is to identify changes in brain, spinal cord, and peripheral nerve function prior to irreversible damage. Intraoperative monitoring also has been effective in localizing anatomical structures, including peripheral nerves and sensorimotor cortex, which helps guide the surgeon during dissection.

Intraoperative neurophysiologic monitoring (IONM) is a technique that is directly aimed at reducing the risk of neurological deficits after operations that involve the nervous system. IONM is a technique that has evolved during the last two decades; it makes use of recordings of electrical potentials from the nervous system during surgical operations.

The use of IONM offers a possibility to detect injuries before they become so severe, they cause deficits after the operation. Introduction of IONM has reduced the risk of debilitating deficits such as muscle weakness, paralysis, hearing loss, and other loss of normal body functions. IONM is normally performed by technologists supervised by a physiologist, or a neurologist. Similar techniques as used in IONM are now used in a few kinds of operations for guiding the surgeon in an operation to help obtain the best results.

See, <https://www.asnm.org/page/NewIONM>

IONM technology helps assess the function of the central and peripheral nervous system during vascular, ear, nose, and throat, orthopedic, cardiac, neurosurgery, interventional radiological procedures, and other general surgeries that places one aspect of the nervous system at risk. The technology provides immediate feedback and warning to surgeons reducing the risk of permanent neurological injuries, helping to improve patient surgical outcomes. IONM employs modalities (tests) such as Somatosensory evoked potentials (SSEP), Transcranial evoked potentials (TcMEP), Electroencephalogram (EEG) and Electromyography (EMG) to monitor the function of peripheral nerves, spinal cord and brain. Surgeons widely use SSEP to measure the transmission of sensory information below and above the area of surgery. TcMEP helps measure motor impulses moving from the brain going out to the muscles throughout the body. EMG helps detect the electrical activity produced by the activation of the muscle by the nerve. EEG helps detect defects associated with the electrical activity of the brain. IONM confers possible benefits at many levels including: (i) improved patient care; (ii) reduced patient neurological mortality; (iii) reduced hospital stay and medical costs; and (iv) reduced overall insurance burden.

For IONM, our Intraoperative Neurophysiologist sets up multiple electrodes including needle electrodes on the patient's hands, wrists, arms, shoulders, ankles, legs, feet and scalp. Peripheral nerves are stimulated with small electrical pulses during surgery and monitoring devices track how the resultant nerve impulses are transmitted through the nerve pathways, in the format of waveforms which appear on the equipment screen. These waveforms are tracked by the intraoperative neurophysiologist and a supervising practitioner. If abnormalities are detected, the surgeon is notified in real-time and can adjust their surgical approach, thus avoiding more serious and permanent nerve damage. IONM offers reduction in surgical risk by providing real time critical information and alerts to surgeons indicating potential harm or compromise to the monitored neural structures. Our INP communicate their findings to the surgeon allowing repair to the damaged nerve during the procedure which must be completed timely to save the neural structure. IONM is considered standard of care for surgeries with a high risk of neural injury such spine and brain surgery. Through research that Assure is undertaking, we aim to show IONM should be standard of care on all surgeries that place one or more aspects of the nervous system at risk.

There are several advantages to IONM during surgery: (i) IONM is minimally invasive and cost effective method considered not only to prevent injury during surgeries but also to decrease surgeon liability; (ii) real-time IONM helps improve patient outcome by providing the operative team with actionable information regarding the function of the patients monitored nervous structures; (iii) skilled intraoperative neurophysiologists perform IONM that use specialized analog and digital equipment to monitor electrical signals coming from the spinal cord, brain, muscle and cranial or peripheral nerves; (iv) licensed surgeons manage the surgical procedure. If serious or minor complications occur, the monitoring team alerts the surgical team whom can take corrective measures reducing the likely hood of permanent neurological injury.

Although there are numerous practical benefits to patients, as with any medical procedure there are also potential risks and complications. Risks associated with neuromonitoring are minimal especially with reference to the overall surgical procedure as a whole.

Modalities (Clinical Tests) Used in IONM Procedures

Electroencephalography Monitoring (EEG)

EEG monitoring was first used for IONM in the 1960s for the safe performance of carotid endarterectomy ("CEA"). EEG records and tracks brain wave patterns. EEG monitoring helps detect defects associated with the electrical activities of the brain. It also helps monitor cortical structures and evaluates perfusion (blood flow) to the cerebral cortex of the brain. Electrodes are placed on/in the patients scalp and brain wave activity is recorded from these electrodes. Raw EEG activity as well as digital processed EEG, such as compressed spectral array, provide a holistic view of the cortical activity allowing for a full interpretation.

EEG is used in many surgical procedures as a monitoring and a mapping tool. It is used to monitor the cerebral activity, allowing the detection of early dysfunction caused by cerebral ischemia. EEG is commonly used for IONM during CEA, this procedure reduces blood flow to the brain. During the CEA, if the reduced blood flow to the brain causes a reduction in the EEG activity, the Interoperative Neurophysiologist alerts the

surgeon immediately, allowing the surgeon to modify his/her technique, restore blood flow by placing a shunt and reducing the potential for stroke. The technology guides surgeons regarding the changes in the cerebral blood flow. EEG is also used in intracranial aneurysm repair, intracranial arteriovenous malformations, brain tumor resections and other procedures that place the cerebral cortex of the brain at risk.

Electromyography Monitoring (EMG)

EMG monitoring helps detect electrical potentials produced by muscle cells when these cells are neurologically or electrically activated. EMG helps monitor nerve damage, unnecessary traction, and other impairments of the nerves during cranial nerve, peripheral nerve, and spinal nerve root surgeries. During cranial nerve surgeries, the endings of nerves are electrically stimulated and the response in the neck or facial muscles is recorded. Our intraoperative neurophysiologists constantly record EMG and display the data visually or transmit to a speaker for auditory feedback. Basic EMG techniques include free-running EMG, stimulated EMG, and intraoperative Nerve Conduction Studies (NCS). Free-running EMG detects mechanical irritation of the nerve. It can be passively recorded from the muscles without the electrical stimulation of the nerve. Stimulated EMG is performed by electrically stimulating the nerves and recording the resulting contraction of the innervated muscle. Stimulated EMG is used by the surgeon to help identify neural tissue and map the path of the nerve.

The impulsive activity of the muscles offers valuable data to surgeons about the function of the skeletal motor system and the motor function of the cranial nerves. EMG is used for IONM during spine, cranial and peripheral nerve surgeries.

Evoked Potential Monitoring

Evoked Potential Monitoring is when an external stimulus is applied to a neural structure and the resultant nervous system response is recorded.

Somatosensory Evoked Potential (SSEP)

SSEP monitoring allows for the assessment of the sensory aspects of the nervous system. SSEPs are utilized to monitor the sensory function of peripheral nerves, spinal cord, brainstem and cerebral cortex.

For SSEP monitoring, an electrical stimulation is applied to a peripheral nerve, and the resulting neural activation is recorded along the nerve, spinal cord and finally in the brain. Surgeons use this technology during neurological and orthopedic surgeries to reduce the potential for surgical injury to the sensory systems.

SSEP monitoring is commonly used for neural protection in surgeries associated with: spinal cord, brain, vasculature of the brain/spinal cord and peripheral nerves.

Brainstem Auditory Evoked Potentials (BAEP)

BAEP are small electrical voltage potentials generated in response to auditory stimuli recorded from electrodes located on the scalp and depict the functional status of the auditory nerve and auditory pathway in the brainstem. Surgeons use this technology during surgeries for the treatment of acoustic neuromas, brainstem tumors, and other procedures that place the brainstem or blood flow to the brainstem at risk. Successful monitoring of BAEP during an acoustic neuroma allow for hearing preservation.

Transcranial Motor Evoked Potential (TcMEP)

TcMEP monitoring allows for the assessment of the volitional motor pathways of the nervous system. TcMEPs are utilized to monitor the motor aspect of peripheral nerves, spinal cord, and cerebral cortex.

For TcMEP monitoring, electrical stimulation is applied to the cerebral cortex and the resulting neural activation can be recorded from the spinal cord in the form of a neuronal potential (D-wave) and from the peripheral muscles in the form of a muscle potential (CMAP). Surgeons use this technology during neurological and orthopedic surgeries to reduce the potential for surgical injuries associated with motor systems.

TcMEP monitoring is commonly used for neural protection in surgeries associated with spinal cord, brain, vasculature of the brain/spinal cord, and peripheral nerves.

Quality of Care

Over the past 20 years, research has been done within the industry to prove that IONM is not only effective at reducing post-operative neurological deficits but is also cost effective.

In 2007 Sala et al concluded: “Multimodal intraoperative monitoring can only reduce the likelihood of neurological complications during spine and spinal cord surgery. The rate of these complications remains very low. Still, considering the enormous costs of health care and the human suffering related to a severe injury to the spinal cord that results in paraplegia/paraparesis or quadriplegia/quadruparesis, there is enough evidence to prove that costs of performing IOM surely do not exceed those of health care for the injured patients.” (Eur Spine J, 2007 Nov; 16(suppl2):229-231)

In 2010 Ayoub, Zreik et al concluded: “Intraoperative SSEP monitoring, in our surgical population, proved to be a reliable method for preventing postoperative neurological deficit by the early detection of vascular or mechanical compromise, and the immediate alteration of the anesthetic or surgical technique. Moreover, it was found to be cost-effective since our tertiary care center saves a total cost ranging from \$64,074 to \$102,192 per patient injured per year for an additional expense of \$31,546 per year on SSEP monitoring.” (Neurol India, 2010, 58: 424-428)

In 2016 Martinelli et al concluded: “Multimodal intraoperative neurophysiological monitoring (IOM) during spine surgery was introduced in clinical practice to reduce the risk of permanent neurological deficit post-surgery. The early detection of changes in neurophysiological parameters during surgical procedure, makes it possible to reverse the damage before it becomes permanent. Even if the rate of complications during IOM remains very low (about 1%), the costs of performing IOM surely do not exceed those of health care for the injured patients, so that the economic burden of neurological damage justifies widely the cost of the procedure. Moreover, indirect costs are often underestimated: loss of job, career setbacks of the patient or a family member close to him. One aspect that cannot be measured is the impact of a possible psychological and social permanent deficit, especially when the affection of a specific function limits the chances of social relationship.” (C. Martinelli et al, Journal of Clinical Neurophysiology volume 127, issue 4. April 2016).

Insurance Coverage and IONM

IONM is now recognized and reimbursed by most insurers. Billing codes were adopted for IONM usage in the 1970's when most IONM equipment could acquire only two or four channels of information. Current technology allows for sixteen to thirty-two channels of data to be monitored concurrently during each procedure.

Billing codes are known as CPT codes, or Current Procedural Terminology codes (“**CPT**”) which are medical codes maintained by the American Medical Association that are designed to communicate uniform information about medical services among physicians, patients and payors. Actual reimbursement may vary under different modes of insurance applicable in the United States. However, the reimbursement depends on the type of modality/tests used including the services and disposables consumed.

Each IONM modality utilized during IONM is associated with a specific CPT code, there are also two additional codes that help to capture the continuous monitoring that occurs in the operating room as in comparison to a clinical neurodiagnostic procedures. These two codes used to capture the continuous monitoring time are: 95940-continuous IONM in the operating room, with one-on-one attendance, per 15 minutes; 95941- Continuous intraoperative neurophysiology monitoring from outside the operating room (remote or nearby) or for monitoring of more than one case while in the operating room, per hour. The combination of the individual modality CPT codes along with the continuous monitoring codes allows for complete billing of IONM services to private insurance companies. At this time CMS does not recognize the purely technical component of the IONM service, therefor the technical component is billed directly to the facility where the procedure is occurring.

Our Services

Assure offers a turnkey full suite of IONM services from scheduling of the Intraoperative Neurophysiologist and supervising practitioner, real time monitoring and subsequent billing for the services. Assure strives to pair a Surgeon with a team of INPs in order to promote a level of familiarity, comfort and efficiency between the Surgeon and the INP. Assure core business provides IONM services for approximately 131 surgeons in 66 hospitals and surgery centers (which we refer to as “**Procedure Facilities**”) located in: Colorado, Texas, Louisiana, Pennsylvania, Michigan, South Carolina, Arizona, and Utah.

Prior to the IONM procedure, Assure Neuromonitoring will coordinate with the Surgeon’s office to obtain the necessary information and documentation to provide IONM services, such as the patients insurance information, patients demographic information and office/clinic notes. Assure Neuromonitoring provides educational materials to the Surgeons office for inclusion in each surgical patient’s pre-operative packets, in order to educate and provide comfort to the patient about IONM services. Prior to the surgery, an Assure Patient Advocate Professional connects with the patient to explain our role during the surgery, the benefits of IONM and billing issues that may affect the patient. Assure’s INP will arrive at the hospital with an IONM unit and disposable supplies and electrodes. The INP will meet with the patient to explain their role during the surgery, discuss the patients pertinent past medical history, explain the risks and benefits associated with IONM and have the patient sign consenting forms for IONM to be utilized on their procedure.

During the surgery, the INP will continuously monitor the functional integrity of the monitored nervous structures by recording, reading and interpreting electrical activity arising from the brain, spinal cord, peripheral nerves, somatosensory or motor nerve systems using the IONM Unit and communicating results in real-time to the surgeon. Following the procedure, assuming the patient has health care insurance under a commercial health care policy, we will invoice the insurance company directly for Interoperative Neurophysiologist services. The invoice provided to the insurance company will detail each modality monitored by the INP for the neural protection of the patient during the procedure. After we have submitted the claim to the private insurance company, our Patient Advocate Professional will contact the patient to further explain the details on the explanation of benefits insurance form and to ensure the patient was satisfied with the level of service provided by us. In the event a patient is uninsured, or has insurance coverage under a government health care policy (Medicare, Medicaid, Tricare or Veterans Administration) the facility where the procedure took place will be billed for the IONM services for the patient, as agreed to in each facility service contract. After we have submitted the claim to the private insurance company, our Patient Advocate Professional will contact the patient to further explain the details on the explanation of benefits and to ensure that the patient was satisfied with the level of service provided by us.

Our current suite of services includes supporting predominately neurosurgeries, spinal surgeries nationally, as well as vascular surgeries and ENT surgeries in a more regional basis. Through organic growth and anticipated business acquisitions, we plan to expand our suite of services to include orthopedic, genitourinary, ENT and vascular surgeries nationally. We plan to expand in additional procedural verticals to further diversifying the suite of services it provides to our surgeon and hospital partners. We will also be participating in clinical research opportunities, furthering the field of IONM and standing out as an industry leader.

Assure Interoperative Neurophysiologists

Assure currently employs 57 specialized IONM INPs that are board certified CNIM or board eligible CNIM by ABRET. ABRET seeks to encourage, establish and maintain standards of clinical EEG, Evoked Potential Technology, and Neurophysiologic Intraoperative and long-term monitoring, by offering credentialing exams to evaluate the skills and knowledge of technologists, and by supporting lab accreditation. ABRET is an internationally recognized credentialing and accreditation institution.

Assure has developed an Intraoperative Neurophysiologist Fellowship program. This Fellowship program will train new INPs from start to board certification, allowing for consistently high caliber well trained professional INPs for placement into emerging and growing markets. Training and developing our own talent pool allow for more flexible scalability.

Hospital Agreements

Assure Neuromonitoring must enter into a contracted services agreement with each Procedure Facility it provides IONM services prior to initiating IONM services. The purpose of these agreements is to ensure that

Assure Neuromonitoring provide all of its services in accordance with all regulatory and accreditation standards, including those requirements imposed by the Joint Commission, the CMS and all applicable federal, state and local laws.

Pursuant to these agreements, Assure Neuromonitoring has agreed to provide IONM services and shall ensure the real-time interpretation of such monitoring to patients. During the surgery, the INP will be monitoring the functional integrity of the peripheral or central nervous system by recording, troubleshooting, documenting and communicating activity arising from the brain, spinal cord, peripheral nerves, using the equipment provided by us and relaying all results, in real-time to the supervising surgeon.

Each INP is required to be approved and decreed privileges to practice IONM by each of the contracted facilities. All INP who are performing onsite monitoring must be certified or board eligible from one of the following organizations (i) American Board of Neurophysiologic Monitoring; (ii) American Board of Electrodiagnostic Technologists; or (iii) ABRET.

Our Patients

We service patients across multiple verticals (spine, neurosurgery, orthopedic, vascular, ear, nose, and throat) and geographic areas (primarily Texas, Colorado and Louisiana). Over half our patients commonly have commercial health insurance coverage (“**Commercial Payor**”) and we are compensated via their health insurance plan. The remainder of our patients, who do not have insurance coverage, compensate us via hospital agreements. Regardless of type of payment and whether the patient has insurance coverage, Assure provides the same high level of service and quality of care. The majority of our Commercial Payors are billed out of network and we negotiate payment for each claim. The remainder of Commercial Payor’s utilize a contracted rate. The majority of contracted rates are via indirect agreements with third party organizations or related entities of the Commercial Payor with a smaller portion in direct agreements with contracted rates.

Assure Equipment

Assure Neuromonitoring has entered various equipment purchase loan agreement with lenders to finance the purchase of monitoring equipment. The terms of the agreements are typically for 60 months and provide a bargain purchase option at the end of the lease to acquire the equipment. The IONM units are manufactured by Cadwell Industries, Inc., a U.S. based medical device company.

Operational Subsidiaries

Assure Neuromonitoring LLC (Technical Services)

Assure Neuromonitoring is the operational subsidiary of Assure that works with Surgeons and Facilities to provide the neurophysiological services of IONM. The neurophysiological services include the INP, monitoring equipment and is the entity to maintain the contracted relationships with the facilities.

Assure Networks, LLC (Professional Services)

Assure Networks exist for the purpose of facilitating the performance of the professional component of IONM. Assure Networks, either directly or by and through the Assure Networks subsidiaries ownership interest in entities that either (i) directly perform the professional component through third party contracted neurologists or oversight reading physicians, or (ii) provide management services for entities owned by licensed physicians.

In the instances where Assure Networks or the applicable Assure Networks subsidiary owns an interest in the entity performing the professional component of IONM, we structure our ownership to satisfy state law requirements with respect to the corporate practice of medicine.

In the instances where Assure Networks or the applicable Assure Networks subsidiary is unable to own an interest in the entity performing the professional component due to state specific regulations, Assure Networks or the applicable Assure Networks subsidiaries enters into a management services agreement whereby Assure Networks or the applicable Assure Networks subsidiaries agrees to perform management services on behalf of a third party unrelated entity performing the professional component of IONM and is paid fair market value

compensation for such services. The fair market value compensation is based on a third party fair market value valuation prepared by a professional valuation firm engaged by Assure Networks or the applicable Assure Networks subsidiary.

Privacy

Assure is committed to protecting the privacy of its patients by safeguarding all medical information in compliance with the HIPAA. Assure's processes are also fully compliant with the Health Information Technology for Economics and Clinical Health Act (Hitech). Assure currently relies on its data security by storing all confidential information including patient information with a third party company called ShareFile, which is owned and operated by Citrix Systems, Inc. ShareFile has, among other security measures, a third party validated application and datacenter control from SOC 2 and SSAE 16 audits, bank-level encryption technology, multiple data storage locations around the globe and disaster recovery centers in the United States and Europe. We rely upon these this party Companies and their cloud-based services to ensure all confidential information is safeguarded. Assure's privacy policy is located on its website at www.assureneuromonitoring.com. The information on our website or filed on SEDAR is not incorporated by reference into this prospectus.

IONM Market in the United States

Overview

Allied Market Research reported that the overall intraoperative neuromonitoring market in the US is expected to post a compound annual growth rate ("CAGR") of 6.6% by 2022 and generate \$1.94 billion. The outsourced component of the IONM market in the US is expected to post a CAGR of 10.6% and reach \$1.07 billion by 2022.

A key factor driving the growth of the market is the increasing number of surgeries for which IONM is required. IONM has been well established as a standard of care for over 20 years as a risk mitigation tool during invasive surgeries such as neurosurgery, spine, ear, nose, and throat, cardiovascular, and other surgical procures that place the nervous system at risk. Advances in technology and the growth of the geriatric population in the US are other factors increasing the number of spinal, musculoskeletal, and cardiovascular surgeries, which in turn is expected to drive market growth. Renowned medical institutions such as the Mayo Clinic are advocating greater adoption of IONM including requiring medical professionals to complete comprehensive neurophysiology training courses and hosting international IONM conferences.

Market Landscape

The IONM market is bifurcated into insourced and outsourced monitoring. The end user segment is categorized into hospital and ambulatory surgical centers. IONM finds its application in spinal surgery, neurosurgery, vascular surgery, ENT surgery, orthopedic surgery, and other surgeries related to the central or peripheral nervous system. IONM modalities include motor evoked potential, somatosensory evoked potential, electroencephalography, electromyography, brainstem auditory evoked potential, and visual evoked potential.

There has been a substantial increase in the use of IONM devices by hospitals and ambulatory surgical centers during complex surgeries. Moreover, the market is moving toward outsourced monitoring to provide advanced treatment options for patients suffering from chronic diseases.

With no dominant players in the industry, the intraoperative neuromonitoring market in the US is highly fragmented. Providers can generally be categorized into three groups: 1) Intraoperative neuromonitoring composed of hundreds of local and regional providers, including Assure, Medsurant, and National Neuro 2) In-sourced providers such as hospitals and 3) Bundled product companies offering neuromonitoring as part of a broader suite of services including Specialty Care and NuVasive. These bundled product companies are believed to be the largest IONM providers in the US, although each is estimated to individually comprise less than 10% of the overall US IONM market.

Market Size and Forecast

The combined US outsourced and insourced IONM market generated \$1.24 billion in 2015 and is projected to reach \$1.94 billion by 2022, growing at a CAGR of 6.6% from 2016 to 2022.

Market Segmentation by Application

Current market breakdown as relating to the current IONM utilization by procedure classification is approximately:

- 73% Spinal Surgery
- 12% Neurosurgery
- 10% Vascular Surgery
- 5% ENT, Orthopedic and Other

Surgical neurophysiology keeps on progressing, with the improvement of new applications such as brainstem mapping, spinal cord mapping, and proving the utilization of IONM in surgeries where the nervous system is not at primary risk but a secondary risk of the surgery (such as reducing post-operative deficits caused by malposition).

IONM utilization is also highly regional, with the eastern portions of the United States having higher utilization of IONM as compared to the central and western portions of the country, especially for orthopedic and vascular Surgery verticals. This regional nature is partly to do with the regional medico-legal issues but also the training of the surgeons. If surgeons train with effective IONM they are more likely to continue to use it in their practice in comparison to surgeons who either were not exposed to IONM or who were exposed to ineffective IONM. Assure currently capitalizes on a key relationship in supporting and working with a neurosurgery residency program.

There are large opportunities that Assure is working to capitalize on with respect to growing the use of IONM monitoring in the underutilized verticals. Assure aims to capture this market by investing in research, correlating improved outcomes in procedures that are not traditionally monitored or where IONM is underutilized. There are also many surgical disciplines that have not been explored with respect to if IONM could be function saving to the patient.

Drivers of the IONM Market

The US IONM market is expected to expand, driven by growth in procedures related to an aging population, increase in prevalence of chronic disorders, adoption of IONM in new surgeries, and increased interest in risk mitigation.

High volume of surgeries

Physicians use IONM during many surgeries. IONM is vital in obtaining real-time status of the nervous system. An increase in the volume of neurosurgeries, spinal surgeries, and orthopedic surgeries has fueled the demand for IONM services.

Advances in technology

With the improvement in healthcare facilities and advances in technology, vendors are developing innovative and efficient IONM devices. Companies such as Medtronic, Cadwell and Natus Medical extensively invest in R&D to develop advanced IONM devices.

Service providers such as SpecialtyCare, Neuro Alert, and Sentient Medical Systems offer advanced IONM services for various surgeries including neurosurgeries and ENT, cardiovascular, orthopedic, and spinal surgeries. These companies provide IONM devices such as EEG systems for real time monitoring of the nervous system. Advanced IONM devices help physicians to monitor and record complex patterns of neural activities.

Focus on patient safety

Surgeons use IONM as an additional line of safety during surgeries. IONM systems are used to monitor the nervous system and alert the surgeons prior to the threshold for injury. The IONM systems play a vital role during critical surgeries such as spinal surgeries that involve the insertion of instruments near the nerves or the spinal area and may cause damage to the nervous system. IONM also helps surgeons avoid or minimize common complications such as paraparesis, quadriplegia, and paraplegia that occur during surgeries.

Some of the reasons for the rising popularity of IONM are:

- Safety: IONM helps decrease the risk of surgeries by about 90%. IONM systems are also widely accepted, as they are devices approved by the FDA.
- Medico-legal obligations: End-users and hospitals use IONM systems to reduce medico-legal lawsuits from people that have undergone surgeries.
- Growth in surgeries: Rising volume of technically demanding surgeries increases the need for advanced IONM tools.

Market Challenges*Cost of surgery with IONM*

The cost of surgeries with IONM is more than those without IONM. Surgeries with IONM involve the expenses on IONM devices, intraoperative neurophysiologists, supervising practitioners, and disposable materials. The cost of surgeries restricts the adoption of IONM. Though IONM systems play a crucial role in invasive surgeries such as spinal, neurological and cardiovascular surgeries, it has not been proven to be a cost effective therapy in all procedures.

Limited interoperative neurophysiologists

Though the number of surgeries that need IONM is increasing rapidly in the US, only a limited number of *interoperative neurophysiologists* with expertise in IONM are available. Industry studies estimate that approximately 5,000 board certified *interoperative neurophysiologists* are currently working in the United States. *Interoperative neurophysiologists* with high levels of expertise are required to effectively use IONM devices to record data and diagnose patient alerts. There is also the risk of false recordings due to physiological artifacts arising from other sites. Only highly skilled *interoperative neurophysiologists* can perform IONM in hospitals, surgical centers, and neurophysiological laboratories and provide the greatest levels of service to the surgeons they support.

Competitive Environment

The market in the United States is highly fragmented, with the presence of national and local players. Large companies such as Specialty Care, and NuVasive occupy the market along with medium- and small-sized vendors such as Accurate Neuromonitoring, Sentry Neuromonitoring and Neuromonitoring Associates.

Service providers including Assure collaborate with doctors and medical facilities to offer IONM service support and solutions.

Complications of IONM

Though the popularity of IONM is growing rapidly, there still risks and complications associated with IONM, as there is for any medical procedure.

- Types of injuries induced by electrical current: Burns may occur at the contact of stimulating electrodes with tissue, when the current density is high. The leakage of high-frequency current through alternate pathways can also cause burns. As well as, high current flow can cause macroshock.
- Use of needle electrodes: risk of infection at the electrode site.
- Electrical cortical stimulation: Transcranial electrical cortical stimulation during MEP monitoring can cause tongue lacerations, oral injuries, and even mandibular fractures. These adverse effects occur due

to forceful contraction of the biting muscles as a result of the stimulation. This risk is largely mitigated by appropriate use of bite blocks.

Market Trends

Increase in acquisitions

Companies undergo acquisitions to expand their geographical presence, multiply their product portfolio, and attain economies of scale. For these reasons, there is expectation that the IONM industry may see increased consolidation via acquisitions. Industry consolidation will contribute to the standardization of patient care and could increase profit margins for companies in the space.

Accreditation

In 2019, Assure earned The Joint Commission's Surgical Ambulatory Health Care Accreditation. Only the premier providers of IONM companies have achieved this nationally recognized quality indicator. It is expected that more will aspire to achieve this designation by demonstrating continuous compliance with the performance standards of The Joint Commission.

Marketing Plans and Strategies

Assure plans to continue to execute its strategic sales growth strategy using 1.) organic growth 2.) channel platform and 3.) hospital outreach 4.) mergers & acquisitions.

1. Organic Growth

Since its establishment in August 2015, Assure has focused primarily on organic growth. Assure Neuromonitoring introduced its platform to multiple clients across eight US states and plans to continue to leverage its success by establishing new client relationships elsewhere in the United States as opportunities arise.

2. Channel Platform

In addition to organic growth, Assure is also employing a channel sales strategy model whereas it will grow through marketing and partnering directly with medical device distributors that have an existing relationships with surgeon targets. Assure will compensate these distributors with a fee for driving more business onto our platform.

3. Hospital Outreach

Assure will market directly to hospitals and ambulatory surgery centers interested in outsourcing their IONM services.

4. Mergers & Acquisitions

Assure also plans to expand through acquisitions and collaborative partnerships in the current economic environment. We intend to capitalize on the marketing being fragmented and many competitors lacking RCM experience, diversification of service offerings and operating efficiencies.

Marketing Strategy

Our primary marketing strategy compliments the three growth strategies to drive more volume into the business. Our intent is to facilitate direct meetings with prospective partners and clients in strategic states that can benefit from Assure's offering. Targeted marketing campaigns are ongoing or planned for stakeholder groups including surgeons and medical device distributors as well as for hospitals seeking to outsource their IONM service needs facility wide.

Seasonality

The surgical segment of the healthcare industry tends to be impacted by seasonality due to the nature of most benefit plans resetting on a calendar year basis. As patients utilize and reduce their remaining deductible

throughout the year, we typically see an increase in volume throughout the year with the biggest impact coming in the fourth quarter. Historically, our annual revenues are overweighted in the fourth quarter.

Corporate Structure

Assure Holdings Corp:

Assure Holding Corp., formerly Montreux Capital Corp, a Canadian Capital Pool Company (“**Montreux**”), formed under the British Columbia Business Corporations Act in British Columbia, Canada on September 24, 2007, is a Nevada corporation, existing under the laws of the State of Nevada pursuant to its Articles of Domestication filed with the Nevada Secretary of State on May 15, 2017. Assure Holdings Corp. and its subsidiaries core business is to provide physicians with a comprehensive suite of services for Intraoperative Neurophysiological Monitoring. A Canadian Capital Pool Company is a special purpose acquisition company organized for the purposes of completing acquisition transactions, known as “qualifying transactions,” with operating companies for the purposes of taking the operating companies public in Canada. Qualifying transactions are subject to Canadian securities laws and exchange listing requirements.

Assure Holdings, Inc:

Our direct subsidiary is Assure Holdings, Inc., a Colorado corporation, formed under the laws of the State of Colorado on November 7, 2016. Assure Holdings, Inc. became a wholly owned subsidiary of Assure Holdings Corp on May 15, 2017 when Assure Holdings Inc. and its shareholders and Montreux, and its shareholders, entered into a Share Exchange Agreement pursuant to which the shareholders of Assure Holdings Inc. received shares of Montreux as consideration for their assignment of their shares in Assure Holdings, Inc. to Montreux in the “**Qualifying Transaction**” under the rules of the TSX Venture Exchange (“**TSX-V**”). One of the primary objectives of the Qualifying Transactions was to facilitate our going public and listing on the TSX-V. Concurrent with the closing of the Qualifying Transaction, 6,392,060 subscription receipts issued by Assure Holding, Inc. at a purchase price of Cdn\$0.50 per subscription receipt, for gross proceeds of Cdn\$3,196,030, were automatically converted into 6,392,060 shares of common stock of Montreux.

Assure Holdings, Inc. is the sole member of Assure Neuromonitoring, LLC (“**Assure Neuromonitoring**”), a Colorado limited liability company formed under the laws of the state of Colorado on August 25, 2015. Prior to the Qualifying Transaction, Preston Parsons owned a controlling ownership interest in Assure Neuromonitoring. Upon closing of the Qualifying Transaction, Preston Parsons was appointed as a member of the Board of Directors and Chief Executive Officer and held a controlling interest in Assure Holdings Corp. On May 15, 2018, Mr. Parsons resigned as Chief Executive Officer and was appointed as Founder. Mr. Parsons continues to serve as a member of the Board of Directors of Assure Holdings Corp. and is employed by the entity to focus on growth initiatives. Assure Neuromonitoring became a wholly owned subsidiary of Assure Holdings, Inc. on November 7, 2016, when its members assigned their interest in Assure Neuromonitoring to Assure Holdings, Inc. for shares of Assure Holdings, Inc.

Assure Holdings, Inc. is the sole member of Assure Networks, LLC (“**Assure Networks**”), a Colorado limited liability company formed under the laws of the state of Colorado on November 2, 2016. Prior to the Reorganization and Qualifying Transaction, Preston Parsons owned a controlling ownership interest in Assure Networks. Assure Networks became a wholly owned subsidiary of Assure Holdings, Inc. on November 7, 2016, when its members assigned their interest in Assure Networks to Assure Holdings, Inc. for shares of Assure Holdings, Inc.

Assure Holdings, Inc. is the sole member of Assure Equipment Leasing, LLC (“**Assure Equipment Leasing**”), a Colorado limited liability company formed under the laws of the state of Colorado on April 20, 2020.

Assure Neuromonitoring:

Assure Neuromonitoring exists for the purpose of facilitating the performance of the technical component of IONM (the “**Technical Component**”). Assure Neuromonitoring, either directly or by and through the Assure Neuromonitoring subsidiaries, employs interoperative neurophysiologists who utilize technical equipment and technical training to monitor EEG and EMG and a number of complex modalities during surgical procedures and to pre-emptively notify the underlying surgeon of any nerve related issues that are identified. The

neurophysiologists perform their services in the operating room during the surgeries. The neurophysiologists are certified by a third party credentialing agency.

Assure Networks:

Assure Networks exist for the purpose of facilitating the performance of the professional component of IONM (the “**Professional Component**”). Assure Networks, either directly or by and through the Assure Networks subsidiaries, owns interest in entities that either (i) directly perform the Professional Component through third party contracted neurologists or oversight reading physicians, or (ii) provide management services for entities owned by licensed physicians.

Ownership Model:

In the instances where Assure Networks, or the applicable subsidiaries, own an interest in the entity performing the Professional Component, such structure is based on a legal analysis that is completed by a third party law firm to determine the specific state law requirements with respect to the corporate practice of medicine. Once Assure Networks or the applicable Assure Networks Subsidiaries obtains a legal option regarding the recommended legal structure, the applicable entity is established.

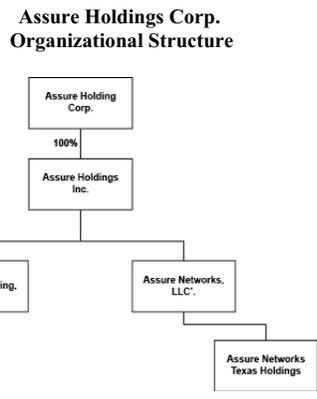
Management Services Model:

In the instances where Assure Networks or the applicable Assure Networks Subsidiaries is unable to own an interest in the entity performing the professional component due to state specific regulations, Assure Networks or the applicable Assure Networks Subsidiaries enters into a management services agreement whereby Assure Networks or the applicable Assure Networks Subsidiaries agrees to perform management services on behalf of a third party unrelated entity performing the Professional Component and is paid fair market value compensation for such services. The fair market value compensation is based on a third party fair market value valuation prepared by a professional valuation firm engaged by Assure Networks or the applicable Assure Networks Subsidiary.

Assure Networks Texas Holdings, LLC:

Assure Networks Texas Holdings, LLC (“**Assure Networks Texas Holdings**”) is a Texas limited liability company, formed under the laws of the State of Texas on November 12, 2019. On October 31, 2019, Assure Networks Texas Holdings, a wholly owned subsidiary of Assure Networks, acquired all of the assets of Neuro-Pro Series, LLC, Neuro-Pro Mgmt., LLC, Neuro-Pro Monitoring, LLC, MONRV, PLLC, NPJC, LLC, MONRVortho, PLLC, NPJCorto LLC and PRONRV, LLC (collectively, the “**Neuro-Pro Asset Purchase**”). The Neuro-Pro Asset Purchase increased the number of cases for both the Technical Component and the Professional Component and expanded the presence for Assure Neuromonitoring, the Assure Neuromonitoring Subsidiaries, Assure Networks and the Assure Networks Subsidiaries in the State of Texas.

The following organization chart illustrates the corporate structure of Assure:



Capital Raising Transactions

We have financed our cash requirements primarily from revenues generated from its services, by utilizing a bank promissory note and line of credit, a loan under the Paycheck Protection Program, from the issuances of convertible debentures, and from the sale of common stock.

Convertible Debt Financings

On November 22, 2019, we launched a non-brokered private placement of convertible debenture units. Each convertible debenture unit was offered at a price of \$1,000 and consisted of one convertible debenture with a face value of \$1,000, convertible into common stock at a conversion price of \$1.40 per share for a period of four years, and 357 common share purchase warrants, each warrant exercisable by the holder to acquire one share of common stock at a price of \$1.90 per share for a period of three years. The convertible debenture units carry a 9% annual coupon rate.

On December 13, 2019, we closed on the first tranche for gross proceeds of \$965,000. In connection with the closing, we issued convertible debentures with a face value of \$965,000 and 344,505 share purchase warrants. We paid finders a fee of \$67,550 and 48,250 warrants to purchase shares of the Company's common stock at a price of \$1.40 per share for three years.

From January 2020 to April 2020, we closed on three separate tranches for total proceeds of \$1,665,000. In connection with the closings, we issued convertible debentures with a face value of \$1,665,000 and 590,835 share purchase warrants. We paid finders a fee of \$78,820 and 56,299 warrants to purchase shares of the Company's common stock at a price of \$1.40 per share for three years.

At the end of April 2020, we launched a separate non-brokered private placement of convertible debenture units. Each convertible debenture unit consisted of one convertible debenture with a face value of \$1,000, convertible into shares of common stock at a conversion price of \$0.67 for a period of four years and 1,000 common share purchase warrants exercisable by the holder to purchase shares of common stock at a price of \$1.00 per share for a period of three years. The convertible debenture carries a 9% annual coupon rate. On May 21, 2020, we closed the offering for proceeds of \$830,000 and issued convertible debentures with a face value of \$830,000 and 830,000 share purchase warrants. We paid finders a fee of \$23,100 and 34,476 warrants exercisable to purchase shares of common stock at a price of \$1.00 per share for four years.

The net proceeds from these tranches of the Offering are being utilized for working capital purposes.

Bank Loan Facility

Commencing in 2018, the Company utilized a line of credit provided by its bank to fund its operations. The line of credit provided up to \$1,000,000 of borrowings and bore interest at the one-month LIBOR rate plus 3.5% and was originally expected to mature on March 25, 2019.

During January 2019, the Company cancelled its existing line of credit and entered into a \$2,000,000 promissory note and a \$1,000,000 line of credit with its existing bank. The promissory note bore interest at 6% and required monthly principal and interest payment of \$61,000 through maturity in January 2022. During March 2020, the Company amended the line of credit to extend the maturity date from March 2020 to September 2020. The Company made monthly payments of \$167,000 from April 2020 through September 2020. The line of credit bore interest at an index rate that fluctuates with the one-month LIBOR rate plus 3.5%. The line of credit was secured by all the Company's assets.

In August 12, 2020, the Company entered into a new \$4,000,000 term loan and a \$2,500,000 operating line of credit (together, the "Loan Facility") with Central Bank & Trust, a part of Farmers & Stockmens Bank ("**Central Bank**"). Under the conditions of the agreement governing the Loan Facility, the Term Loan bears interest at the Wall Street Journal prime rate ("**WSJ**") plus 2.0% and matures on August 12, 2024. Commencing on August 1, 2021, principal payments in the amount of \$308,000, together with interest, shall be made quarterly on the Term Loan until maturity. In addition, the operating line bears interest at a rate of WSJ plus 2.0% and matures on August 12, 2022. Commencing on September 1, 2020 and continuing on the first calendar day of each month until maturity, interest on the Operating Line is due. Assure did not issue any

shares, warrants, or options in connection with this transaction. The Loan Facility is secured by a first-ranking security interest in all of the present and future undertakings, property and assets of Assure Holdings Corp. and its subsidiaries.

A portion of the proceeds of the loan facility were used to pay off the existing outstanding bank indebtedness and the remaining indebtedness related to an acquisition and to fund working capital.

On September 10, 2020, Central Bank advised the Company additional reserves recorded by us against its accounts receivable constituted a material adverse change in our assets, which thereby triggered an event of default under the loan agreement. We and Central Bank have entered a forbearance agreement and are renegotiating the terms of the Loan Agreement.

SBA Paycheck Protection Program

During April 2020, the Company received an unsecured loan under the United States Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) pursuant to the recently adopted Coronavirus Aid, Relief, and Economic Security Act (the “PPP Loan”) in the amount of \$1,211,000. The two-year, SBA-administered PPP loan has an interest rate of 1.0% per annum, with principal and interest payments due on the first day of each month, with payments commencing on December 1, 2020. All or a portion of the PPP Loan may be forgiven if the Company maintains its employment and compensation within certain parameters following the loan origination date and the proceeds of the PPP Loan are spent on payroll costs, rent or lease agreements dated before February 15, 2020 and utility payments arising under service agreements dated before February 15, 2020. On November 20, 2020, the PPP Loan was fully discharged and forgiven.

July 2020 Private Placement

On July 13, 2020, we issued 125,924 shares of common stock to two investors at \$0.81 per share for gross proceeds of \$120,000. The proceeds were used for general and administrative expense. The private placement was to two accredited investors and included the issuance of 62,962 warrants to purchase shares of the Company’s common stock at a price of \$0.81 per share.

December 2020 Private Placement

On December 1, 2020, we entered into securities purchase agreements with the selling stockholders, pursuant to which we sold and issued to the investors an aggregate of 16,357,703 units of the Company at an issue price of \$0.64 per Unit, for gross proceeds of \$10,468,930. Each unit consisted of one share of common stock and one common stock warrant, each exercisable to acquire one share of common stock at \$0.78 per share for a period of five years from the date of issuance. Accordingly, we issued the Investors 16,357,703 shares of common stock and 16,357,703 common stock warrants. Pursuant to the Securities Purchase Agreement, we entered into a registration rights agreement, requiring us to register the shares of common stock issued under the units and the shares of common stock acquirable upon exercise of the warrants for resale under the Securities Act. See, “Description of Private Placement” for further details.

Government Regulation

We are subject to numerous federal, state and local laws, rules and regulations. Government regulation affects our business by controlling our growth, requiring licensure and certification for our facilities and the physicians and other healthcare personnel who provide services in our facilities and regulating the use of our properties.

Licensure and Accreditation.

The healthcare facilities and our partner professionals are subject to professional and private licensing, certification and accreditation requirements. These include, but are not limited to, requirements imposed by Medicare, Medicaid, state licensing authorities, voluntary accrediting organizations and third party private payors. Receipt and renewal of such licenses, certifications and accreditations are often based on inspections, surveys, audits, investigations or other reviews, some of which may require affirmative compliance actions by us that could be burdensome and expensive. The applicable standards may change in the future. There can be no assurance that we will be able to maintain all necessary licenses or certifications in good standing or that

they will not be required to incur substantial costs in doing so. The failure to maintain all necessary licenses, certifications and accreditations in good standing, or the expenditure of substantial funds to maintain them, could have an adverse effect on our business.

Anti-Kickback Statutes.

The federal Anti-Kickback Statute prohibits the knowing and willful offer, payment, solicitation or receipt of any form of remuneration to induce the referral of a patient or the purchase, lease or order (or the arranging for or recommending of the purchase, lease or order) of healthcare items or services paid for by federal healthcare programs, including Medicare or Medicaid. A violation does not require proof that a person had actual knowledge of the statute or specific intent to violate the statute, and court decisions under the Anti-Kickback Statute have consistently held that the law is violated where one purpose of a payment is to induce or reward referrals. Violation of the federal anti-kickback statute could result in felony conviction, administrative penalties, liability (including penalties) under the False Claims Act and/or exclusion from federal healthcare programs.

A number of states have enacted anti-kickback laws (including so-called “fee splitting” laws) that sometimes apply not only to state-sponsored healthcare programs but also to items or services that are paid for by private insurance and self-pay patients. State anti-kickback laws can vary considerably in their applicability and scope and sometimes have fewer statutory and regulatory exceptions than does the federal law.

Our management carefully considers the importance of anti-kickback laws when structuring company operations. That said, we cannot assure that the applicable regulatory authorities will not determine that some of our arrangements with physicians violate the Anti-Kickback Statute or other applicable laws. An adverse determination could subject us to different liabilities, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

Physician Self-Referral (“Stark”) Laws.

The federal Stark Law, 42 U.S.C. 1395nn, also known as the physician self-referral law, generally prohibits a physician from referring Medicare and Medicaid patients to an entity (including hospitals) providing “designated health services,” if the physician has a “financial relationship” with the entity, unless an exception applies. Designated health services include, among other services, inpatient hospital services, outpatient prescription drug services, clinical laboratory services, certain diagnostic imaging services, and other services that our affiliated physicians may order for their patients. The prohibition applies regardless of the reasons for the financial relationship, unless an exception applies. The exceptions to the federal Stark Law are numerous and often complex. The penalties for violating the Stark Law include civil penalties of up to \$15,000 for each violation and potential liability (including penalties) under the False Claims Act.

Some states have enacted statutes and regulations concerning physician self-referrals (*i.e.*, referrals by physicians to health care entities with whom the physician has a financial relationship). Such physician self-referrals laws may apply to the referral of patients regardless of payor source and/or type of health care service. These state laws may contain statutory and regulatory exceptions that are different from those of the federal law and that may vary from state to state.

Our management carefully considers the importance of physician self-referral laws when structuring company operations. That said, we cannot assure that the applicable regulatory authorities will not determine that some of our arrangements with physicians violate the Federal Stark Law or other applicable laws. An adverse determination could subject us to different liabilities, including criminal penalties, civil monetary penalties and exclusion from participation in Medicare, Medicaid or other health care programs, any of which could have a material adverse effect on our business, financial condition or results of operations.

False Claims Act

The federal False Claims Act, 31 U.S.C. § 3729, imposes civil penalties for knowingly submitting or causing the submission of a false or fraudulent claim for payment from a government-sponsored program, such as Medicare and Medicaid. Violations of the False Claims Act present civil liability of treble damages plus a

penalty of at least \$11,181 per false claim. The False Claims Act has “whistleblower” or “*qui tam*” provisions that allow individuals to commence a civil action in the name of the government, and the whistleblower is entitled to share in any subsequent recovery (plus attorney’s fees). Many states also have enacted civil statutes that largely mirror the federal False Claims Act, but allow states to impose penalties in a state court.

The False Claims Act has been used by the federal government and private whistleblowers to bring enforcement actions under so-called “fraud and abuse” laws like the federal Anti-Kickback Statute and the Stark Law. Such actions are not based on a contention that claims for payment were factually false or inaccurate. Instead, such actions are based on the theory that accurate claims are deemed to be false/fraudulent if there has been noncompliance with some other material law or regulation. The existence of the False Claims Act, under which so-called *qui tam* plaintiffs can allege liability for a wide range of regulatory noncompliance, increases the potential for such actions to be brought and has increased the potential financial exposure for such actions. These actions are costly and time-consuming to defend.

Our management carefully considers the importance of compliance with all applicable laws and when structuring company operations. Our management is aware of and actively works to minimize risk related to potential *qui tam* plaintiffs. That said, we cannot assure that the applicable enforcement authorities or *qui tam* plaintiffs will not allege violations of the False Claims Act or analogous state false claims laws. A finding of liability under the False Claims Act could have a material adverse effect on our business, financial condition or results of operations.

Health Information Privacy and Security Standards.

The privacy regulations Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended, contain detailed requirements concerning (1) the use and disclosure of individually identifiable patient health information (“PHI”) by entities like our affiliated medical groups; (2) computer and data security standards regarding the protection of electronic PHI including storage, utilization, access to and transmission; and (3) notification to individuals and the federal government in the event of a breach of unsecured PHI. HIPAA covered entities must implement certain administrative, physical, and technical security standards to protect the integrity, confidentiality and availability of certain electronic health information received, maintained, or transmitted. Violations of the HIPAA privacy and security rules may result in civil and criminal penalties, including a tiered system of civil money penalties that range from \$100 to \$50,000 per violation, with a cap of \$1.5 million per year for identical violations. A HIPAA covered entity must also promptly notify affected individuals of a breach. All breaches must also be reported to the federal government. Where a breach affects more than 500 individuals, additional reporting obligations apply. In addition to federal enforcement, State attorneys general may bring civil actions on behalf of state residents for violations of the HIPAA privacy and security rules, obtain damages on behalf of state residents, and enjoin further violations. Many states also have laws that protect the privacy and security of confidential, personal information, which may be similar to or even more stringent than HIPAA. Some of these state laws may impose fines and penalties on violators and may afford private rights of action to individuals who believe their personal information has been misused. We expect increased federal and state privacy and security enforcement efforts.

Our management carefully considers the importance of compliance with patient privacy and data security regulations when structuring company operations. Our management is aware of and actively works to minimize risk related to patient privacy and data security. That said, we cannot assure that a breach will not occur or that the applicable enforcement authorities will not allege violations of HIPAA’s patient privacy and data security regulations. A breach or an allegation of noncompliance with HIPAA’s patient privacy and data security regulations could have a material adverse effect on our business, financial condition or results of operations.

Environmental and Occupational Safety and Health Administration Regulations.

We are subject to federal, state and local regulations governing the storage, use and disposal of waste materials and products. Although we believe that our safety procedures for storing, handling and disposing of these materials and products comply with the standards prescribed by law and regulation, we cannot eliminate the risk of accidental contamination or injury from those hazardous materials. In the event of an accident, we could be held liable for any damages that result and any liability could exceed the limits or fall outside the coverage of our insurance coverage, which we may not be able to maintain on acceptable terms, or at all. We

could incur significant costs and attention of our management could be diverted to comply with current or future environmental laws and regulations. Federal regulations promulgated by the Occupational Safety and Health Administration impose additional requirements on us, including those protecting employees from exposure to elements such as blood-borne pathogens. We cannot predict the frequency of compliance, monitoring, or enforcement actions to which we may be subject as those regulations are being implemented, which could adversely affect our operations.

Other Federal and State Healthcare Laws.

We are also subject to other federal and state healthcare laws that could have a material adverse effect on our business, financial condition or results of operations. The Health Care Fraud Statute, 18 U.S.C. § 1347, prohibits any person from knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, which can be either a government or private payor plan. Violation of this statute, even in the absence of actual knowledge of or specific intent to violate the statute, may be charged as a felony offense and may result in fines, imprisonment, or both. The Health Care False Statement Statute, 18 U.S.C. § 1035, prohibits, in any matter involving a federal health care program, anyone from knowingly and willfully falsifying, concealing or covering up, by any trick, scheme or device, a material fact, or making any materially false, fictitious or fraudulent statement or representation, or making or using any materially false writing or document knowing that it contains a materially false or fraudulent statement. A violation of this statute may be charged as a felony offense and may result in fines, imprisonment or both. Under the Civil Monetary Penalties Law, a person (including an organization) is prohibited from knowingly presenting or causing to be presented to any United States officer, employee, agent, or department, or any state agency, a claim for payment for medical or other items or services where the person knows or should know (a) the items or services were not provided as described in the coding of the claim, (b) the claim is a false or fraudulent claim, (c) the claim is for a service furnished by an unlicensed physician, (d) the claim is for medical or other items or service furnished by a person or an entity that is in a period of exclusion from the program, or (e) the items or services are medically unnecessary items or services. Violations of the law may result in penalties of up to \$10,000 per claim, treble damages, and exclusion from federal healthcare programs. The Civil Monetary Penalties Law also prohibits a person from transferring any remuneration to a Medicare or Medicaid beneficiary that the person knows or should know is likely to influence the beneficiary's selection of a particular provider of Medicare or Medicaid payable items or services.

States have a wide variety of health care laws and regulations that potentially affect our operations and the operations of our partners. Many states have implemented laws and regulations related to so-called "tele-health," which govern the use of technology to provide health care services, including allowing patients and providers to be in different geographic locations. Tele-health laws may apply to our operations, and the obligations they impose, vary wildly and are in a state of flux. Some states have so-called corporate practice of medicine prohibitions, which govern how physicians are organized to practice medicine (including corporate structure, employment and management). Such prohibitions are used to indirectly regulate ownership of health care companies and/or management companies and the obligations they impose vary. Some states have "surprise billing" or out-of-network billing laws that impose a variety of obligations on health care providers and health plans. The failure to comply with all state regulatory obligations could be used by health plans to deny payment or to recoup funds, and any noncompliance could subject us to penalties or limitations that could have an adverse effect on our business. The obligations under "surprise billing" laws vary wildly, and many states are actively considering additional legislation and/or regulation in this area creating a state of flux in the law.

Many states have adopted a form of anti-kickback law, self-referral prohibition, and false claims and insurance fraud prohibition. The scope of these laws and the interpretations of them vary from state to state and are enforced by state courts and regulatory authorities, each with broad discretion. Generally, state laws reach to all healthcare services and not just those covered under a governmental healthcare program. From time to time, private health plans attempt to use such laws as a basis to deny claims or recoup payments previously made to health care providers.

A determination of liability under any of the laws above could result in fines and penalties and restrictions on our ability to operate in these states. We cannot assure that our arrangements or business practices will not be subject to government scrutiny or be found to violate applicable laws

Other Regulations.

In addition to the regulatory initiatives described above, healthcare facilities, including our partner facilities, are subject to a wide variety of federal, state, and local environmental and occupational health and safety laws and regulations that may affect their operations, facilities, and properties. Violations of these laws could subject us to civil penalties and fines for not investigating and remediating any contamination by hazardous substances, as well as other liability from third parties.

Human Capital — Employees

Our human capital resources consists of employees and relationships that we maintain with third party service providers, including surgeons and hospitals.

As of December 29, 2020, we had 93 full-time employees.

Our employees are employed to perform the following functions:

- Management: 8 employees
- Medical service professionals: Assure currently employs 57 specialized IONM INPs that are board certified CNIM or board eligible CNIM by ABRET.
- Billing and accounting: 15 employees
- General and administrative: 9 employees
- Sales: 4 employees

While we do not use any formal human capital measures or objectives, we focus our hiring efforts on offering competitive opportunities, which means recruitment, training and retaining personnel that demonstrate a high level of technical expertise and experience in the medical profession. We value diversity, professionalism, safety and collaboration within our organization.

None of our employees are represented by a labor union covered by a collective bargaining agreement. As of the date of this prospectus, we have not experienced any work stoppages.

DESCRIPTION OF PROPERTY

Assure currently leases approximately 12,500 square feet of office space for its corporate offices at 4600 South Ulster Street, Suite 1225 Denver, CO 80237. The current leases expire in June 2021.

LEGAL PROCEEDINGS

We know of no material, existing or pending legal proceedings against our Company or any of our subsidiaries, nor are we involved as a plaintiff in any other material proceeding or pending litigation. There are no other proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that are based on management's current expectations, estimates and projections about our business and operations. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of various factors, including the factors we describe in the section entitled "Risk Factors" and elsewhere in this prospectus.

COVID-19

In March 2020, there was a global outbreak of COVID-19 ("Coronavirus") that has resulted in changes in global supply of certain products. The pandemic is having an unprecedented impact on the U.S. economy as federal, state, and local governments react to this public health crisis, which has created significant uncertainties. These uncertainties include, but are not limited to, the potential adverse effect of the pandemic on the economy, our healthcare partners, our employees, and patients. As the pandemic continues to grow, consumer fear about becoming ill with the virus and recommendations and/or mandates from federal, state, and local authorities to avoid large gatherings of people or self-quarantine are continuing to increase, which has already affected, and may continue to affect, the number of procedures performed. During the summer of 2020, case volumes increased back to normal operating levels. There is currently uncertainty regarding the future spread of Covid-19 and the potential impact it may have to our future operations.

RESULTS OF OPERATIONS

Our results of operations for the years ended December 31, 2019 and 2018

The following table provides selected financial information from the condensed consolidated financial statements of income for the three and nine months ended December 31, 2019 and 2018. All dollar amounts set forth in the table below are expressed thousands of dollars, except share and per share amounts.

	Year Ended December 31		Change	
	2019	2018	\$	%
Revenue				
Patient Service fees, net	\$ 13,738	\$ 13,899	\$ (161)	-1.2%
Hospital, management and other	3,987	913	3,074	336.7%
Total Revenue	17,725	14,812	2,913	19.7%
Cost of Revenues	(4,955)	(3,551)	(1,404)	39.5%
Gross Margin	12,770	11,261	1,509	13.4%
Operating Expenses				
General and administrative	8,427	5,312	3,115	58.6%
Sales and marketing	1,435	807	628	77.8%
Depreciation and amortization	537	407	130	31.9%
Total operating expenses	10,339	6,526	3,873	59.3%
Income from operations	2,371	4,735	(2,364)	-49.9%
Other income/(expenses)				
Earnings from equity method investments	1,305	1,167	138	11.8%
Other income/(expenses)	172	142	30	21.1%
Interest, net	(326)	7	(333)	-4757.1%
Total other income	1,151	1,316	(165)	-12.5%
Income before taxes	3,522	6,051	(2,529)	-41.8%
Income tax expense	(806)	(1,731)	925	-53.4%
Net Income	2,716	4,320	(1,604)	-37.1%
Income per common share				
Basic	\$ 0.08	\$ 0.12	\$ (0.05)	-34.2%
Diluted	\$ 0.06	\$ 0.10	\$ (0.04)	-35.2%
Weighted average number common shares – basic	34,402,607	35,552,234	(1,149,627)	-3.2%
Weighted average number common shares – diluted	41,912,607	44,936,234	(3,023,627)	-6.7%

Revenue

Total revenues for the years ended December 31, 2019 and 2018 were \$17,725,000 and \$14,812,000, respectively, net of the valuation allowance for the carrying value of accounts receivable. For the years ended December 31, 2019 and 2018, we recorded a valuation allowance for the carrying value of its accounts receivable of \$19,209,000 and \$11,233,000, respectively. Of the 2019 valuation allowance amount, \$10,251,000 relates to disputes with private health care insurance companies in three states that have failed to reimburse us for claims submitted in those states. We are conducting discussions with these entities and considering our options regarding settlement and payment for these claims. The balance of the 2019 valuation allowance relates primarily to the decline in the historical technical collection rate discussed above and to us reserving all open accounts receivable balances after two years from the date of service.

For the year ended December 31, 2019, Assure managed 5,376 technical cases and 1,038 professional cases where it retained 100% of the professional revenue compared to 2,800 technical cases and 244 professional cases where it retained 100% of the professional revenue in the same period in the prior year, a 111% increase in case volume. On October 31, 2019, we acquired the neuromonitoring operations of Neuro-Pro Monitoring in Texas. During November and December 2019, Neuro-Pro performed 596 of the afore-mentioned technical cases.

Technical revenue represented 59% and 85% of patient service fee revenue at December 31, 2019 and 2018, respectively and professional revenue represented 41% and 15% of patient service fee revenue at December 31, 2019 and 2018, respectively.

For the years ended December 31, 2019 and 2018, patient service fee represents approximately 78% and 94%, respectively, of the Company's revenue. The Company continues to analyze payor rate data with regard to its cash collection experience. This data is the basis for the Company's calculation of the appropriate amount of net realized revenue and the appropriate amount of the valuation allowance for the carrying value of accounts receivable expected to be reported in the financial statements.

Revenue from Hospital, management and other fees increased to \$3,987,000 during the year ended December 31, 2019 as compared to \$913,000 for the year ended December 31, 2018. The primary reason for this increase relates to the expanding number of PE entities that pay the Company a management fee as opposed to the Company having an ownership interest and recording its share of the PE entity operating results.

Cost of Revenues

Cost of revenues consist primarily of third party billing fees, technician wages and medical supplies. Cost of revenues for the year ended December 31, 2019 were \$4,955,000 compared to \$3,551,000 for the same period in 2018. Technical wages and medical supplies vary with the number of neuromonitoring cases. During 2019, the number of neuromonitoring cases increased 111% compared to 2018. The cost of revenues as a percentage of total revenues for the year ended December 31, 2019 was 28% versus 24% for the same period in 2018. The increase in the cost of revenues as a percentage of total revenue in the 2019 versus the 2018 period was due primarily to the valuation allowance of the carrying value of its accounts receivable recorded in 2019 that related to the dispute with the private health care insurance companies.

General and administrative

General and administrative expenses were \$8,427,000 and \$5,312,000 for the years ended December 31, 2019 and 2018, respectively. The increase year-over-year is primarily due to higher employee costs associated with an increase in headcount as we began to build an inhouse billing and collections function and transition from our outsourced third-party vendor. During this time some of these costs were duplicative.

Sales and marketing

Sales and marketing expenses were \$1,435,000 and \$807,000 for the years ended December 31, 2019 and 2018, respectively. The increase year-over-year is primarily due to higher employee costs associated with an increase in headcount.

Earnings from Equity Method Investments

During the year ended December 31, 2019, the Company recognized \$1,305,000 of earnings from equity method investments compared to \$1,167,000 for the year ended December 31, 2018. The increase is primarily associated an increased number of cases and an increase in the professional collection rate used to record revenue per case, partially offset by the purchase of Littleton Professional Reading (a previous PE).

Interest expense, net

Interest expense, net was \$326,000 for the year ended December 31, 2019 compared to interest income, net of \$7,000 for the year ended December 31, 2018. The increase year-over-year is primarily due to greater bank indebtedness balances during 2019 as compared to 2018.

Income Tax Expense

For the year ended December 31, 2019 and 2018 income tax expense was \$806,000 and \$1,731,000, respectively. Income taxes as a percentage of income before income taxes were 23% and 29% for the year ended December 31, 2019 and 2018, respectively. The Company's estimated annual tax rate is impacted primarily by the amount of taxable income earned in each jurisdiction the Company operates in and permanent differences between financial statement carrying amounts and the tax basis. During the year ended December 31, 2019, the Company's effective tax rate decreased as a result of a decrease in the future value of expected tax deductions.

RESULTS OF OPERATIONS

Our results of operations for the three and nine months ended September 30, 2020 and 2019.

The following table provides selected financial information from the condensed consolidated financial statements of income for the three and nine months ended September 30, 2020 and 2019. All dollar amounts set forth in the table below are expressed thousands of dollars, except share and per share amounts.

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Revenue				
Patient service fees, net	\$ 2,965	\$ 6,932	\$ (6,342)	\$ 20,066
Hospital, management and other	998	1,019	3,902	2,318
Total revenue	3,963	7,951	(2,440)	22,384
Cost of revenues	(2,232)	(1,275)	(5,062)	(4,466)
Gross (loss) margin	1,731	6,676	(7,502)	17,918
Operating expenses				
General and administrative	1,957	1,570	5,853	5,090
Sales and marketing	349	394	801	1,067
Depreciation and amortization	249	116	769	332
Total operating expenses	2,555	2,080	7,423	6,489
Income/(loss) from operations	(824)	4,596	(14,925)	11,429
Other income/(expenses)				
Earnings/(loss) from equity method investments	(232)	285	(1,449)	1,192
Other income/(expense)	(3)	(56)	50	5
Interest, net	(285)	(62)	(783)	(163)
Total other income/(expense)	(520)	167	(2,182)	1,034
Income/(loss) before income taxes	(1,344)	4,763	(17,107)	12,463
Income tax benefit (expense)	367	(1,094)	2,396	(3,022)
Net income/(loss)	\$ (977)	\$ 3,669	\$ (14,711)	\$ 9,441
Basic income/(loss) per common share	\$ (0.03)	\$ 0.11	\$ (0.42)	\$ 0.27
Diluted income/(loss) per common share	\$ (0.03)	\$ 0.09	\$ (0.42)	\$ 0.23

Revenue

Total revenues for the three months ended September 30, 2020 and 2019 were \$3,963,000 and \$7,951,000, respectively, net of the valuation allowance for the carrying value of accounts receivable. Total revenues for the nine months ended September 30, 2020 and 2019 were \$(2,440,000) and \$22,384,000, respectively, net of the valuation allowance for the carrying value of accounts receivable.

We record out-of-network technical and professional revenue (included in Patient service fees) per case based upon our historical collection rates from private insurance carriers. Prior to June 30, 2020, the collection rates that we used to record our technical and professional revenue were based upon all cash receipts for cases that were between 2-3 years old at the time of the calculation. During the second quarter of 2020, we noticed that the average cash collection rates for its technical and professional insurance cases between 1-2 years old had decreased in comparison to the average collection rates for its cases that were between 2-3 years old. Part of this decline relates to the poor billing and collection practices by the legacy third party billing company and part of the decline relates to lower average payments by the private insurance carriers. Based upon this information, we proactively elected to change our revenue estimation process for out-of-network revenue and

to use the collection experience from insurance cases that are between 1-2 years old and management believes the more recent collection experience is more indicative of future per case collection rates. This resulted in us recording approximately \$15,000,000 of additional reserves against our accounts receivable and patient service fee revenue during the three months ended June 30, 2020. In addition, the PEs saw a similar decline in their average cash collection rates. The PEs proactively recorded similar reserve adjustments and the impact to us was a reduction in management fee revenue of approximately \$2,200,000 and a reduction in earnings (loss) from equity method investments of approximately \$900,000 during the three months ended June 30, 2020.

For the three months ended September 30, 2020, Assure managed 2,305 technical cases and 380 professional cases where it retained 100% of the professional revenue compared to 1,237 technical cases and 282 professional cases where it retained 100% of the professional revenue in the same period in the prior year, a 77% increase in case volume. For the nine months ended September 30, 2020, Assure managed 5,977 technical cases and 786 professional cases where it retained 100% of the professional revenue compared to 3,401 technical cases and 771 professional cases where it retained 100% of the professional revenue in the same period in the prior year, a 62% increase in case volume. Of this expansion, Neuro-Pro was responsible for 672 and 1,815 of the increased technical cases for the three and nine months ended September 30, 2020, respectively.

Revenue from hospital, management and other of \$998,000 during the three months ended September 30, 2020, was comparable to \$1,019,000 for the three months ended September 30, 2019. Revenue from hospital, management and other increased to \$3,902,000 during the nine months ended September 30, 2020, as compared to \$2,318,000 for the nine months ended September 30, 2019. The primary reason for this increase relates to the expanding number of PE entities that pay us a management fee, including Neuro-Pro's PE entity, as opposed to us having an ownership interest and recording its share of the PE entity operating results. With the increased case counts during the three and nine months ended September 30, 2020, there were also more cases billed to hospitals. Additionally, we have recently commenced charging certain PEs billing, equipment and supply fees.

In September 2019, we announced that it had entered into its first in-network agreement with Aetna Network Services LLC that covers certain services in Michigan on a contracted fee basis. We and the PEs now have seven direct in-network agreements with insurance companies and 21 indirect in-network agreements with third party paying entities. Based on our historical operations, these in-network contracts cover approximately 17% of our technical cases. While in-network agreements may result in lower reimbursement rates than historically experienced, they typically result in fewer denials of cases, assurity of collections and faster collections after the applicable bills have been submitted to the insurance carriers. We anticipate expanding our in-network billing with other insurance providers in the future months.

Cost of Revenues

Cost of revenues for the three months ended September 30, 2020 were \$2,232,000 compared to \$1,275,000 for the same period in 2019. Cost of revenues for the nine months ended September 30, 2020 were \$5,062,000 compared to \$4,466,000 for the same period in 2019. Cost of revenues consist primarily of third party billing fees, the cost of our internal billing and collection department, technician wages, and medical supplies. Third party billing fees are recorded as a percentage of revenue recorded and therefore, also vary materially when we changed our allowance against accounts receivable. Technical wages and medical supplies vary with the number of neuromonitoring cases. The cost of our internal billing and collection department has been increasing during 2020 as we have ramped up this department and as the number of cases that they are responsible for billing increases. During 2020, the number of neuromonitoring cases increased 62% compared to 2019. The cost of revenues decreased by over \$1,000,000 during the nine months ended September 30, 2020 due to the reversal of the third party billing fees that had previously been accrued on the \$15,000,000 of revenue that was reserved during the three months ended June 30, 2020.

General and administrative

General and administrative expenses were \$1,957,000 and \$1,570,000 for the three months ended September 30, 2020 and 2019, respectively. General and administrative expenses were \$5,853,000 and \$5,090,000 for the nine months ended September 30, 2020 and 2019, respectively. The increase period-to-period was primarily related to higher legal fees, which vary based on corporate activities and increased head

count as we continued to build an inhouse billing and collections function and transition from our outsourced third-party vendor. During this time some of these costs were duplicative.

Sales and marketing

Sales and marketing expenses for the three months ended September 30, 2020 of \$349,000 approximated those of \$394,000 for the three months ended September 30, 2019. Sales and marketing expenses were \$801,000 and \$1,067,000 for the nine months ended September 30, 2020 and 2019, respectively. The decrease for the nine-month period was due to less travel as a result of travel restrictions associated with COVID-19.

Earnings/(loss) from Equity Method Investments

Assure recognizes its pro-rata share of the net income (loss) generated by the non-wholly-owned PEs. During the three and nine months ended September 30, 2020, we recognized \$232,000 and \$1,449,000 of loss from equity method investments, respectively, compared to \$285,000 and \$1,192,000 of income from equity method investments for the three and nine months ended September 30, 2019, respectively. The decreases are primarily associated with the previously mentioned reserves that were recorded in 2020. For the nine months ended September 30, 2020 and 2019, we received cash distributions from the PEs of \$424,000 and \$888,000, respectively.

Interest expense, net

Interest expense, net was \$285,000 and \$62,000 for the three months ended September 30, 2020 and 2019, respectively. Interest expense, net was \$783,000 and \$163,000 for the nine months ended September 30, 2020 and 2019, respectively. The increase in interest expense, net is primarily due to the issuance of convertible debt from November 2019 through April 2020 and higher bank indebtedness balances during 2020 as compared to 2019.

Income Tax Expense

For the three and nine months ended September 30, 2020, we recorded income tax benefits of \$367,000 and \$2,396,000, respectively. The income tax benefit was recorded to the extent of previously recorded deferred tax liabilities, but not to the extent to create a deferred tax asset as utilization of that asset in future periods is not reasonably assured. For the three and nine months ended September 30, 2019, we recorded income tax expense of \$1,094,000 and \$3,022,000, respectively. Our estimated annual tax rate is impacted primarily by the amount of taxable income earned in each jurisdiction we operate in, changes in deferred tax assets and liabilities, and to permanent differences between financial statement carrying amounts and the tax basis.

LIQUIDITY AND CAPITAL RESOURCES

For the years ended December 31, 2019 and 2018

Our cash position at December 31, 2019 was \$59,000 compared to the December 31, 2018 cash balance of \$831,000. Working capital was \$22,106,000 as of December 31, 2019 compared to \$22,294,000, at December 31, 2018, largely on the basis of an increase of approximately of \$8,688,000 in net accounts receivables, partially offset by an increase in current liabilities of \$7,838,000. We rely on payments from multiple private insurers and hospital systems that have payment policies and payment cycles that vary widely. Because we are primarily an out-of-network biller to private insurance companies, the collection times for our claims can last in excess of 24 months.

For the year ended December 31, 2019, we collected approximately \$6,865,000 of cash from its accounts receivable balance compared to collecting approximately \$5,552,000 in the same prior year period despite the carrying amount of accounts receivable increasing. We had \$979,000 of cash distributions from its PE entities for the year ended December 31, 2019 compared to \$1,171,000 for the same prior year period.

We financed our operations primarily from revenues generated from services rendered and through equity and debt financings. We expect to meet our short-term obligations, through cash earned through operating

activities, debt financings, issuances of convertible debentures and stock sales. As of December 31, 2019, we had drawn the full amount on its banking line of credit.

Cash used in operating activities for the year ended December 31, 2019 was \$4,228,000 compared to cash used in operating activities of \$361,000 for the same period in the preceding year. Cash was used to fund working capital increases primarily in accounts receivable related to our growth.

Cash provided by investing activities of \$465,000 and \$875,000 for the years ended December 31, 2019 and 2018, respectively, was primarily due to distributions received from equity method investments. On May 29, 2019, we acquired the net assets, primarily consisting of accounts receivable, of Littleton Professional Reading for \$700,000. Of this amount \$466,000 was paid during the year ended December 31, 2019 and the remainder is due prior to the end of 2020. Through May 15, 2020, we collected approximately \$700,000 of cash from the accounts receivable acquired in the Littleton Professional Reading acquisition.

Cash provided by financing activities of \$2,991,000 for the year ended December 31, 2019 was primarily due to net proceeds from our bank promissory note and line of credit, proceeds from the issuance of convertible debentures, and proceeds from a sale-leaseback transaction, offset by payments associated with lease liabilities and debt obligations. Cash provided by financing activities of \$102,000 for the year ended December 31, 2018 related to net proceeds from a bank line of credit and payments associated with lease liabilities.

Our near-term cash requirements relate primarily to payroll expenses, trade payables, debt payments, capital lease payments, and general corporate obligations. Approximately 49% and 72% of the trade and other payables at December 31, 2019 and 2018, respectively, consist of accrued billing fees. These fees will not be due and payable until the underlying accounts receivable is collected.

For the nine months ended September 30, 2020 and 2019

Our cash position at September 30, 2020 was \$148,000 compared to the December 31, 2019 cash balance of \$59,000. Working capital decreased to \$9,027,000 as of September 30, 2020 from \$22,106,000 as of December 31, 2019 due to a \$16,243,000 decrease in net accounts receivables and a decrease in current liabilities of \$1,686,000. We rely on payments from multiple private insurers and hospital systems that have payment policies and payment cycles that vary widely. Because we are primarily an out-of-network biller to private insurance carriers, the collection times for our claims can last in excess of 24 months.

For the nine months ended September 30, 2020, we collected approximately \$6,119,000 of cash from its accounts receivable balance compared to collecting approximately \$6,700,000 in the same prior year period. We had \$424,000 of cash distributions from its PE entities for the nine months ended September 30, 2020 compared to \$888,000 for the same prior year period.

We financed its operations primarily from revenues generated from services rendered and through equity and debt financings. We expect to meet its short-term obligations, through cash generated through operating activities, debt financings, issuances of convertible debentures, and stock sales. As of September 30, 2020, We had drawn \$1,978,000 on its Operating Line and \$2,122,000 on its Term Loan. No additional amount can currently be drawn under the Company's Loan Facility with Central Bank.

Cash used in operating activities for nine months ended September 30, 2020 was \$1,676,000 compared to cash used in operating activities of \$2,691,000 for the same period in the preceding year. Cash has historically been used to fund working capital increases primarily in accounts receivable related to our growth.

Cash used in investing activities of \$3,543,000 for the nine months ended September 30, 2020 was primarily due to repayment of acquisition debt, partially offset by distributions received from equity method investments of \$424,000. Cash provided by investing activities of \$415,000 for the nine months ended September 30, 2019 was due to distributions received from equity method investments of \$888,000, partially offset by payments of acquisition debt of \$467,000.

Cash provided by financing activities of \$5,308,000 for nine months ended September 30, 2020 was primarily due to net proceeds from the issuance of convertible debentures, net proceeds from bank indebtedness, and the PPP Loan, offset by payments associated with lease liabilities and debt obligations. Cash provided by

financing activities of \$1,932,000 for the nine months ended September 30, 2019 related to net proceeds from a bank promissory note and payments associated with lease liabilities and the payoff of the Company previous credit facility.

Our near-term cash requirements relate primarily to payroll expenses, trade payables, debt payments, capital lease payments, and general corporate obligations. Approximately 70% and 80% of the trade and other payables as of September 30, 2020 and 2019, respectively, consist of accrued billing fees to third party billing companies. These fees will not be due and payable until the underlying accounts receivable is collected.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The following table describes our significant contractual cash obligations as of September 30, 2020 and December 31, 2019. All dollar amounts set forth in the table below are expressed thousands of dollars.

Category	September 30, 2020				
	Total	Less than 1 Year	1-4 Years	4-5 Years	Over 5 Years
Trade & other payables	\$ 1,239	\$ 1,239	\$ —	\$ —	\$ —
Bank Debt	4,100	4,100	—	—	—
Payroll Protection Program	1,211	—	1,211	—	—
Convertible Debt	3,450	—	3,450	—	—
Lease Liabilities	1,084	561	523	—	—
Acquisition Liabilities	3,880	3,880	—	—	—
Other Liabilities	181	181	—	—	—
	<u>\$15,145</u>	<u>\$ 9,961</u>	<u>\$ 5,184</u>	<u>\$ —</u>	<u>\$ —</u>

Category	December 31, 2019				
	Total	Less than 1 Year	1-4 Years	4-5 Years	Over 5 Years
Trade & other payables	\$ 4,365	\$ 4,365	\$ —	\$ —	\$ —
Bank Debt	2,418	1,664	754	—	—
Convertible Debt	965	—	965	—	—
Lease Liabilities	1,055	524	531	—	—
Acquisition Liabilities	7,459	5,030	2,429	—	—
Other Liabilities	81	81	—	—	—
	<u>\$16,343</u>	<u>\$ 11,664</u>	<u>\$ 4,679</u>	<u>—</u>	<u>—</u>

OFF-BALANCE SHEET ARRANGEMENTS

We have no material undisclosed off-balance sheet arrangements that have or are reasonably likely to have, a current or future effect on our results of operations or financial condition.

We have receivables from related parties and equity investments in PEs that are due and payable upon those entities collecting on their own accounts receivable. To the extent that these entities are unable to collect on their accounts receivable or there is an impairment in the valuation of those accounts receivable, the Company will need to reduce its related party receivables and/or its equity investments in the PEs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our consolidated financial statements in conformity with GAAP. Application of GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes and within this MD&A. We consider our most important accounting policies that require significant estimates and management judgment to be those policies with respect to liabilities for medical claims payable, income taxes, goodwill and other intangible assets, and investments and retirement benefits, which are discussed below. Our other significant accounting policies are summarized in

Note 2, “Basis of Presentation” and Note 3, “Summary of Significant Accounting Policies,” of the Notes to Consolidated Financial Statements included in this Prospectus.

We continually evaluate the accounting policies and estimates used to prepare the consolidated financial statements. In general, our estimates are based on historical experience, evaluation of current trends, information from third party professionals and various other assumptions that we believe to be reasonable under the known facts and circumstances. Estimates can require a significant amount of judgment and a different set of assumptions could result in material changes to our reported results.

Revenue Recognition

We derive our revenue primarily from fees for IONM services provided. Revenue is recognized upon transfer of control of promised service to a customer in an amount that reflects the consideration we expect to receive in exchange for those services.

Patient service fee revenue and receivables

Patient service fee revenue is recognized in the period in which IONM services are rendered, at net realizable amounts from third party payors when collections are reasonably assured and can be estimated. The majority of our services are rendered on an out-of-network basis and billed to third party insurers. Since allowable charges for services rendered out-of-network are not contractually based, we estimate the net realizable value from the gross charges submitted to third party payors and recognizes the net patient service fee revenue. The estimates for out-of-network revenue are based on evaluating the payor mix, historical settlements and payment data for payor types, and current economic conditions to calculate an appropriate net realizable value for revenue and accounts receivables. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its revenue estimates as necessary in subsequent periods. Patient service fee revenue is also adjusted in the period when an accounts receivable balance for IONM service is written-off once collection is doubtful and the total collection amount is below the accounts receivable balance for IONM services. The timing of adjustments to patient service fee revenue for collections exceeding the originally estimated amounts may not occur in the same reporting period as the write-off of collected amounts below the originally estimated amounts, which may result in material adjustments to patient service revenue in a given reporting period.

For services rendered to patients that have insurance coverage and that we have an in-network contract with, we record patient service fee revenue pursuant to the contract rate.

Hospital, management, and other revenue

We recognize revenue from hospital and surgery center customers and certain PEs, for which we do not have an ownership interest in, on a contractual basis. Revenue from services rendered is recorded after services are rendered. The fees billed to hospital and surgery center customers are on net 30-day terms. The fees billed to the PEs for which we do not have an ownership interest in are not collected until the PEs collect sufficient cash for the services that they have performed.

Accounts receivable collection cycle

Our cash collection cycles are protracted due to the out-of-network billing to private insurance payers. The collection cycle for IONM to out-of-network payers may require an extended period to maximize reimbursement on claims. The collection cycle impacts the technical fees that are billed by Neuromonitoring and the professional fees that are billed by Networks. The collection cycle may consist of multiple payments from out-of-network private insurance payers, as the collection process entails multiple rounds of denials, underpayments, appeals and negotiations as part of the process to maximize the reimbursement yield on claims. Due to the extended collection cycle, we have a policy to reserve claims that have aged to 24 months. We continue collection efforts following 24 months despite the reserves on these claims but will not write-off such claims until they age to 36 months. Collections on claims which have been reserved will result in the reversal of prior reserves.

We perform a collection analysis for out-of-network billings to private insurance companies and adjusts its revenue and accounts receivable if the collection rate is different from the amount recorded in previous periods. Historically, this analysis was performed semi-annually.

Income Taxes

The Company must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments are used in the calculation of tax credits, tax benefits, tax deductions, and in the calculation of certain deferred taxes and tax liabilities. Significant changes to these estimates may result in an increase or decrease to the Company's tax provision in a subsequent period.

The provision for income taxes was determined using the asset and liability method prescribed by U.S. GAAP. Under this method, deferred tax assets and liabilities are recognized for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. If and when it is determined that a deferred tax asset will not be realized for its full amount, we will recognize and record a valuation allowance with a corresponding charge to earnings. The calculation of the current tax liability involves dealing with uncertainties in the application of complex tax laws and regulations and in determining the liability for tax positions, if any, taken on the Company's tax returns in accordance with authoritative guidance on accounting for uncertainty in income taxes.

New Accounting Pronouncements

For information regarding new accounting pronouncements that were issued or became effective during the year ended December 31, 2019 that had, or are expected to have, a material impact on our financial position, results of operations or financial statement disclosures, see the "Recently Adopted Accounting Guidance" and "Recent Accounting Guidance Not Yet Adopted" sections of Note 3, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements included in this prospectus.

SUBSEQUENT EVENTS

During September 2020, we received notice from Central Bank that the reserves recorded by us against its accounts receivable during the quarter ended June 30, 2020 constituted a material adverse change in our assets and thereby triggered an event of default under the Loan Facility. Central Bank has not demanded repayment of amounts advanced under the Loan Facility. We and Central Bank are currently working on certain terms of the Loan Facility. Currently, no additional amounts may be borrowed under the Loan Facility. As a result of this notice of default, we have classified the entire outstanding balance of the Loan Facility as a current liability. In conjunction with the notice from Central Bank, Mr. Scott Page, the Chief Executive Officer of Central Bank, resigned from our Board of Directors.

During November 2020, we filed an application for forgiveness of its PPP Loan. We were subsequently notified that the PPP Loan had been forgiven. The loan forgiveness will be recorded during the fourth quarter of 2020.

We are currently in settlement discussions with a major insurance provider in Louisiana regarding lack of payment for insurance claims billed in that state. We previously reserved this entire amount and continue to reserve amounts billed to this payor as we continue to discuss a settlement amounts. Any settlement proceeds will be accounted for as additional income upon execution of the settlement documents.

On December 1, 2020, we entered into securities purchase agreements with the selling stockholders, pursuant to which we sold and issued to the investors an aggregate of 16,357,703 units of the Company at an issue price of \$0.64 per Unit, for gross proceeds of \$10,468,930. Each unit consisted of one share of common stock and one common stock warrant, each exercisable to acquire one share of common stock at \$0.78 per share for a period of five years from the date of issuance. Accordingly, we issued the Investors 16,357,703 shares of common stock and 16,357,703 common stock warrants. Pursuant to the Securities Purchase Agreement, we entered into a registration rights agreement, requiring us to register the shares of common stock issued under the units and the shares of common stock acquirable upon exercise of the warrants for resale under the Securities Act. See, "Description of Private Placement" for further details.

MANAGEMENT

Directors and Executive Officers

Set forth below is certain information with respect to the individuals who are our directors and executive officers.

Name	Age	Position
John Farlinger	61	Executive Chairperson and Chief Executive Officer
Trent Carman	59	Chief Financial Officer
Preston Parsons	41	Director and Founder
Martin Burian	57	Director
Christopher Rumana	52	Director
Steven Summer	71	Director

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each director and executive officer, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

John Farlinger

Mr. Farlinger was appointed to Chief Executive Officer and Executive Chairman on August 28, 2019. Prior to his appointment as Chief Executive Officer and Executive Chairman, Mr. Farlinger was appointed as Interim Chief Executive Officer and Executive Chairman on May 15, 2018. Mr. Farlinger held the position of Chairman and CEO of Urban Communications Inc. from July 8, 2014 to June 2018 (TSX-V). His past positions also include director and Chair of the Governance and Audit Committee of Freckle Ltd. (TSX-V) from June 2019 to February 2020, Senior Vice-President of Telephone Navigata-Westel from February 2013 to April 2014, and CEO of Titan Communications from 2009 to February 2013. Since November 2017, he has also served as an advisor to CareCru Inc., a healthcare start up. Since November 2020, he has served a board member and founder of VLCTY Capital Inc. (VLCY-P.V), a capital pool company on the TSX-V. Mr. Farlinger is a Chartered Professional Accountant (CPA, CA).

Trent Carman

Mr. Carman has more than 20 years of CFO experience, including over 15 years of healthcare industry expertise for both public and private organizations. He served as CFO for Vivos Therapeutics from April 2017 to August 2018, and as CFO at Air Methods Corp. for over 13 years from April 2003 to August 2016. While at Air Methods, the largest air medical and air tourism operator in the United States, Carman oversaw the company's rapid growth through multiple M&A transactions and prudent financial management.

Preston Parsons

Mr. Parsons is the founder of the Assure business. He became the CEO of the Company upon our going public transaction and listing on the TSX Venture Exchange in 2017. Mr. Parsons resigned as CEO of the Company on May 15, 2018 and under the title "founder", Mr. Parsons is primarily responsible on working to generate increased revenue by engaging new surgeons to its platform, executing on the company's multi-state expansion strategy and expanding the Company's neuromonitoring services. Mr. Parsons is also the founder of QB Medical Inc. and has been its CEO since September 2009.

Martin Burian

Currently, Mr. Burian is a director of multiple publicly traded companies, including Nanalysis Scientific Corp., Canagold Resources Ltd., Elysec Development Corp. and RBI Ventures Ltd. Mr. Burian is currently Managing Director of Investment Banking at RCI Capital Group since January 2018, and also serves as CFO

(part time) to Heffel Gallery Limited since April 2016. Prior to 2014 Mr. Burian spent 20 years in senior and holds the ICD.C designation from the Institute of Corporate Directors in Canada.

Christopher Rumana

Dr. Rumana brings over 20 years' experience in the medical field as a board-certified neurosurgeon. Dr. Rumana has served in many roles including Chairman of Department of Surgery, Chief of Neurosurgery, Chairman of the Medical staff, Chairman of the Medical Executive Committee, and Chairman of the Board of Directors at Tallahassee Memorial Hospital. Dr. Rumana has previously served as the President of the Tallahassee Neurological Clinic from 2000 to 2017 and served as the President and chairman of Caduceus, LLC, a joint venture pain management facility and surgery center from 2005 to 2017. Since 2018, Dr. Rumana has run a consulting company and serves on the board of multiple health-related companies, including Entegriion, Inc., Axial 3D and Dechoker LLC.

Steven Summer

Steven Summer brings over four decades of management experience in health care to the Company's board. From 2006 to December 2019, Mr. Summer served as President and CEO of the Colorado Hospital Association. Previously, from 1993 through 2006, he was the President and CEO of the West Virginia Hospital Association and prior to that he was with the Maryland Hospital Association, where he also held various senior level roles prior to becoming an executive. In January 2020, Mr. Summer was named President of the Healthcare Institute, an organization whose membership consists of 35 of the nation's most prestigious non-profit hospitals and health care systems.

Family Relationships

There are no family relationships between any director or executive officer.

Election of Directors

All of our directors hold office until the next annual meeting of the security holders or until their successors have been elected and qualified. The officers of our Company are appointed by our board of directors and hold office until their death, resignation or removal from office. The Board has the right to add two additional board members increasing the total number of Board members to seven.

Legal Proceedings

We know of no material proceedings in which any of our directors, officers, affiliates or any shareholder of more than 5% of any class of our voting securities, or any associate thereof is a party adverse or has a material interest adverse to Assure or its subsidiaries. To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance

companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Securities Exchange Act of 1934 (the “**Exchange Act**”) (15 U.S.C. 78c(a)(26)), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29)), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member

Director Independence

We currently act with five directors, consisting of John Farlinger, Preston Parsons, Martin Burian, Christopher Rumana and Steven Summer. We have determined that Martin Burian, Christopher Rumana and Steven Summer are “independent directors” as defined in Rule 5605 of the NASDAQ Stock Market Rules.

Board Committees

The Board has established an Audit Committee, a Governance, Nomination, and Compensation Committee (the “**GNC Committee**”) and the Medical Monitoring Advisory Committee, as the three committees of the Board. Terms of reference for each committee, which delineate the mandate of the committee, the composition of the committee, the frequency of committee meetings and other relevant matters, have been approved and adopted by the Board.

Audit Committee and Audit Committee Financial Expert

The Audit Committee, in accordance with its charter, is responsible for reviewing and approving the financial statements and public reports of the Company, considering the existence and adequacy of internal and management controls and reviewing and approving material accounting policies and measurements. The Audit Committee is also responsible for reviewing the annual audit and quarterly reviews and communicating directly with the external auditor as to their findings. The Audit Committee’s mandate provides for regularly scheduled meetings to review and approve annual audited financial statements and quarterly unaudited financial statements and other reports to shareholders. Additional meetings may be held as warranted with respect to public financing initiatives and other material transactions.

Currently, our Audit Committee consists of John Farlinger, Martin Burian and Christopher Rumana. The Board has determined that all members of the Audit Committee are “financially literate” and that two of the three members are “independent,” being Mr. Burian and Dr. Rumana. Our Board has determined that Martin Burian qualifies as an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of Regulation S-K.

The Audit Committee has the authority to pre-approve non-audit services which may be required from time to time.

Governance, Nomination, and Compensation Committee

The GNC Committee, in accordance with its charter, is responsible in assisting the Board in the exercise of their responsibilities as it relates to corporate governance, nomination and compensation matters delegated to it by the Board. The GNC Committee is also responsible for annually overseeing the evaluation of the effectiveness of the Board and its Committees and making recommendations to the Board with respect to any changes which may be advisable to improve the functioning of the Board or any of its committees. The GNC Committee’s mandate provides for regularly scheduled meetings to review the corporate governance guidelines applicable to the Company and the processes and procedures as may be reasonably necessary to allow the to make recommendations to the Board with respect to executive compensation and assessing the performance of the executive management team. The GNC Committee administers the Company’s Stock Option Plan, and determines all direct, indirect and incentive compensation and benefits of the executive management team.

Currently, our GNC Committee consists of Mr. Summer (Chairperson), Dr. Rumana, and Mr. Burian. The Board has determined that all members of the GNC Committee are “independent” within the meaning of Rule 5605 of the NASDAQ Stock Market Rules.

We currently do not have a policy on diversity and inclusion. We also do not maintain an executive committee.

Compensation Committee Interlocks and Insider Participation

None of the anticipated members of our GNC Committee is an officer or employee of our Company, nor have they even been an officer or employee of our Company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Medical Monitoring Advisory Committee

The Medical Monitoring Advisory Committee, is responsible for assisting the Board in (i) establishing best practices related to the Company’s, including its subsidiaries, performance of services, (ii) continually evolving and refining techniques, process and procedures to ensure the highest quality of services, (iii) understanding how technology and equipment can be used and implemented to ensure the highest quality of services, and (iv) making recommendations to the Board on matters delegated to it by the Board from time to time. It is the intention of the Board that the Medical Monitoring Advisory Committee be comprised, in part, of medical professionals who can assist the Company with establishing, through research, development, and implementation of best practices and technology advancements, processes and operational infrastructure aimed at increasing the rate of successful outcomes in patient cases as a result of the use of intraoperative monitoring.

Currently, our Medical Monitoring Advisory Committee consists of Dr. Rumana (Chairperson), Mr. Summer, and Mr. Parsons. We have determined that Christopher Rumana and Steven Summer are “independent directors” as defined in Rule 5605 of the NASDAQ Stock Market Rules.

Other Board Committees

The Board has no committees other than the Audit Committee, the GNC Committee and the Medical Monitoring Advisory Committee.

Board Leadership Structure and Role in Risk Oversight

The positions of our principal executive officer and the chairperson of our Board are served by one individual, John Farlinger. We have determined that the leadership structure of our Board is appropriate, especially given the size of our company. Our Board provides oversight of our risk exposure by receiving periodic reports from senior management regarding matters relating to financial, operational, legal and strategic risks and mitigation strategies for such risks.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by our governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the company.

EXECUTIVE COMPENSATION

Overview of Executive Compensation

The objectives of our executive compensation policy are to attract and retain individuals of high caliber to serve as officers, to motivate their performance in order to achieve our strategic objectives and to align the interests of executive officers with the long term interests of our shareholders. Short-term compensation, including base salaries and annual performance bonus, is used to attract and retain employees. Long-term compensation, including our Stock Option Plan and Equity Incentive Plan, is used to reward growth in asset value per share.

Our compensation policy is reviewed and examined annually by the GNC Committee in accordance with its charter. The GNC Committee considered the implications of the risks associated with our compensation policies and practices and did not identify any risks arising from our compensation policies and practices that are reasonably likely to have a material adverse effect on us. See “*Executive Compensation — Compensation Governance*”.

We do not have any written policies which prohibit a named executive officer or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the named executive officer or director.

For the purposes of this prospectus, named executive officers or “NEOs” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the financial year ended December 31, 2019, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“CEO”) of the Company;
- (b) the Company’s two most highly compensated executive officers who were serving as executive officers at the end of the last completed fiscal year;
- (c) up to two individuals who would be an NEO under paragraph (b) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as of December 31, 2019.

During the financial year ended December 31, 2019, we had three NEOs: Preston Parsons (founder), John Farlinger (CEO), and Trent Carman (“CFO”). Mr. Farlinger was appointed the CEO on August 28, 2019. Prior to his appointment as CEO, Mr. Farlinger was appointed as Interim Chief Executive Officer on May 15, 2018. Mr. Carman was appointed CFO of October 22, 2018.

Executive officer (including the NEOs) compensation consists of essentially three components: (i) base salary; (ii) annual performance bonus; and (iii) the equity compensation under our Stock Option Plan, Equity Incentive Plan or written grant agreements. Each component of our executive officer compensation arrangements are briefly described below.

Base Salaries

Salaries for executive officers and other members of senior management are determined by evaluating the responsibilities of each executive’s position, as well as the experience and knowledge of the individual, with a view to market competitiveness. Assure benchmarks its executive salaries, by position and responsibility, against other comparable business enterprises. The base salaries for executive officers are reviewed in the fourth quarter of each financial year for the ensuing year by the GNC Committee. Annual salary adjustments take into account the market value of the executive’s role, the executive’s performance throughout the year and the economic factors that affect Assure’s industry and marketplace.

Retention of executive officers is a risk considered by the GNC Committee in setting base salaries.

Annual Performance Bonus

Each executive is eligible to receive an annual bonus (the “**Annual Bonus**”) of up to 50% – 60% of his or her annual base salary, based upon achievement of milestones established by the GNC Committee. The Annual Bonus is determined, at the discretion of the GNC Committee at the beginning of each year and is paid during the first quarter of the subsequent year. If the executive voluntarily resigns from their employment with us or if their employment is terminated for cause prior to payment of the Annual Bonus, they shall not be entitled to receive payment of the Annual Bonus, or any portion thereof, whether prorated or otherwise.

Our Annual Bonus provides NEOs and key employees with the opportunity to earn annual incentive awards in respect of their leadership and contribution towards enhanced levels of operating performance. As such, the Annual Bonus is designed to increase alignment with Assure’s strategic and operational goals with awards earned based on the achievement of both financial and personal performance goals.

The “financial performance” of each executive (including NEOs) is measured and calculated on three pre-established annual financial performance measure (the “**Financial Performance Measure**”). The Financial Performance Measures are designed around key drivers of profitability and operational cash flow, namely: (i) revenue growth; (ii) EBITDA growth; and (iii) cash flow growth, increase in procedures and other identified metrics. For each Financial Performance Measure, there are three performance levels set: threshold, target and maximum.

The ‘personal performance’ of each executive is measured against the extent to which each executive achieves his or her personal strategic objective (“**Personal Strategic Objective**”). The Personal Strategic Objectives are set by the executives in conjunction with the CEO at the commencement of each fiscal year and are expressed with reference to specific, measurable targets and given a weighting for each.

Amended Stock Option Plan and Equity Incentive Plan

On December 10, 2020, our shareholders approved amendments to our stock option plan, which amended the plan previously approved on November 20, 2019 (the “**Amended Stock Option Plan**”). As of December 29, 2020, an aggregate of 3,497,123 shares of common stock (6% of the issued and outstanding shares of common stock) were available for issuance under the Amended Stock Option Plan . Of this amount, stock options in respect of 3,401,000 common shares have been issued. As of December 29, 2020, there remained stock options in respect of 112,123 common shares which are available for future option grants under the Amended Stock Option Plan.

On December 10, 2020, our shareholders approved the adoption of a new fixed equity incentive plan (the “**Equity Incentive Plan**”), which authorizes us to grant (a) stock options, (b) restricted awards, (c) performance share units, and other equity-based awards for compensation purposes (collectively, “**Awards**”). The maximum aggregate number of Common Shares available for issuance pursuant to the exercise of the Awards granted under the Equity Incentive Plan is 3,497,123 Common Shares (which represented 10% of the 34,971,237 Common Shares issued and outstanding as of the record date of the shareholder meeting).

Options and Awards are granted by the Board at the recommendation of the GNC Committee. In monitoring or adjusting the option allotments, the GNC Committee takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The GNC Committee makes these determinations subject to and in accordance with the provisions of the Amended Stock Option Plan.

Summary Compensation Table

The following table sets forth the compensation earned by the NEOs for the years ended December 31, 2018, and 2019 and are set out below and expressed in the currency of the United States unless otherwise noted.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in pension value and nonqualified deferred compensation earnings (\$)	All Other Compensation (\$)	Total (\$)
John Farlinger, ⁽¹⁾	2019	\$285,000	\$ 82,000	Nil	\$117,000	Nil	Nil	\$ 70,880	\$554,880
<i>Executive Chairperson and Chief Executive Officer</i>	2018	\$203,621	\$ 96,000	Nil	\$302,000	Nil	Nil	\$ 30,210	\$631,831
Trent Carman, ⁽²⁾	2019	\$238,001	\$ 15,000	Nil	\$157,000	Nil	Nil	\$ 47,502	\$457,503
<i>Chief Financial Officer</i>	2018	\$ 38,334	\$ 20,000	Nil	\$ Nil	Nil	Nil	\$ 3,246	\$ 61,580
Preston Parsons, ⁽³⁾⁽⁴⁾⁽⁵⁾	2019	\$265,270	\$104,930	Nil	\$ Nil	Nil	Nil	\$ 58,575	\$428,775
<i>Founder and Director</i>	2018	\$137,975	\$ 90,000	Nil	\$ Nil	Nil	Nil	\$ 110,408	\$338,383

- (1) Mr. Farlinger was appointed to Chief Executive Officer and Executive Chairperson on August 28, 2019. Prior to his appointment as Chief Executive Officer and Executive Chairperson, Mr. Farlinger was appointed as Interim Chief Executive Officer and Executive Chairperson on May 15, 2018. Mr. Farlinger received a car allowance of \$20,438, a matched retirement investment contribution of \$25,048 and health care insurance benefits of \$25,394 paid by Assure, which values have been included in the column "All Other Compensation".
- (2) Mr. Carman was appointed Chief Financial Officer on October 22, 2018. Mr. Carman received a health care insurance benefit of \$25,395, a car allowance and a matched 401K amount paid by Assure, which value has been included in the column "All Other Compensation".
- (3) Mr. Parsons was appointed the Chief Executive Officer of Assure following completion of the Qualifying Transaction on May 24, 2017. As of May 15, 2018, Mr. Parsons was no longer an officer of Assure and remains a director of Assure. Mr. Parsons received a car allowance, health care insurance benefits of \$25,175, and a matched 401K amount of \$19,000 paid by Assure, which values have been included in the column "All Other Compensation".
- (4) As a result of the circumstances which led to the resignation of our former auditor, EKS&H LLP, and two management cease trade orders (May 1, 2018 and August 7, 2018, revoked on August 20, 2018), we entered into negotiations with Preston Parsons, our founder and a director, and Matthew Willer, a former officer and director, with respect to certain matters (arising out of transactions while Assure was operating as a private company). We settled these matters as follows:

On January 9, 2019 we announced that we entered into a settlement agreement on August 6, 2018, pursuant to which Mr. Parsons agreed to repay certain reclassified expenses and pledge certain collateral to secure payment. Mr. Parsons surrendered for cancellation 1,461,392 of common shares held by him at a price of \$1.50 per share. Additionally, Mr. Parsons voluntarily surrendered one million options to allow us to grant options to retain employees and competitively recruit strong professional talent. Mr. Parsons also agreed to modify the performance stock grant agreement dated November 8, 2016 (entered while Assure was operating as a private company), which granted Mr. Parsons the right to receive 5,000,000 common shares ("**Performance Shares**"), to increase certain performance requirements to earn the Performance Shares.

- a. On March 4, 2019, we announced that we entered into a settlement and mutual release

agreement with Mr. Willer (the “**Settlement Agreement**”), pursuant to which we cancelled 450,000 stock options (which were granted to Mr. Willer while Assure was operating as a private company and prior to our listing on the TSXV) and to amend Mr. Willer’s right to receive 1,000,000 Performance Shares (granted to Mr. Willer while Assure was operating as a private company under a performance stock grant agreement) to withhold performance shares to pay liabilities to Assure and under certain third-party contracts and tax liabilities owed in connection with the issuance of Performance Shares. The remaining Performance Shares will be issued to Mr. Willer at a price to be determined on the issuance date based on the market price of common shares at the issuance date and in accordance with the policies of the TSX-V. As of December 29, 2020, we have 1,000,000 shares of common stock reserved for issuance as Performance Shares under the terms of the Settlement Agreement.

- (5) On March 4, 2020, Mr. Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 1,700,000 of the 5,000,000 Performance Shares to which he is entitled to certain employees and senior management, including John Farlinger (300,000 shares) and Trent Carman (200,000 shares). On December 29, 2020, Assure issued the 5,000,000 Performance Shares under Restricted Stock Award Agreements. The restricted stock is subject to forfeiture under the terms of Restricted Stock Award Agreements and will vest on December 31, 2021 or earlier upon satisfaction of certain conditions the Performance Shares vest on December 31, 2021 or earlier upon the satisfaction of certain conditions.

Grants of Plan-Based Awards Table

The following table discloses all compensation securities granted or issued to each NEO by Assure in the most recently completed financial year ended December 31, 2019 for services provided or to be provided, directly or indirectly, to Assure.

GRANTS OF PLAN BASED AWARDS

Name and Principal Position	Type of compensation security	Number of compensation securities, number of underlying securities	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
John Farlinger, ⁽¹⁾ <i>Executive Chairperson and Chief Executive Officer</i>	Stock Options	117,000 underlying common shares	1/16/2019	Cdn\$2.07 US\$1.56 ⁽⁵⁾	Cdn\$2.50 US\$1.89 ⁽⁶⁾	Cdn\$1.64 US\$1.26 ⁽⁷⁾	Cancelled
	Restricted Stock	300,000 common shares	March 4, 2020	US\$1.04 ⁽⁸⁾		US\$1.04 ⁽⁸⁾	12/31/2021
Trent Carman, ⁽²⁾ <i>Chief Financial Officer</i>	Stock Options	157,000 underlying common shares	1/16/2019	Cdn\$2.07 US\$1.56 ⁽⁵⁾	Cdn\$2.50 US\$1.89 ⁽⁶⁾	Cdn\$1.64 US\$1.26 ⁽⁷⁾	Cancelled
	Restricted Stock	200,000 common shares	March 4, 2020	US\$1.04 ⁽⁸⁾		US\$1.04 ⁽⁸⁾	12/31/2021
Preston Parsons, ⁽³⁾⁽⁴⁾ <i>Founder and Director</i>	Restricted Stock	3,300,000 common shares	November 8, 2016	US\$1.04	—	US\$1.04	12/31/2021

- (1) As of December 31, 2019, Mr. Farlinger has an aggregate of 444,000 options to purchase common shares of Assure. The options are exercisable to purchases: (a) 25,000 common shares of Assure at an exercise price of Cdn\$0.50 which expire on May 11, 2020 (exercised), pursuant to options awarded to Mr. Farlinger on May 11, 2017; (b) 302,000 common shares of Assure at an exercise price of Cdn\$2.23 or \$1.80 which expire on October 1, 2023, pursuant to options awarded to Mr. Farlinger on October 1, 2018; and (c) 117,000 common shares of Assure at an exercise price of \$1.56 (Cdn\$2.07) which expire on January 16, 2024 (cancelled on November 27, 2020), pursuant to options awarded to Mr. Farlinger on January 16, 2019. As of the date of this prospectus, 302,000 options held by Mr. Farlinger are outstanding and have vested. Pursuant to an employment agreement entered into by Mr. Farlinger and Assure on

- June 1, 2018, Mr. Farlinger is entitled to receive 600,000 options of Assure. As of November 2, 2020, Mr. Farlinger has received 419,000 options and 181,000 options remain outstanding which will be issued in accordance with the policies of the TSX-V. On March 4, 2020, Preston Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 1,700,000 Performance Shares to certain employees and senior management, including Mr. Farlinger (300,000 shares). On December 29, 2020, Assure issued 300,000 Performance Shares to Mr. Farlinger, subject to forfeiture under the terms of Restricted Stock Award Agreement with vesting on December 31, 2021 or earlier upon satisfaction of certain conditions.
- (2) As of December 31, 2019, Mr. Carman has options to purchase 157,000 common shares of Assure at an exercise price of \$1.56 (Cdn\$2.07) which expire on January 16, 2024, pursuant to options awarded to Mr. Carman on January 16, 2019. As of December 31, 2019, 52,333 options granted on January 16, 2019 have vested, with the balance of options vesting in increments of 20,933 options each July 16 and January 16, until such time that the options have fully vested on January 16, 2022 (cancelled on November 27, 2020). As of the date of this prospectus no options are outstanding. On March 4, 2020, Preston Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 1,700,000 Performance Shares to certain employees and senior management, including Mr. Carman (200,000 shares). On December 29, 2020, Assure issued 200,000 Performance Shares to Mr. Carman, subject to forfeiture under the terms of Restricted Stock Award Agreement with vesting on December 31, 2021 or earlier upon satisfaction of certain conditions.
 - (3) As of December 31, 2019, Mr. Parsons (a) has options to purchase 1,000,000 common shares of Assure at an exercise price of \$0.05 which expire on August 25, 2025, pursuant to options awarded to Mr. Parsons on August 25, 2015 and (b) is entitled to receive 3,300,000 Performance Shares to be issued at a price to be determined on the issuance date based on the market price of the common shares in accordance with the policies of the TSX-V (as further described at Note (4) under "Summary Compensation Table"). As of December 31, 2019, all of the 1,000,000 options held by Mr. Parsons have vested.
 - (4) As part of a stock grant agreement dated November 8, 2016, while Assure was still operating privately, Mr. Parsons was granted the right to receive 5,000,000 common shares upon satisfaction of certain performance conditions. On March 4, 2020, Mr. Parsons agreed to reallocate 1,700,000 shares of restricted common stock to six employees and/or officers of Assure, including John Farlinger, our CEO (300,000 shares) and Trent Carman, our CFO (200,000), under the terms of Incentive Stock Agreements. On December 29, 2020, Assure issued 3,300,000 Performance Shares to Mr. Parsons, subject to forfeiture under the terms of Restricted Stock Award Agreement with vesting on December 31, 2021 or earlier upon satisfaction of certain conditions.
 - (5) Each option is exercisable at \$1.56 to purchase one common share. The Canadian Dollar value of the exercise price was calculated using the Bank of Canada exchange rate in effect on January 14, 2019, which was \$1.00 to Cdn\$1.3269.
 - (6) The closing price of the common shares on January 16, 2019 was Cdn\$2.50. The US Dollar value of the closing price of common shares on January 16, 2019 was calculated using the Bank of Canada exchange rate on January 16, 2019, which was Cdn\$1.00 to \$0.7548.
 - (7) The closing price of the common shares on December 31, 2019 was Cdn\$1.64. The US Dollar value of the closing price of common shares on December 31, 2019 was calculated using the Bank of Canada exchange rate on December 31, 2019, which was Cdn\$1.00 to \$0.7699.
 - (8) The closing price of the common shares on December 22, 2020 was US\$1.04.

Outstanding Equity Awards at Fiscal Year End

The following table discloses the particulars of unexercised options, stock that has not vested and equity incentive plan awards for our NEOs.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name and Principal Position	Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽¹⁾	
John Farlinger, ⁽¹⁾ <i>Executive Chairperson and Chief Executive Officer</i>	25,000			\$ 0.28	05/11/2020					
	302,000	Nil	Nil	\$ 1.80	10/1/2023	300,000	\$ 312,000	0	0	
	117,000			\$ 1.56	1/16/2024					
Trent Carman, ⁽²⁾ <i>Chief Financial Officer</i>	157,000	52,333	104,667	\$ 1.56	1/16/2024	200,000	\$ 208,000	0	0	
Preston Parsons, ⁽³⁾ <i>Founder and Director</i>	1,000,000	Nil	Nil	\$ 0.05	08/25/2025	3,300,000	\$ 3,432,0	0	0	

(1) As of December 31, 2019, Mr. Farlinger has an aggregate of 444,000 options to purchase common shares of the Company. The options are exercisable to purchases: (a) 25,000 common shares of the Company at an exercise price of Cdn\$0.50 or \$0.28 which expire on May 11, 2020, pursuant to options awarded to Mr. Farlinger on May 11, 2017; (b) 302,000 common shares of the Company at an exercise price of Cdn\$2.23 or \$1.80 which expire on October 1, 2023, pursuant to options awarded to Mr. Farlinger on October 1, 2018; and (c) 117,000 common shares of the Company at an exercise price of \$1.56 or Cdn\$2.07 which expire on January 16, 2024, pursuant to options awarded to Mr. Farlinger on January 16, 2019 (Cancelled November 27, 2020). As of the date of this prospectus 302,000 options held by Mr. Farlinger are outstanding and have vested. Pursuant to an employment agreement entered into by Mr. Farlinger and the Company on June 1, 2018, Mr. Farlinger is entitled to receive 600,000 options of the Company. As of November 2, 2020, Mr. Farlinger has received 419,000 options and 181,000 options remain outstanding which will be issued in accordance with the policies of the TSX-V. On March 4, 2020, Preston Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 1,700,000 Performance Shares to certain employees and senior management, including Mr. Farlinger (300,000 shares). On December 29, 2020, Assure issued 300,000 Performance Shares to Mr. Farlinger, subject to forfeiture under the terms of Restricted Stock Award Agreement with vesting on December 31, 2021 or earlier upon satisfaction of certain conditions.

(2) As of December 31, 2019, Mr. Carman has options to purchase 157,000 common shares of the Company at an exercise price of \$1.56 (Cdn\$2.07) which expire on January 16, 2024, pursuant to options awarded to Mr. Carman on January 16, 2019. As of December 31, 2019, 52,333 options granted on January 16, 2019 have vested, with the balance of options vesting in increments of 20,933 options each July 16 and January 16, until such time that the options have fully vested on January 16, 2022 (Cancelled November 27, 2020). As of the date of this prospectus no options are outstanding. On March 4, 2020, Preston Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 1,700,000 Performance Shares to certain employees and senior management, including Mr. Carman (200,000 shares). On December 29, 2020, Assure issued 200,000 Performance

Shares to Mr. Carman, subject to forfeiture under the terms of Restricted Stock Award Agreement with vesting on December 31, 2021 or earlier upon satisfaction of certain conditions.

- (3) As of December 31, 2019, Mr. Parsons (a) has options to purchase 1,000,000 common shares of the Company at an exercise price of \$0.05 which expire on August 25, 2025, pursuant to options awarded to Mr. Parsons on August 25, 2015 and (b) is entitled to receive 3,300,000 Performance Shares to be issued at a price to be determined on the issuance date based on the market price of the common shares in accordance with the policies of the TSX-V (as further described at Note (4) under “Summary Compensation Table”). As of December 31, 2019, all of the 1,000,000 options held by Mr. Parsons have vested. As part of a stock grant agreement dated November 8, 2016, while Assure was still operating privately, Mr. Parsons was granted the right to receive 5,000,000 common shares upon satisfaction of certain performance conditions. On March 4, 2020, Mr. Parsons agreed to reallocate 1,700,000 shares of restricted common stock to six employees and/or officers of Assure, including John Farlinger, our CEO (300,000 shares) and Trent Carman, our CFO (200,000), under the terms of Incentive Stock Agreements. On December 29, 2020, Assure issued 3,300,000 Performance Shares to Mr. Parsons, subject to forfeiture under the terms of Restricted Stock Award Agreement with vesting on December 31, 2021 or earlier upon satisfaction of certain conditions. The closing price of the common shares on December 29, 2020 was US\$1.04.

Agreements with Named Executive Officers

The Company has entered into employment agreements with certain NEOs. The agreements establish the terms and conditions that will apply during their employment with the Company as well as the terms and conditions that will apply upon their termination of employment.

John Farlinger, Executive Chairperson, Chief Executive Officer and member of the Audit Committee

The Company entered into an employment agreement with John Farlinger effective June 1, 2018. Mr. Farlinger is employed as Chief Executive Officer of the Company and provides corporate management, financial strategy, capital market advisory, business expansion, compliance and advisory, corporate communications and general operational services to the Company that are relevant to his position. As compensation, Mr. Farlinger received an annual salary of \$285,000 during the financial year ended December 31, 2019 and was granted 419,000 options to purchase common shares during the financial years ended December 31, 2019 and 2018. Pursuant to Mr. Farlinger’s employment agreement, he is entitled to an additional 181,000 options to purchase common shares. In addition, Mr. Farlinger is entitled to four weeks per year of vacation. The Company reimburses Mr. Farlinger for reasonable and customary “out of pocket” expenses. Mr. Farlinger is entitled to insurance benefits, sick leave, personal leave, a car allowance, a 401K matching plan of up to 6%, performance based bonuses allocated at the discretion of the Board, a phone allowance and stock options pursuant to the Stock Option Plan. The agreement contains customary confidentiality arrangements for an executive in the healthcare industry and provides that for one year following the termination of Mr. Farlinger’s employment with the Company, he will not directly or indirectly engage in any business competitive with the Company. Either party is able to terminate the agreement at any time upon 30 days written notice.

Trent Carman, Chief Financial Officer

The Company entered into an offer of employment with Trent Carman effective September 19, 2018. Mr. Carman is employed as the Chief Financial Officer of the Company. As compensation, Mr. Carman received an annual salary of \$260,000 during the financial year ended December 31, 2019. In addition, Mr. Carman is entitled to four weeks per year of vacation, insurance benefits, a 401K matching plan of up to 6%, performance based bonuses allocated at the discretion of the board of up to 60% of his base annual salary, a phone and car allowance, paid parking and incentive stock options pursuant to the Stock Option Plan. The agreement provides for an employment-at-will policy allowing for termination of the agreement at any time by both Mr. Carman and the Company.

Preston Parsons, Director, Founder and member of the Medical Monitoring Advisory Committee

Assure Holdings entered into an employment agreement with Preston Parsons effective November 7, 2016, which employment agreement was transferred to the Company following completion of the Qualifying

Transaction. The employment agreement with Mr. Parsons set out his responsibilities as Chief Executive Officer. However, as disclosed, on May 15, 2018, Mr. Parsons resigned as the Chief Executive Officer of the Company and assumed the responsibility of working to generate increased revenue by engaging new surgeons to its platform, executing on the Company's multi-state expansion strategy and expanding the Company's Neuromonitoring services. To date, no new employment agreement has been entered into with Mr. Parsons and the Company. As compensation, Mr. Parsons received an annual salary of \$265,270 during the financial year ended December 31, 2019. In addition, Mr. Parsons is entitled to four weeks per year of vacation with an additional week granted for each completed year of employment and Assure reimburses Mr. Parsons for reasonable and customary "out-of-pocket" expenses. Mr. Parsons is entitled to insurance benefits, sick leave, personal leave, a car allowance, a 401K matching plan of up to 6%, performance based bonuses allocated at the discretion of the Board, a phone and home office allowance and stock options pursuant to the Stock Option Plan. The agreement contains customary confidentiality arrangements for an executive in the healthcare industry and provides that for one year following the termination of Mr. Parsons' employment with the Company, he will not directly or indirectly engage in any business competitive with the Company. The employment agreement is governed by the laws of the State of Colorado and has a term of 5 years. Either party is able to terminate the agreement at any time upon 30 days written notice. If the Company terminates the contract, Mr. Parsons shall be entitled to compensation for three months of annualized compensation for every one year of employment beyond the termination date unless Mr. Parsons is in violation of the contract. If Mr. Parsons is in violation of the contract, the Company may terminate employment without notice and will provide compensation to Mr. Parsons only to the date of such termination. The compensation paid under the contract shall be Mr. Parsons' exclusive remedy.

Compensation Governance

The GNC Committee exercises general responsibility regarding overall employee and executive officer compensation. It determines the total compensation of the Chief Executive Officer, Chief Financial Officer and other senior executives of the Company, all subject to Board approval. The GNC Committee also meets with the Chief Executive Officer to review all other salaries and compensation items. These salaries and compensation items are ultimately approved by the Board annually in the overall general and administrative expense budget.

See "*Management — Board Committees — GNC Committee*".

Compensation Plans

Summary of Amended Stock Option Plan

The following is a description of the material terms of the Amended Stock Option Plan approved by our shareholders on December 10, 2020:

1. **Purpose of the Amended Option Plan.** The purpose of the Amended Stock Option Plan is to encourage share ownership by directors, senior officers and employees, together with consultants (collectively, the "**Service Providers**" and each, a "**Service Provider**"), who are primarily responsible for the management and growth of the Company. Service Providers are eligible for awards of stock options under the Amended Stock Option Plan.
2. **Maximum Plan Shares.** The maximum aggregate number of common shares that may be reserved for issuance pursuant to the exercise of options granted under the Amended Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares of the Company at the time of the grant.
3. **Grant of Options.** The Amended Stock Option Plan is administered by the Board (or any committee to which the Board has delegated authority) and provides for grants of options to Service Providers in the discretion of the Board. The term and vesting provisions of any options will be fixed by the Board at the time of grant, subject to the terms of the Amended Stock Option Plan and the TSXV Corporate Finance Manual.
4. **Limitations on Issue.** The following restrictions on issuances of options are applicable under the

Amended Stock Option Plan: (a) no Service Provider will be granted options to acquire more than five percent (5%) of the issued and outstanding common shares of the Company in any twelve (12) month period, unless the Company has obtained disinterested shareholder approval; and (b) in any twelve (12) month period, options granted to all Service Providers conducting Investor Relations Activities (as defined in Policy 1.1 of the TSXV Corporate Finance Manual) may not exceed two percent (2%) of the issued and outstanding common shares, calculated at the date such options are granted.

5. Maximum Percentage to Insiders. The Company may not reserve for issuance such number of common shares pursuant to options granted to insiders at any point in time that exceeds ten percent (10%) of the issued and outstanding common shares of the Company nor can the Company grant to insiders, within a twelve (12) month period, an aggregate number of options, which exceeds ten percent (10%) of the issued and outstanding common shares of the Company as at the time of grant.
6. Exercise Price. The exercise price of an option will be set by the Board at the time such option is granted under the Amended Stock Option Plan, and cannot be less than the “Fair Market Value” (defined in the Amended Stock Option Plan as a price that is determined by the Board, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the common shares on the TSX-V for the twenty trading days immediately prior to the grant date and (ii) the closing price of the common shares on the TSX-V on the trading day immediately prior to the grant date, unless otherwise required by any applicable accounting standard for the Company’s desired accounting for options or by the rules of the TSX-V) of a common share on the grant date, and no less than 110% of Fair Market Value of a common share on the grant date with respect to incentive stock options granted to a shareholder holding more than 10% of the common shares.
7. Vesting of Options. Vesting of options shall be at the discretion of the Board and, in the absence of a vesting schedule being specified at the time of grant, options shall vest immediately. Where applicable, vesting of options will generally be subject to the Service Provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time. Options granted to Service Providers conducting Investor Relations Activities shall vest in stages over a period that is not less than twelve (12) months, and with no more than 25% of the total options granted vesting in any applicable three (3) month period.
8. Term and Expiry. The exercise period of each option cannot exceed ten (10) years. Upon termination of employment of the Service Provider all rights to purchase common shares of the Company pursuant to the options granted under the Amended Stock Option Plan shall expire and terminate immediately except as follows: (a) expiry and termination of the granted options has been otherwise determined in the discretion of the Board or by the Service Provider’s option granting agreement; (b) upon the death, disability or leave of absence of a Service Provider, any vested options held by such Service Provider will be exercisable by the Service Provider’s lawful personal representatives, heirs or executors until the earlier of ninety (90) days after the date of death and the date of expiration of the term otherwise applicable to such options; (c) an option granted to any Service Provider will expire thirty (30) days (or such other time, as shall be determined by the Board) after the termination of the Service Provider’s continuous service; and (d) if a Service Provider is dismissed for cause, such Service Provider’s options, whether or not vested at the date of dismissal, will immediately terminate without the right to exercise such options.
9. Disinterested Shareholder Approval. The Company will be required to obtain disinterested shareholder approval prior to any of the following actions — whether by reason of an amendment to the Amended Stock Option Plan or otherwise — becoming effective: (a) the Amended Stock Option Plan, together with all of the Company’s other previous compensation arrangements, could result at any time in: (i) the aggregate number of common shares reserved for issuance under options granted to insiders of the Company exceeding ten percent (10%) of the issued and outstanding common shares; (ii) the number of common shares issued to insiders upon exercise of options within a one (1) year period exceeding ten percent (10%) of the issued and outstanding common shares; or (iii) the issuance to any one Service Provider, within a twelve (12) month period, of a number of

common shares exceeding 5% of the issued and outstanding common shares; or (b) any reduction in the exercise price of an option previously granted to an insider.

10. Governing Law. The Amended Stock Option Plan is governed and construed in accordance with the laws of the State of Colorado and the federal laws of the United States applicable therein.

Summary of Equity Incentive Plan

The principal features of our Equity Incentive Plan, approved by our shareholders on December 10, 2020, are summarized below.

1. Purpose of the Equity Incentive Plan. The purpose of the Equity Incentive Plan is to (a) enable the Company to attract and retain the types of employees, consultants and directors (collectively, the “**Eligible Award Recipients**” and each, an “**Eligible Award Recipient**”) who will contribute to the Company’s long term success; (b) provide incentives that align the interests of Eligible Award Recipients with those of the security holders of the Company; and (c) promote the success of the Company’s business.
2. Available Awards. Awards that may be granted under the Equity Incentive Plan include: (a) stock options, (b) restricted awards, (c) performance share units, and other equity-based awards (collectively, the “**Awards**”).
3. Maximum Plan Shares. The maximum aggregate number of common shares available for issuance pursuant to the exercise of the Awards granted under the Equity Incentive Plan is 3,497,123 common shares (which represents 6% of the 56,378,939 common shares issued and outstanding as of December 29, 2020).
4. Grant of Options. The Equity Incentive Plan is administered by the Board (or any committee to which the Board has delegated authority) and provides for grants of options to Eligible Award Recipients in the discretion of the Board. The term and vesting provisions of any options will be fixed by the Board at the time of grant, subject to the terms of the Equity Incentive Plan and the TSX-V Corporate Finance Manual.
5. Limitations on Issue. The following restrictions on issuances of Awards are applicable under the Equity Incentive Plan: (a) no Eligible Award Recipient will be granted Awards to acquire more than five percent (5%) of the issued and outstanding common shares of the Company in any twelve (12) month period, unless the Company has obtained disinterested shareholder approval; (b) no consultant or Eligible Award Recipient conducting Investor Relations Activities (as defined in Policy 1.1 of the TSX-V Corporate Finance Manual) may be granted options to acquire more than two percent (2%) of the issued and outstanding common shares of the Company in any twelve (12) month period; and (c) the Company and the Eligible Award Recipient granted the Award are responsible for ensuring and confirming the Eligible Award Recipient is a bona fide Employee, Consultant or Management Company Employee (as such term is defined by the TSX-V Corporate Finance Manual).
6. Maximum Percentage to Insiders. The Company may not reserve for issuance such number of common shares pursuant to Awards granted to insiders at any point in time that exceeds ten percent (10%) of the issued and outstanding common shares of the Company nor can the Company grant to insiders, within a twelve (12) month period, an aggregate number of Awards, which exceeds ten percent (10%) of the issued and outstanding common shares of the Company as at the time of grant, unless prior to such grant the Company has obtained disinterested shareholder approval.
7. Exercise Price. The exercise price of an option will be set by the Board at the time such option is granted under the Equity Incentive Plan, and cannot be less than the Fair Market Value (defined in the Equity Incentive Plan as a price that is determined by the Board, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the common shares on the TSX-V for the twenty trading days immediately prior to the grant date and (ii) the closing price of the common shares on the TSX-V on the trading day immediately prior to the grant date, unless otherwise required by any applicable accounting standard for the Company’s desired accounting for

options or by the rules of the TSX-V) of a common share on the grant date, and no less than 110% of fair market value of a common share on the grant date with respect to incentive stock options granted to a shareholder holding more than 10% of the common shares.

8. Vesting of Options. Vesting of options shall be at the discretion of the Board and, in the absence of a vesting schedule being specified at the time of grant, options shall vest immediately. Vesting of options will, unless otherwise specified in the Eligible Award Recipient's option granting agreement, be subject to the Eligible Award Recipient remaining employed by or continuing to provide services to the Company or any of its affiliates ("**Continuous Service**"). Options granted to Eligible Award Recipients conducting Investor Relations Activities shall vest in stages over a period that is not less than twelve (12) months, and with no more than 25% of the total options granted vesting in any applicable three (3) month period.
9. Term and Expiry of Options. The exercise period of each option cannot exceed ten (10) years. Upon termination of an Eligible Award Recipient's Continuous Service all rights to purchase common shares of the Company pursuant to the options granted under the Equity Incentive Plan shall expire and terminate immediately except as follows: (a) expiry and termination of the granted options has been otherwise determined in the discretion of the Board or by the Eligible Award Recipient's option granting agreement; (b) upon the death, disability or leave of absence of an Eligible Award Recipient any vested options held by such Eligible Award Recipient will be exercisable by the Eligible Award Recipient's lawful personal representatives, heirs or executors until the earlier of ninety (90) days after the date of death and the date of expiration of the term otherwise applicable to such options; (c) an option granted to any Eligible Award Recipient will expire thirty (30) days (or such other time, as shall be determined by the Board) after the termination of the Eligible Award Recipient's Continuous Service; and (d) if an Eligible Award Recipient is dismissed for cause, such Eligible Award Recipient's options, whether or not vested at the date of dismissal, will immediately terminate without the right to exercise such options.
10. Restricted Awards. The Board may, from time to time, grant restricted share units ("**RSU**") to Eligible Award Recipients, which require no common share issuance by the Company at the time of such grant, carry no voting rights, and neither preclude nor entitle further RSU issuance to the Eligible Award Recipient. At the discretion of the Board, each RSU may be credited with cash and stock dividends paid by the Company in respect of one common share, which shall be evidenced in the Eligible Award Recipient's share unit account, and distributed, upon settlement of such RSU after the date on which they vest, in cash or at the discretion of the Board, in common shares for the fair market value equivalent of such cash distribution, such common shares to be either issued from treasury, purchased in the open market, or any combination thereof. The RSUs shall be subject to forfeiture until vested, such vesting schedule to be determined for each grant of RSUs in the discretion of the Board, which may provide for acceleration of vesting upon the occurrence of specified events.
11. Performance Share Units. The Board may, from time to time, grant performance share units ("**PSU**") to Eligible Award Recipients, which require no common share issuance by the Company at the time of such grant, carry no voting rights, and neither preclude nor entitle further PSU issuance to the Eligible Award Recipient. The Board in its discretion shall determine: (i) the number of common shares subject to a PSU granted to any Eligible Award Recipients; (ii) the specified performance goals and other conditions as well as the time period to achieve such goals in order to earn a PSU; and (iii) the other terms, conditions and restrictions of the PSU.
12. Other Equity-Based and Cash Awards. The Board may, to the extent permitted by the TSX-V, grant other equity-based awards, either alone or in tandem with other awards under the Equity Incentive Plan, in such amounts and subject to such conditions as the Board shall determine in its sole discretion. Each such award shall be evidenced by an award agreement. The Board may grant cash awards to participants, such awards to be evidenced in such form as the Board may determine.
13. Disinterested Shareholder Approval. Unless disinterested shareholder approval is obtained, under no circumstances shall this Equity Incentive Plan, together with all of the Company's other previously established or proposed stock option plans, employee stock purchase plans or any other

compensation or incentive mechanisms involving the issuance or potential issuance of common shares (including the Amended Option Plan), result in or allow at any time: (a) the number of common shares reserved for issuance pursuant to Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding common shares; (b) the grant to Insiders (as a group), within any 12 month period, of an aggregate number of Awards exceeding 10% of the issued and outstanding common shares at the time of the grant of the Awards; (c) the issuance to any one Eligible Award Recipient, within any 12 month period, of an aggregate number of Awards exceeding 5% of the issued and outstanding common shares at the time of the grant of the Awards; (d) any individual Award grant that would result in any Eligible Award Recipient being granted Awards to acquire or receive more than five percent (5%) of the issued and outstanding common shares of the Company in any twelve (12) month period; or (e) any amendment to options held by Insiders that would have the effect of decreasing the exercise price of such options.

14. **Governing Law.** The Equity Incentive Plan is governed and construed in accordance with the laws of the State of Colorado and the Federal laws of the United States applicable therein.

An “Insider” is a director or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, more than 10% of all outstanding common shares of the Company.

Notwithstanding the restriction set out in paragraph 13 above, in respect of the aggregate number of Awards that may be granted to Insiders (as a group), within any 12 month period, the Company wishes to increase the percentage from 10% to 20% of the issued and outstanding common shares at the time of the grant of the Awards, subject to Disinterested Shareholder Approval.

Pension Plans, Defined Benefit Plans, Deferred Compensation Plans

The Company has not established a pension plan, defined benefits plan, or deferred compensation plan for the NEOs or other employees of the Company.

Indebtedness of Directors and Senior Officers

In March 2018, we, at the direction of the Audit Committee, retained, a forensic accountant to address the concerns of the Former Auditor and related matters.

On March 4, 2019, we announced that we entered into a settlement and mutual release agreement with Mr. Willer, former President and Director, pursuant to which we cancelled 450,000 stock options (which were granted to Mr. Willer while Assure was operating as a private company and prior to our listing on the TSXV) and to amend Mr. Willer’s right to receive 1,000,000 Performance Shares (granted to Mr. Willer while Assure was operating as a private company under a performance stock grant agreement) to withhold Performance Shares to pay liabilities to Assure and under certain third-party contracts and tax liabilities owed in connection with the issuance of Performance Shares, to compensate us for losses incurred as a result of Mr. Willer’s misconduct.

None of the current and former directors or senior officers are indebted to us.

Compensation of Directors

The following table sets forth all compensation paid to or earned by each of directors during fiscal year 2019 other than the NEOs who also serve as directors.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Martin Burian, ⁽¹⁾⁽²⁾ <i>Independent Director</i>	\$ 50,000	Nil	175,500	Nil	Nil	Nil	\$225,500
Christopher Rumana, ⁽¹⁾⁽³⁾ <i>Independent Director</i>	\$ 50,000	Nil	175,000	Nil	Nil	Nil	\$225,500
Steven Summer, ⁽¹⁾⁽⁴⁾ <i>Independent Director</i>	\$ 11,250	Nil	175,500	Nil	Nil	Nil	\$186,750
Scott Page, ⁽¹⁾⁽⁵⁾⁽⁶⁾ <i>Former Director</i>	\$ 50,000	Nil	175,500	Nil	Nil	Nil	\$225,500

- (1) All directors who are not employees of the Company are entitled to receive a quarterly retainer of \$10,000 for their services as directors of the Company and a quarterly retainer of \$2,500 for serving on a committee of the Company.
- (2) As of December 31, 2019, Mr. Burian has options to purchase (a) 25,000 common shares of the Company at an exercise price of Cdn\$0.50 which expire on May 11, 2020, pursuant to options awarded to Mr. Burian on May 11, 2017; (b) 75,000 common shares of the Company at an exercise price of Cdn\$2.23 or \$1.80 which expire on October 1, 2023, pursuant to options awarded to Mr. Burian on October 1, 2018; and (c) 150,000 common shares of the Company at an exercise price of Cdn\$2.07 which expire on January 16, 2024, pursuant to options awarded to Mr. Burian on January 16, 2019. As at December 31, 2019, all of 25,000 options granted on May 11, 2017 have vested, 35,000 of the options granted on October 1, 2018 have vested with the balance of options granted on October 1, 2018 vesting in increments of 10,000 options each April 1 and October 1, until such time that the options have fully vested on October 1, 2021, and 50,000 of the options granted on January 16, 2019 have vested with the balance of options vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022.
- (3) As of December 31, 2019, Dr. Rumana has options to purchase 150,000 common shares of the Company at an exercise price of Cdn\$2.07 which expire on January 16, 2024, pursuant to options awarded to Dr. Rumana on January 16, 2019. As of December 31, 2019, of 150,000 options granted on January 16, 2019, 50,000 had vested, with the balance of options vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022.
- (4) As of December 31, 2019, Mr. Summer has options to purchase 150,000 common shares of the Company at an exercise price of Cdn\$1.71 which expire on October 4, 2024, pursuant to options awarded to Mr. Summer on October 4, 2019. As of December 31, 2019, of 150,000 options granted on October 4, 2019, 30,000 have vested, with the balance of options vesting in increments of 20,000 options each April 4, and October 4, until such time that the options have fully vested on October 4, 2022.
- (5) Mr. Page served as a director of the Company from November 29, 2018 to September 4, 2020.
- (6) As of December 31, 2019, Mr. Page had options to purchase 150,000 common shares of the Company at an exercise price of Cdn\$2.07 which expire on January 16, 2024, pursuant to options awarded to Mr. Page on January 16, 2019. As of December 31, 2019, of 150,000 options granted on January 16, 2019, 50,000 had vested, with the balance of options vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022. As of the date of this prospectus, 2020 Mr. Page's option have expired.

Exercise of Compensation Securities by Directors

During the most recently completed financial year ended December 31, 2019, directors (excluding directors who were also NEOs) of the Company did not exercise any compensation securities.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of December 29, 2020 regarding the beneficial ownership of our common stock by (i) those persons who are known to us to be the beneficial owner(s) of more than 5% of our common stock, (ii) each of our directors and named executive officers, and (iii) all of our directors and executive officers as a group. Except as otherwise indicated, the beneficial owners listed in the table below possess the sole voting and dispositive power in regard to such shares and have an address of c/o Assure Holdings Corp, 4600 South Ulster Street, Suite 1225, Denver, Colorado. As of December 28, 2020, there were 56,378,939 shares of our common stock outstanding.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of our common stock subject to options, warrants, notes or other conversion privileges currently exercisable or convertible, or exercisable within 60 days of the date of this table, are deemed outstanding for computing the percentage of the person holding such option, warrant, note, or other convertible instrument but are not deemed outstanding for computing the percentage of any other person. Where more than one person has a beneficial ownership interest in the same shares, the sharing of beneficial ownership of these shares is designated in the footnotes to this table.

Name and Address of Beneficial Owner	Amount and nature of beneficial ownership	Percent of Class
John Farlinger ⁽¹⁾ c/o Assure Holdings Corp, 4600 South Ulster Street, Suite 1225, Denver, Colorado.	1,102,000	1.9%
Trent Carman ⁽²⁾ c/o Assure Holdings Corp, 4600 South Ulster Street, Suite 1225, Denver, Colorado.	364,156	0.6%
Preston Parsons ⁽³⁾ c/o Assure Holdings Corp, 4600 South Ulster Street, Suite 1225, Denver, Colorado.	22,032,490	38.3%
Martin Burian ⁽⁴⁾ c/o Assure Holdings Corp, 4600 South Ulster Street, Suite 1225, Denver, Colorado.	368,000	0.7%
Christopher Rumana ⁽⁵⁾ c/o Assure Holdings Corp, 4600 South Ulster Street, Suite 1225, Denver, Colorado.	288,124	0.5%
Steven Summer ⁽⁶⁾ c/o Assure Holdings Corp, 4600 South Ulster Street, Suite 1225, Denver, Colorado.	168,124	0.3%
Directors and Executive Officers as a Group (6 persons)	20,442,455	42.2%
Manchester Explorer, L.P. ⁽⁷⁾ 2 Calle Nairn, #701 San Juan, PR 00907	9,375,000	9.99%
Special Situations Fund III QP, L.P. ⁽⁸⁾⁽¹²⁾ 527 Madison Ave., Suite 2600 New York, NY 10022	6,581,346	9.99%
Special Situations Cayman Fund, L.P. ⁽⁹⁾⁽¹²⁾ 527 Madison Ave., Suite 2600 New York, NY 10022	2,182,570	3.8%
Special Situations Life Sciences Fund, L.P. ⁽¹⁰⁾⁽¹²⁾ 527 Madison Ave., Suite 2600 New York, NY 10022	3,736,084	6.4%
Special Situations Private Equity Fund, L.P. ⁽¹¹⁾⁽¹²⁾	3,125,000	5.4%

Name and Address of Beneficial Owner	Amount and nature of beneficial ownership	Percent of Class
527 Madison Ave., Suite 2600 New York, NY 10022		

- (1) Mr. Farlinger is CEO and a director of Assure. Consists of 640,000 shares of common stock and 462,000 shares of common stock acquirable upon exercise of stock options (302,000 shares) and warrants (160,000 shares) within 60 days of December 29, 2020. Of the shares of common stock beneficially owned by Mr. Farlinger, 300,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, which will vest on December 29, 2021 or earlier upon satisfaction of certain conditions.
- (2) Mr. Carman is CFO of Assure. Consists of 282,078 shares of common stock and 82,078 shares of common stock acquirable upon exercise of warrants within 60 days of December 29, 2020. Of the shares of common stock beneficially owned by Mr. Carman, 200,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, which will vest on December 29, 2021 or earlier upon satisfaction of certain conditions.
- (3) Mr. Parsons is the founder and a director of Assure. Consists of 20,876,240 shares of common stock and 1,156,250 shares of common stock acquirable upon exercise of stock options (1,000,000 shares) and warrants (156,250 shares) within 60 days of December 29, 2020. Mr. Pearson holds a portion of the shares of common stock through Triple CCC Holdings, LLC (a family holding company). Of the shares of common stock beneficially owned by Mr. Parsons, 3,300,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, which will vest on December 29, 2021 or earlier upon satisfaction of certain conditions.
- (4) Mr. Burian is a director of Assure. Consists of 203,000 shares of common stock and 165,000 shares of common stock acquirable upon exercise of stock options within 60 days of December 29, 2020. Mr. Burian holds 100,000 of the shares of common stock through a family trust. Mr. Burian also holds unvested options to 80,000 shares of common stock issuable vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022.
- (5) Mr. Rumana is a director of Assure. Consists of 139,062 shares of common stock and 149,062 shares of common stock acquirable upon exercise of stock options (110,000 shares) and warrants (39,062) within 60 days of December 29, 2020. Mr. Rumana also holds unvested options to 60,000 shares of common stock issuable vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022.
- (6) Mr. Summer is a director of Assure. Consists of 39,062 shares of common stock and 129,062 shares of common stock acquirable upon exercise of stock options (90,000 shares) and warrants (39,062) within 60 days of December 29, 2020. Mr. Summer also holds unvested options to 80,000 shares of common stock issuable vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022.
- (7) Includes 4,687,500 shares of common stock and 4,687,500 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. James Besser is managing member of Manchester Explorer, L.P. and has voting or disposition power over these securities. Pursuant to a letter agreement by and between Assure Holdings Corp. and Manchester Explorer, L.P., the beneficial ownership of Manchester Explorer, L.P. and its affiliated persons may not exceed 9.99% for the purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended. Accordingly, stock purchase warrants may not be exercised by Manchester Explorer, L.P. if the beneficial ownership of Manchester Explorer, L.P. and its affiliated persons exceed 9.99%.
- (8) Includes 3,290,673 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Fund III QP, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
- (9) Includes 1,091,285 shares of common stock and 1,091,285 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale

- and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Cayman Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities
- (10) Includes 1,868,042 shares of common stock and 1,868,042 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Life Sciences Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
- (11) Includes 1,562,500 shares of common stock and 1,562,500 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Private Equity Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
- (12) David Greenhouse is managing partner of Special Situations Fund III QP, L.P., Special Situations Cayman Fund, L.P., Special Situations Life Sciences Fund, L.P. and Special Situations Private Equity Fund, L.P. (collectively, the “**Holders**”). Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over securities owned the Holders. Pursuant to a letter agreement, the beneficial ownership of these Holders and their affiliated persons may not exercise voting power over Assure common stock in excess of 9.99% of the issued and outstanding shares, as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, subject to the TSXV accepting and clearing the holder’s personal information forms or waiver of the restrictions with 61 day notice. The Holders collectively beneficially own 15,624,998 shares of common stock, subject to the letter agreement.

RELATED PARTY TRANSACTIONS

Except as set forth below, no director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the beginning of the year ended December 31, 2019, in which the amount involved in the transaction exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years.

Balances and transactions between Assure Holdings Corp. and its wholly owned and controlled subsidiaries have been eliminated in consolidation and are not disclosed in this note. For entities in which management has determined the Company does not have a controlling financial interest but has varying degrees of influence regarding operating policies of that entity, the Company's investment is accounted for using the equity method of accounting and these transactions are reported as related party.

Details of the transactions between Assure Holdings Corp. and other related parties are disclosed below:

	September 30, 2020	December 31, 2019
Due from PEs, net ^(a)	\$ 3,381,000	\$ 2,489,000
Due from Management and Board, net ^(b)	\$ 349,000	\$ 128,000
Due from Related Parties, net	\$ 3,730,000	\$ 2,617,000

- (a) Professional Entities are professional IONM entities, which Assure holds varying ownership interests for the purposes of providing IONM services. Amount due from or to a PE is interest-free and subject to repayment upon the PE receiving reimbursement from the private insurance payers that they bill for their services. Most of this balance relates to PEs that the Company manages but has no ownership interest. During July 2020, two surgeons who are the majority owners of one of the PEs purchased 125,924 shares of the Company's common shares for \$102,000.
- (b) Amount due from management and Board relate to personal expenses, distributions and compensation not authorized by an employment agreement or otherwise, in addition to amounts owed to Board members and advances from certain members of the Company's management team.

As a result of the circumstances which led to the resignation of our former auditor, EKS&H LLP, and two management cease trade orders (May 1, 2018 and August 7, 2018, revoked on August 20, 2018), we entered into negotiations with Preston Parsons, our founder and a director, and Matthew Willer, a former officer and director, with respect to certain matters (arising out of transactions while Assure was operating as a private company). We settled these matters as follows:

On January 9, 2019 we announced that we entered into a settlement agreement on August 6, 2018, pursuant to which Mr. Parsons agreed to repay certain reclassified expenses and pledge certain collateral to secure payment. Mr. Parsons surrendered for cancellation 1,461,392 of common shares held by him at a price of \$1.50 per share. Additionally, Mr. Parsons voluntarily surrendered one million options to allow us to grant options to retain employees and competitively recruit strong professional talent. Mr. Parsons also agreed to modify the performance stock grant agreement dated November 8, 2016 (entered while Assure was operating as a private company), which granted Mr. Parsons the right to receive 5,000,000 common shares), to increase certain performance requirements to earn the Performance Shares.

On March 4, 2019, we announced that we entered into a settlement and mutual release agreement with Mr. Willer pursuant to which we cancelled 450,000 stock options (which were granted to Mr. Willer while Assure was operating as a private company and prior to our listing on the TSXV) and to amend Mr. Willer's right to receive 1,000,000 performance shares (granted to Mr. Willer while Assure was operating as a private company under a performance stock grant agreement) to withhold performance shares to pay liabilities to Assure and under certain third-party contracts and tax liability owed in connection with the issuance of Performance Shares. The remaining Performance Shares will be issued to Mr. Willer at a price to be determined on the issuance date based on the market price of common shares at the issuance date and in accordance with the policies of the TSX-V. As of December 29, 2020, we have 1,000,000 shares of common stock reserved for issuance as Performance Shares under the terms of the Settlement Agreement.

On March 4, 2020, Mr. Parsons agreed to reallocate 1,700,000 Performance to six employees and/or officers of Assure, including John Farlinger, our CEO (300,000 shares) and Trent Carman, our CFO (200,000), under the terms of Incentive Stock Agreements. On December 29, 2020, we issued 5,000,000 Performance Shares as “restricted common stock” to seven employees and/or officers. The restricted common stock is subject to forfeiture under the terms of Restricted Stock Award Agreements dated December 29, 2020, and will vest on December 31, 2021 or earlier upon satisfaction of certain conditions.

During 2019, two members of our management team advanced Assure approximately \$190,000. As of September 30, 2020, the advances had been completely repaid.

We paid compensation to family members of Preston Parsons, our Founder and a director, for business development services and patient advocate services rendered during the three months ended September 30, 2020 and 2019 totaled \$75,000 and \$81,000, respectively, and \$216,000 and \$216,000 during the nine months ended September 30, 2020 and 2019, respectively.

In August 2020, Assure entered into a \$6,500,000 Loan Facility with Colorado based, Central Bank & Trust, a part of Farmers & Stockmens Bank. Scott Page, a former member of our Board of Directors, is the Chief Executive Officer of Central Bank.

On December 1, 2020, we entered into securities purchase agreements with the selling stockholders, pursuant to which we sold and issued to the investors an aggregate of 16,357,703 units of the Company at an issue price of \$0.64 per Unit, for gross proceeds of \$10,468,930. Preston Parsons, our founder and a director, John Farlinger, our Chairman and Chief Executive Officer, Trent Carman, our Chief Financial Officer, and Board members, Chris Rumana and Steven Summer each purchased Units in the private placement and are Selling Shareholders under this prospectus.

DESCRIPTION OF CAPITAL STOCK

The following summary is a description of the material terms of our share capital. We encourage you to read our Articles of Incorporation, as amended, and By-laws which are attached as exhibits to our Registration Statement on Form S-1 of which this prospectus forms a part.

The rights of our stockholders are governed by Nevada law, Articles of Incorporation, as amended, and Bylaws. The following briefly summarizes the material terms of our common stock. We urge you to read the applicable provisions of Nevada Corporation Law, our Articles of Incorporation and our Bylaws.

Authorized Capital Stock

Our authorized capital stock consists of 900,000,000 shares of common stock, par value \$0.001 per share. As of December 29, 2020 there were 56,378,939 shares of our common stock outstanding.

Common Stock

We are authorized to issue up to a total of 900,000,000 shares of common stock, par value \$0.001 per share. Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of our stockholders. Holders of our common stock have no cumulative voting rights. Further, holders of our common stock have no preemptive or conversion rights or other subscription rights. Upon our liquidation, dissolution or winding-up, holders of our common stock are entitled to share in all assets remaining after payment of all liabilities and the liquidation preferences of any of our outstanding shares of preferred stock. Holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our Board out of our assets which are legally available. Such dividends, if any, are payable in cash, in property or in shares of capital stock.

The holders of shares of our common stock entitled to cast at least a majority of the total votes entitled to be cast by the holders of all of our outstanding capital stock, present in person or by proxy, are necessary to constitute a quorum at any meeting. If a quorum is present, an action by stockholders entitled to vote on a matter is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action. The vote of a majority of our stock held by shareholders present in person or represented by proxy and entitled to vote at the Meeting will be sufficient to elect Directors or to approve a proposal.

Anti-Takeover Provisions of Nevada State Law

Certain anti-takeover provisions of Nevada law could have the effect of delaying or preventing a third party from acquiring us, even if the acquisition arguably could benefit our stockholders.

Nevada's "combinations with interested stockholders" statutes, Nevada Revised Statutes ("NRS") 78.411 through 78.444, inclusive, prohibit specified types of business "combinations" between certain Nevada corporations and any person deemed to be an "interested stockholder" for two years after such person first becomes an "interested stockholder" unless the corporation's board of directors approves the combination, or the transaction by which such person becomes an "interested stockholder", in advance, or unless the combination is approved by the board of directors and sixty percent of the corporation's voting power not beneficially owned by the interested stockholder, its affiliates and associates. Further, in the absence of prior approval certain restrictions may apply even after such two year period. However, these statutes do not apply to any combination of a corporation and an interested stockholder after the expiration of four years after the person first became an interested stockholder. For purposes of these statutes, an "interested stockholder" is any person who is (1) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation, or (2) an affiliate or associate of the corporation and at any time within the two previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "combination" is sufficiently broad to cover most significant transactions between a corporation and an "interested stockholder." These statutes generally apply to Nevada corporations with 200 or more stockholders of record. However, a Nevada corporation may elect in its articles of incorporation not to be governed by these particular laws, but if such election is not made in the corporation's original articles of incorporation, the amendment

(1) must be approved by the affirmative vote of the holders of stock representing a majority of the outstanding voting power of the corporation not beneficially owned by interested stockholders or their affiliates and associates, and (2) is not effective until 18 months after the vote approving the amendment and does not apply to any combination with a person who first became an interested stockholder on or before the effective date of the amendment. We have made such an election in our original articles of incorporation.

Nevada's "acquisition of controlling interest" statutes, NRS 78.378 through 78.379, inclusive, contain provisions governing the acquisition of a controlling interest in certain Nevada corporations. These "control share" laws provide generally that any person that acquires a "controlling interest" in certain Nevada corporations may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting rights. Absent such provision in our bylaws, these laws would apply to us as of a particular date if we were to have 200 or more stockholders of record (at least 100 of whom have addresses in Nevada appearing on our stock ledger at all times during the 90 days immediately preceding that date) and do business in the State of Nevada directly or through an affiliated corporation, unless our articles of incorporation or bylaws in effect on the tenth day after the acquisition of a controlling interest provide otherwise. These laws provide that a person acquires a "controlling interest" whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the NRS, would enable that person to exercise (1) one fifth or more, but less than one third, (2) one third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, shares which it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become "control shares" to which the voting restrictions described above apply.

Nevada law also provides that directors may resist a change or potential change in control if the directors determine that the change is opposed to, or not in the best interests of, the corporation. The existence of the foregoing provisions and other potential anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our Company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

Anti-Takeover Effects of Our Articles of Incorporation and Bylaws

The following provisions of our articles of incorporation and bylaws could have the effect of delaying or discouraging another party from acquiring control of us and could encourage persons seeking to acquire control of us to first negotiate with our board of directors:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, with our stockholders only allowed to fill such a vacancy if not filled by the board;
- the ability of our board of directors to alter our bylaws without obtaining shareholder approval; and
- the requirement that a special meeting of stockholders may be called only by either (i) the directors; (ii) the chairman of the board; or (iii) the chief executive officer.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company of Canada.

Stock Market Listing

Our common stock is currently quoted on OTCQB and TSX-V and under the symbols "ARHH" and "IOM," respectively.

Indemnification of Directors and Officers

The NRS empower us to indemnify our directors and officers against expenses relating to certain actions, suits or proceedings as provided for therein. In order for such indemnification to be available, the applicable director

or officer must not have acted in a manner that constituted a breach of his or her fiduciary duties and involved intentional misconduct, fraud or a knowing violation of law, or must have acted in good faith and reasonably believed that his or her conduct was in, or not opposed to, our best interests. In the event of a criminal action, the applicable director or officer must not have had reasonable cause to believe his or her conduct was unlawful.

Pursuant to our articles, we may indemnify each of our present and future directors, officers, employees or agents who becomes a party or is threatened to be made a party to any suit or proceeding, whether pending, completed or merely threatened, and whether said suit or proceeding is civil, criminal, administrative, investigative, or otherwise, except an action by or in the right of the Company, by reason of the fact that he is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including, but not limited to, attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit, proceeding or settlement, provided such person acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The expenses of directors, officers, employees or agents of the Company incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Company as they are incurred and in advance of the final disposition of the action, suit, or proceeding, if and only if the director, officer, employee or agent undertakes to repay said expenses to the Company if it is ultimately determined by a court of competent jurisdiction, after exhaustion of all appeals therefrom, that he is not entitled to be indemnified by the corporation.

No indemnification shall be applied, and any advancement of expenses to or on behalf of any director, officer, employee or agent must be returned to the Company, if a final adjudication establishes that the person's acts or omissions involved a breach of any fiduciary duties, where applicable, intentional misconduct, fraud or a knowing violation of the law which was material to the cause of action.

The NRS further provides that a corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer, employee or agent, or arising out of his status as such, whether or not the corporation has the authority to indemnify him against such liability and expenses. We have secured a directors' and officers' liability insurance policy. We expect that we will continue to maintain such a policy.

Disclosure of Commission Position on Indemnification for Securities Act Liabilities

Insofar as indemnification for liabilities under the Securities Act may be permitted to officers, directors or persons controlling the Company pursuant to the foregoing provisions, the Company has been informed that it is the opinion of the SEC that such indemnification is against public policy as expressed in such Securities Act and is, therefore, unenforceable.

DESCRIPTION OF PRIVATE PLACEMENT

December 2020 Private Placement

On December 1, 2020, we entered into securities purchase agreements with the selling stockholders (the “**Securities Purchase Agreements**”) pursuant to which we sold and issued to the investors an aggregate of 16,357,703 units of the Company at an issue price of \$0.64 per Unit, for gross proceeds of \$10,468,930 (the “**December Private Placement**”). Each unit consisted of one share of common stock and one common stock warrant, each exercisable to acquire one share of common stock at \$0.78 per share for a period of five years from the date of issuance. Accordingly, we issued the Investors 16,357,703 shares of common stock and 16,357,703 common stock warrants in the December Private Placement.

Pursuant to the Securities Purchase Agreement, we entered into a registration rights agreement (the “**Registration Rights Agreement**”), requiring us to register the shares of common stock issued under the units and the shares of common stock acquirable upon exercise of the warrants for resale under the Securities Act. Under the terms of the Registration Rights Agreement, we agreed (a) to file a registration statement on Form S-1 with the Commission within 30 days of the Closing Date to register the Common Shares and the Common Shares acquirable upon exercise of the Warrants (collectively, the “**Registrable Securities**”) for resale by the Investors; (b) to cause the Registration Statement to be declared effective by the Commission on or prior to the 90th day after the Closing Date or, if the Registration Statement is reviewed by the Commission, the 120th day after the Closing Date (or if the Registration Statement is not declared effective by the Commission on or before February 11, 2021, at the end of a sixty (60) day period thereafter); (c) to maintain the effectiveness of the Registration Statement; and (d) to satisfy the current public information requirement required by Rule 144 under the Securities Act of 1933 or any other rule or regulation of the Commission to permit the Investors to sell the Registrable Securities to the public without registration. We agreed to pay the Investors liquidated damages of 1% of the purchase price for each 30 day period in which we are in default of these obligations. The Company filed a registration statement on Form S-1, which included this prospectus, in accordance with the terms of the Registration Rights Agreement.

If the Common Shares acquirable upon exercise of the Warrants are not registered under the Registration Rights Agreement, the terms of the Warrants provide for a cashless exercise feature, under which the number of Common Shares to be issued will be based on the number of Common Shares for which Warrants are exercised multiplied by the difference between the five day VWAP of the Common Shares and the exercise price divided by the current market price at the time of the exercise.

In addition, officers and directors and holders of 5% or more of our outstanding shares of common stock to entered into Lock-Up Agreements pursuant to which they agreed that they will not, without the prior written consent, during the period commencing on the Closing Date and ending on the date that is sixty (60) days after the date of our final prospectus is first filed pursuant to Rule 424(b)(3) under the Securities Act with respect to the Registrable Securities, offer, sell, contract to sell, pledge, grant any option to purchase or otherwise dispose of any of our securities; except in certain circumstances.

Under the Securities Purchase Agreement, we agreed that (a) for a period of ninety (90) days after the closing date, without the consent of a majority of the Investors, neither we nor any of our subsidiaries would issue shares of common stock or common stock equivalents and (b) until the earlier of (i) two years after the closing date or (ii) such time as the Investors, collectively, beneficially own less than five percent (5%) of our common stock, we would not enter into an agreement to effect any “**Variable Rate Transaction**”. The term “**Variable Rate Transaction**” shall mean a transaction in which we issue or sell (i) any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive additional shares of our common stock either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the shares of our common stock at any time after the initial issuance of such debt or equity securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to our business or the market for our common stock or (ii) enters into any agreement, including, but not limited to, an equity line of credit, whereby we may sell securities at a future determined price. In addition, we agreed to certain buy-in rights in favor of the Investors for failure to comply with timely delivery of share certificates within three business days if an Investor is required to cover settlement in connection with our failure.

In connection with the December Private Placement, we paid the Agent a cash commission representing approximately 8% (4% for the proceeds received from Investors who are directors, officers and employees of Assure) of the gross proceeds of the December Private Placement.

Issuances of our common stock upon the exercise of warrants in this offering will not affect the rights or privileges of our existing stockholders, except that the economic and voting interests of each of our existing stockholders will be diluted as a result of any such issuance. Although the number of shares of common stock that our existing stockholders own will not decrease, the shares owned by our existing stockholders will represent a smaller percentage of our total outstanding shares after any exercise of warrants by the selling stockholders.

SELLING STOCKHOLDERS

The shares of common stock being offered by the selling stockholders are those previously issued to the selling stockholders, and those issuable to the selling stockholders, upon the exercise of certain warrants issued in the December Private Placement. We are registering the shares of common stock in order to permit the selling stockholders to offer the shares for resale from time to time. Except for the ownership of the shares of common stock and the warrants or in the footnotes to the table below, the selling stockholders have not had any material relationship with us within the past three years.

The table below lists the selling stockholders and other information regarding the beneficial ownership of the shares of common stock by each of the selling stockholders. The second column lists the number of shares of common stock beneficially owned by each selling stockholder, based on its ownership of the shares of common stock and warrants, as of December 29, 2020, assuming exercise of the warrants held by the selling stockholders on that date, without regard to any limitations on exercises.

The third column lists the shares of common stock being offered by this prospectus by the selling stockholders.

This prospectus generally covers the resale of (i) the number of shares of common stock issued to the selling stockholders pursuant to Securities Purchase Agreements and (ii) the maximum number of shares of common stock issuable upon exercise of the related warrants, determined as if such outstanding warrants were exercised in full as of the trading day immediately preceding the date this registration statement was initially filed with the SEC, each as of the trading day immediately preceding the applicable date of determination and all subject to adjustment as provided in the registration right agreement, without regard to any limitations on the exercise of the warrants. The fourth column assumes the sale of all of the shares offered by the selling stockholders pursuant to this prospectus.

The selling stockholders may sell all, some or none of their shares in this offering. See "Plan of Distribution".

Name of Selling Stockholder	Number of Shares of Common Stock Owned Prior to Offering ⁽¹⁾	Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus ⁽¹⁾	Number of Shares of Common Stock Owned After Offering	Percentage of Common Stock Owned After the Offering
Kestrel Flight Fund LLC ⁽²⁾	1,250,000	1,250,000	—	—
Founding Asset Management ⁽³⁾	1,250,000	1,250,000	—	—
Morgan Frank ⁽⁴⁾	781,250	781,250	—	—
Manchester Explorer, L.P. ⁽⁵⁾	9,375,000	9,375,000	—	—
JEB Partners, L.P. ⁽⁶⁾	1,562,500	1,562,500	—	—
James Besser ⁽⁷⁾	781,250	781,250	—	—
Special Situations Fund III QP, L.P. ⁽⁸⁾⁽²⁰⁾	6,581,346	6,581,346	—	—
Special Situations Cayman Fund, L.P. ⁽⁹⁾⁽²⁰⁾	2,182,570	2,182,570	—	—
Special Situations Life Sciences Fund, L.P. ⁽¹⁰⁾⁽²⁰⁾	3,736,084	3,736,084	—	—
Special Situations Private Equity Fund, L.P. ⁽¹¹⁾⁽²⁰⁾	3,125,000	3,125,000	—	—
Manatuck Hill Navigator Master Fund, LP ⁽¹²⁾	625,000	625,000	—	—
Juda Living Trust ⁽¹³⁾	807,500	312,500	495,000	*
Alan Budd Zuckerman ⁽¹⁴⁾	600,000	200,000	400,000	*
Preston Parsons ⁽¹⁵⁾	22,032,490	312,500	21,719,990	38.2%
John Farlinger ⁽¹⁶⁾	1,102,000	320,000	782,000	*
Trent Carman ⁽¹⁷⁾	364,156	164,156	200,000	*
Christopher Rumana ⁽¹⁸⁾	288,124	78,124	210,000	*
Steven Summer ⁽¹⁹⁾	168,124	78,124	90,000	*

(1) Beneficial ownership includes shares of common stock acquirable upon exercise of stock purchase

- warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus.
- (2) Includes 625,000 shares of common stock and 625,000 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Albert Hanser is managing partner of Kestrel Flight Fund LLC and has voting or disposition power over these securities.
 - (3) Includes 625,000 shares of common stock and 625,000 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Christopher Davis has voting or disposition power over these securities.
 - (4) Includes 390,625 shares of common stock and 390,625 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus.
 - (5) Includes 4,687,500 shares of common stock and 4,687,500 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. James Besser is managing member of Manchester Explorer, L.P. and has voting or disposition power over these securities. Pursuant to a letter agreement by and between Assure Holdings Corp. and Manchester Explorer, L.P., the beneficial ownership of Manchester Explorer, L.P. and its affiliated persons may not exceed 9.99% for the purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended. Accordingly, stock purchase warrants may not be exercised by Manchester Explorer, L.P. if the beneficial ownership of Manchester Explorer, L.P. and its affiliated persons exceed 9.99%.
 - (6) Includes 781,250 shares of common stock and 781,250 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. James Besser is managing member of JEB Partners, L.P. and has voting or disposition power over these securities.
 - (7) Includes 390,625 shares of common stock and 390,625 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus.
 - (8) Includes 3,290,673 shares of common stock and 3,290,673 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Fund III QP, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities. See also, notes (9), (10), and (11).
 - (9) Includes 1,091,285 shares of common stock and 1,091,285 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Cayman Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
 - (10) Includes 1,868,042 shares of common stock and 1,868,042 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Life Sciences Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
 - (11) Includes 1,562,500 shares of common stock and 1,562,500 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. David Greenhouse is managing partner of Special Situations Private Equity Fund, L.P. and Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over these securities.
 - (12) Includes 312,500 shares of common stock and 312,500 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Thomas Scalia is general partner of Manatuck Hill Navigator Master Fund, LP and has voting or disposition power over these securities.

- (13) Includes 807,500 shares of common stock and 156,250 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Tom Juda is the trustee of the Juda Living Trust and has voting or disposition power over these securities.
- (14) Includes 500,000 shares of common stock and 100,000 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Consists of 20,843,801 shares of common stock and 1,156,250 shares of common stock acquirable upon exercise of stock options (1,000,000 shares) and warrants (156,250 shares) within 60 days of December 31, 2020.
- (15) Includes 156,250 shares of common stock and 156,250 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Mr. Pearson holds a portion of the shares of common stock through Triple CCC Holdings, LLC (a family holding company), which he controls. Of the shares of common stock beneficially owned by Mr. Parsons, 3,300,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, which will vest on December 31, 2021 or earlier upon satisfaction of certain conditions. Consists of 640,000 shares of common stock and 462,000 shares of common stock acquirable upon exercise of stock options (302,000 shares) and warrants (160,000 shares) within 60 days of December 31, 2020.
- (16) Includes 160,000 shares of common stock and 160,000 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Of the shares of common stock beneficially owned by Mr. Farlinger, 300,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, which will vest on December 31, 2021 or earlier upon satisfaction of certain conditions.
- (17) Includes 282,078 shares of common stock and 82,078 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Of the shares of common stock beneficially owned by Mr. Carman, 200,000 shares were issued under a restricted stock grant agreement, subject to forfeiture, which will vest on December 31, 2021 or earlier upon satisfaction of certain conditions.
- (18) Consists of 139,062 shares of common stock and 149,062 shares of common stock acquirable upon exercise of stock options (110,000 shares) and warrants (39,062) within 60 days of December 31, 2020. Includes 39,062 shares of common stock and 39,062 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Mr. Rumana also holds unvested options to 60,000 shares of common stock issuable vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022.
- (19) Consists of 39,062 shares of common stock and 129,062 shares of common stock acquirable upon exercise of stock options (90,000 shares) and warrants (39,062) within 60 days of December 31, 2020. Includes 39,062 shares of common stock and 39,062 shares of common stock acquirable upon exercise of warrants acquired in the private placement (December 1, 2020) which are registered for resale and qualified under this prospectus. Mr. Summer also holds unvested options to 80,000 shares of common stock issuable vesting in increments of 20,000 options each July 16, and January 16, until such time that the options have fully vested on January 16, 2022.
- (20) David Greenhouse is managing partner of Special Situations Fund III QP, L.P., Special Situations Cayman Fund, L.P., Special Situations Life Sciences Fund, L.P. and Special Situations Private Equity Fund, L.P. (collectively, the “**Holder**s”). Austin Marx, David Greenhouse and Adam Stettner share voting or disposition power over securities owned the Holders. Pursuant to a letter agreement, the beneficial ownership of these Holders and their affiliated persons may not exercise voting power over Assure common stock in excess of 9.99% of the issued and outstanding shares, as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended, subject to the TSXV accepting and clearing the holder’s personal information forms or waiver of the restrictions with 61 day notice. The Holders collectively beneficially own 15,624,998 shares of common stock, subject to the letter agreement.

* Denotes less than 1%.

PLAN OF DISTRIBUTION

The selling stockholders, which as used herein includes donees, pledgees, transferees or other successors-in-interest selling shares of common stock previously issued and the shares of common stock issuable upon exercise of the warrants, or interests in shares of common stock received after the date of this prospectus from a selling stockholder as a gift, pledge, partnership distribution or other transfer, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of common stock or interests in shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. The selling stockholders may sell their shares of our common stock pursuant to this prospectus at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

The selling stockholders may use any one or more of the following methods when disposing of shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock or warrants owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our common stock or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling stockholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling stockholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering.

The selling stockholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock or interests therein may be “underwriters” within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Selling stockholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

To the extent required, the shares of our common stock to be sold, the names of the selling stockholders, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We have agreed to indemnify the selling stockholders against liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

We have agreed with the selling stockholders to keep the registration statement of which this prospectus constitutes a part effective until such time as the shares offered by the selling stockholders have been effectively registered under the Securities Act and disposed of in accordance with such registration statement, the shares offered by the selling stockholders have been disposed of pursuant to Rule 144 under the Securities Act or the shares offered by the selling stockholders may be resold pursuant to Rule 144 without restriction or limitation (including without the requirement to be in compliance with Rule 144(c)(1)) or another similar exemption under the Securities Act.

LEGAL MATTERS

The validity of the common stock being offered by this prospectus has been passed upon for us by Dorsey & Whitney LLP.

EXPERTS

The audited consolidated financial statements of Assure Holdings Corp. and its subsidiaries, as of and for the years ended December 31, 2019 and 2018 included in this prospectus have been so included in reliance upon the report of BakerTilly US LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed with the registration statement. For further information about us and the common stock offered hereby, we refer you to the registration statement and the exhibits filed with the registration statement. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC maintains an internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

Upon the effectiveness of our registration statement on Form S-1 filed under the Securities Act with respect to the shares of common stock offered hereby, we will be required to file periodic reports, proxy statements, and other information with the SEC pursuant to the Exchange Act. These reports, proxy statements, and other information will be available on the website of the SEC referred to above.

For further information about Assure, please visit our main corporate website located at www.assureneuromonitoring.com, or our Assure's profile on www.sedar.com ("SEDAR") or www.otcm Markets.com. Information contained on these websites is not a part of this prospectus.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. Therefore, if anyone gives you different or additional information, you should not rely on it. The information contained in this prospectus is correct as of its date. It may not continue to be correct after this date.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors
Assure Holdings Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Assure Holdings Corp. and its subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, shareholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Baker Tilly US, LLP

We have served as the Company's auditor since 2018.

Irvine, California

May 29, 2020, except for Note 11 as to which the date is December 30, 2020

ASSURE HOLDINGS CORP.
Consolidated Balance Sheets
(in thousands, except share amounts)

	December 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash	\$ 59	\$ 831
Accounts receivable, net	30,863	22,175
Other assets	168	85
Due from related parties	2,617	2,966
Total current assets	<u>33,707</u>	<u>26,057</u>
Equity method investments	2,360	2,256
Property, plant and equipment, net	871	680
Intangibles, net	4,587	—
Goodwill	2,857	—
Total assets	<u>\$ 44,382</u>	<u>\$ 28,993</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,365	\$ 3,016
Current portion of debt	1,664	274
Current portion of lease liability	461	206
Income taxes payable	—	267
Current portion of acquisition liability	5,030	—
Other current liabilities	81	—
Total current liabilities	<u>11,601</u>	<u>3,763</u>
Lease liability, net of current portion	500	381
Debt, net of current portion	1,160	—
Acquisition debt, net of current portion	2,429	—
Provision for acquisition share issuance	540	—
Provision for fair value of stock options	66	246
Provision for performance share issuance	16,011	16,011
Provision for fair value of broker warrants	—	56
Deferred tax liability, net	2,010	1,410
Total liabilities	<u>34,317</u>	<u>21,867</u>
Commitments and contingencies (Note 15)		
SHAREHOLDERS' EQUITY		
Common stock: \$0.001 par value; 900,000,000 shares authorized. 34,795,313 and 35,562,105 shares issued and outstanding, respectively.	35	36
Additional paid-in capital	6,682	6,458
Retained earnings	3,348	632
Total shareholders' equity	<u>10,065</u>	<u>7,126</u>
Total liabilities and shareholders' equity	<u>\$ 44,382</u>	<u>\$ 28,993</u>

The accompanying notes are an integral part of the consolidated financial statements.

ASSURE HOLDINGS CORP.
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	Years Ended	
	December 31, 2019	December 31, 2018
Revenue		
Patient service fees, net	\$ 13,738	\$ 13,899
Hospital, management and other	3,987	913
Total revenue	17,725	14,812
Cost of revenues	(4,955)	(3,551)
Gross margin	12,770	11,261
Operating expenses		
General and administrative	8,427	5,312
Sales and marketing	1,435	807
Depreciation and amortization	537	407
Total operating expenses	10,399	6,526
Income from operations	2,371	4,735
Other income/(expenses)		
Earnings from equity method investments	1,305	1,167
Other income	172	142
Interest, net	(326)	7
Total other income	1,151	1,316
Income before income taxes	3,522	6,051
Income tax expense	(806)	(1,731)
Net income	\$ 2,716	\$ 4,320
Income per common share		
Basic	\$ 0.08	\$ 0.12
Diluted	\$ 0.06	\$ 0.10
Weighted average number of common shares used in per share calculation – basic	34,402,607	35,552,234
Weighted average number of common shares used in per share calculation – diluted	41,912,607	44,936,234

The accompanying notes are an integral part of the consolidated financial statements.

ASSURE HOLDINGS CORP.
Consolidated Statements of Shareholders' Equity
(in thousands, except share amounts)

	Common Stock		Additional paid-in capital	Retained Earnings	Total
	Shares	Amount			
Balances, December 31, 2017	35,505,105	\$ 36	\$ 6,079	\$ (3,688)	\$ 2,427
Exercise of stock options	50,000	—	2	—	2
Exercise of warrants	7,000	—	3	—	3
Reclassification warrant fair value at exercise to equity	—	—	10	—	10
Share based compensation	—	—	364	—	364
Net income	—	—	—	4,320	4,320
Balances, December 31, 2018	35,562,105	\$ 36	\$ 6,458	\$ 632	\$ 7,126
Exercise of stock options	650,000	—	80	—	80
Exercise of warrants	44,600	—	16	—	16
Reclassification warrant fair value at exercise to equity	—	—	70	—	70
Share based compensation	—	—	1,259	—	1,259
Reclassification of stock option fair value at exercise to equity	—	—	188	—	188
Tax of stock option exercises	—	—	179	—	179
Equity component of convertible debt issuance	—	—	564	—	564
Fair value of finders' warrants	—	—	58	—	58
Settlement of related party receivable	(1,461,392)	(1)	(2,190)	—	(2,191)
Net income	—	—	—	2,716	2,716
Balances, December 31, 2019	34,795,313	\$ 35	\$ 6,682	\$ 3,348	\$10,065

The accompanying notes are an integral part of the consolidated financial statements.

ASSURE HOLDINGS CORP.
Consolidated Statements of Cash Flows
(in thousands)

	Years Ended	
	December 31, 2019	December 31, 2018
Cash flows from operating activities		
Net income	\$ 2,716	\$ 4,320
Adjustments to reconcile net income to net cash used in operating activities		
Earnings from equity method investments	(1,305)	(1,167)
Share based compensation	1,259	364
Depreciation and amortization	537	407
Provision for broker warrant fair value	14	(62)
Provision for stock option fair value	8	(80)
Deferred income taxes, net	684	574
Change in operating assets and liabilities		
Accounts receivable	(6,865)	(5,552)
Accounts payable and accrued liabilities	509	511
Due from related party, net	(1,903)	(710)
Income taxes	(55)	989
Other assets	173	45
Cash used in operating activities	<u>(4,228)</u>	<u>(361)</u>
Cash flows from investing activities		
Purchase of equipment and furniture	(48)	(296)
Acquisition of Littleton Professional Reading	(466)	—
Distributions received from equity method investments	979	1,171
Cash provided by investing activities	<u>465</u>	<u>875</u>
Cash flows from financing activities		
Proceeds from exercise of stock options and warrants	16	5
Proceeds from promissory note	2,000	—
Repayment of promissory note	(582)	—
Proceeds from line of credit	1,000	1,074
Repayment of line of credit	(274)	(800)
Proceeds from convertible debenture	965	—
Principal payments of finance leases	(372)	(177)
Proceeds from sale leaseback	238	—
Cash provided by financing activities	<u>2,991</u>	<u>102</u>
Increase (decrease) in cash	(772)	616
Cash at beginning of period	831	215
Cash at end of period	<u>\$ 59</u>	<u>\$ 831</u>
Supplemental cash flow information		
Interest paid	\$ 119	\$ 89
Income taxes paid	\$ 156	\$ —
Supplemental non-cash flow information		
Purchase of equipment with finance leases	\$ 253	\$ 291
Reclassification warrant fair value at exercise to equity	\$ 70	\$ 10
Related party receivable settled for common shares	\$ (2,191)	\$ —
Liability for acquisition of Littleton Professional Reading	\$ 234	\$ —
Liability for acquisition of Neuro-Pro Monitoring	\$ 7,700	\$ —

The accompanying notes are an integral part of the consolidated financial statements.

ASSURE HOLDINGS CORP.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****(in thousands, except share and per share amounts)****NOTE 1. THE COMPANY**

Assure Holdings Corp. (the “Company”), through its two indirect wholly-owned subsidiaries, Assure Neuromonitoring, LLC (“Neuromonitoring”) and Assure Networks, LLC (“Networks”), provides technical and professional intraoperative neuromonitoring (“IONM”) surgical support services primarily associated with spine and head surgeries. These services have been recognized as the standard of care by hospitals and surgeons for risk mitigation. Assure Holdings, Inc., a wholly-owned subsidiary, employs most of the corporate employees and performs various corporate services on behalf of the consolidated Company.

Neuromonitoring employs technologists who utilize technical equipment and their technical training to monitor EEG and EMG signals during surgical procedures and to pre-emptively notify the underlying surgeon of any nerve related issues that are identified. The technologists perform their services in the operating room during the surgeries. The technologists are certified by a third party credentialing agency.

Networks performs similar support services as Neuromonitoring except that these services are provided by third party contracted neurologists or certified readers. The support services provided by Networks occurs at the same time and for the same surgeries as the support services provided by the Neuromonitoring technologist, except that they typically occur at an offsite location.

The Company was originally incorporated in Colorado on November 7, 2016. In conjunction with a reverse merger, the Company was redomiciled in Nevada on May 16, 2017.

Neuromonitoring was formed on August 25, 2015 in Colorado and currently has multiple wholly-owned subsidiaries. The Company’s services are sold in the United States, directly through the Company.

Networks was formed on November 7, 2016 in Colorado and holds varying ownerships interests in numerous Provider Network Entities (“PEs”), which are professional IONM entities. These entities are accounted for under the equity method of accounting.

NOTE 2. BASIS OF PRESENTATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, and majority-owned entities. The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), which contemplates continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The consolidated financial statements do not include any adjustment that might become necessary should the Company be unable to continue as a going concern. All significant intercompany balances and transactions are eliminated in consolidation.

For entities in which management has determined the Company does not have a controlling financial interest but has varying degrees of influence regarding operating policies of that entity, the Company’s investment is accounted for using the equity method of accounting.

The Company’s fiscal year ends on December 31 and the Company employs a calendar month-end reporting period for its quarterly reporting.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The accounting estimates and assumptions that require management’s most significant, difficult, and subjective judgment include the recognition and measurement of patient service fees, net, hospital, management and other revenue, the collectability of accounts receivable, the fair value measurements of

ASSURE HOLDINGS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except share and per share amounts)

goodwill and intangible assets, the assessment of the recoverability of goodwill, the assessment of useful lives and recoverability of intangible assets and long-lived assets, recognition and measurement of current and deferred income tax assets and liabilities, the assessment of unrecognized tax benefits, the valuation and recognition of stock-based compensation expense and business combinations, among others. Actual results experienced by the Company may differ from management's estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant assumptions, judgments, and estimates that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: patient service fee, net, hospital, management, and other revenue and accounts receivable.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are maintained with various financial institutions. The Company did not have any cash equivalents as of December 31, 2019.

Financial Instruments

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash, bank debt, trade and other receivables, trade and other payables, acquisition indebtedness, convertible debentures, and finance leases. The carrying amounts of the Company's cash, receivables, and payables, as reflected in the consolidated financial statements approximate fair value due to the short-term maturity of these items. The other long-term instruments approximate their carrying amounts as assessed by management.

The Company's financial instruments are exposed to certain financial risks, including concentration risk, liquidity risk, and market risk.

Concentration risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and trade receivables. The carrying amount of the financial assets represents the maximum credit exposure.

The Company limits its exposure to concentration risk on cash by placing these financial instruments with high-credit, quality financial institutions and only investing in liquid, investment grade securities.

The Company has a number of individual third party payors and no individual third party insurers represents a concentration risk. Net patient service fee revenue is recognized in the period in which IONM services are rendered, at net realizable amounts from third party payors when collection is reasonably assured and can be estimated. The Company bills national, regional and local third party insurers which pose a low risk of insolvency because they are regulated by state insurance commissions which require appropriate reserves be maintained to reimburse healthcare providers for submitted claims. Virtually all of our services are rendered on an out-of-network basis and billed to third party insurers. Since allowable charges for services rendered out-of-network are not contractually based, the Company establishes net realized value by evaluating the payor mix, historical settlement and payment data for a given payor type, and current economic conditions to calculate an appropriate net realizable value for net patient service revenue and accounts receivables. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its net patient service revenue estimates as necessary in subsequent periods.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due and arises from the Company's management of working capital. The Company ensures that there is sufficient

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liquidity to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash. A significant portion of the trade and other payables balance is related to the accrual of billing and collection fees to be paid to the Company's third party billing and collection vendors. The billing and collection fees are accrued in the same period as services are rendered and revenue is recognized by the Company. The accrued billing and collection fees are calculated based on a percentage of either cash collected or the net realized value of the of the revenue recognized, whichever is higher. The accrued fees to be paid to the third party billing and collection vendors are contingent on cash collections and are typically paid the following month after collections are achieved. Additional billing and collection fees are accrued when the cash collected exceeds the revenue recognized by the Company at the time of services rendered. The Company believes that there are currently no concerns of its ability to meet its liabilities as they become due for the foreseeable future.

Market risk is the risk that changes in the market prices, such as interest rates, will affect the Company's income or the value of the financial instruments held. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for the Company. Fluctuations in the interest rates impact the value of cash but such fluctuations will have no significant impact to the Company's financial instruments.

Allowance for Doubtful Accounts

The cash collection cycles of the Company are protracted due to the out-of-network billing to private insurance payers. The collection cycle for IONM to out-of-network payers may require an extended period to maximize reimbursement on claims, which results in accounts receivable growth tied to the Company's overall growth in net patient services revenues. The collection cycle impacts the technical fees that are billed by Neuromonitoring and the professional fees that are billed by Networks. The collection cycle may consist of multiple payments from out-of-network private insurance payers, as the collection process entails multiple rounds of denials, underpayments, appeals and negotiations as part of the process to maximize the reimbursement yield on claims. Due to the extended collection cycle, the Company has a policy to reserve claims that have aged to 24 months. The Company continues collection efforts following 24 months despite the reserves on these claims but will not write-off such claims until they age to 36 months. Collections on claims which have been reserved will result in the reversal of prior reserves.

The Company performs a collection analysis semi-annually for out-of-network billings to private insurance companies and adjusts its revenue and accounts receivable if the collection rate is different from the amount recorded in previous periods.

Goodwill and Identified Intangible Assets***Goodwill***

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the net tangible and identified intangible assets acquired under a business combination. Goodwill also includes acquired assembled workforce, which does not qualify as an identifiable intangible asset. The Company reviews impairment of goodwill annually in the fourth quarter, or more frequently if events or circumstances indicate that the goodwill might be impaired. The Company first assesses qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is unnecessary.

If, based on the qualitative assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the Company proceeds to perform the quantitative goodwill impairment test. The Company first determines the fair value of a reporting unit using weighted

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results derived from an income approach and a market approach. The income approach is estimated through the discounted cash flow method based on assumptions about future conditions such as future revenue growth rates, new product and technology introductions, gross margins, operating expenses, discount rates, future economic and market conditions, and other assumptions. The market approach estimates the fair value of the Company's equity by utilizing the market comparable method which is based on revenue multiples from comparable companies in similar lines of business. The Company then compares the derived fair value of a reporting unit with its carrying amount. If the carrying value of a reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Identified intangible assets

Identified finite-lived intangible assets consist of trade names and other agreements. The tradename has an indefinite life and is not being amortized, while the agreements are being amortized on a straight-line bases over their estimated useful lives:

Doctor agreements	10 years
Noncompete agreements	2 years

The Company makes judgments about the recoverability of finite-lived intangible assets whenever facts and circumstances indicate that the useful life is shorter than originally estimated or that the carrying amount of assets may not be recoverable. If such facts and circumstances exist, the Company assesses recoverability by comparing the projected undiscounted net cash flows associated with the related asset or group of assets over their remaining lives against their respective carrying amounts. Impairments, if any, are based on the excess of the carrying amount over the fair value of those assets. If the useful life is shorter than originally estimated, the Company would accelerate the rate of amortization and amortize the remaining carrying value over the new shorter useful life.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the related assets' estimated useful lives:

Medical Equipment	2.5 years
Computer equipment	2.0 years
Furniture and fixtures	4.0 years

Expenditures that materially increase asset life are capitalized, while ordinary maintenance and repairs are expensed as incurred.

Debt Issuance Costs

Debt issuance costs are presented in the consolidated balance sheet as a deduction from the carrying amount of the long-term debt, and are amortized over the term of the associated debt to interest expense using the effective interest method. In addition, the Company elects to continue to defer the unamortized debt issuance costs when it pays down a portion of the debt as the prepayment is factored into the terms agreed to on the debt.

Share Issuance Costs

Costs attributable to the raising of capital are applied against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of shares to which the costs relate.

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Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, accrued liabilities, and noncurrent operating lease liabilities in the Company's consolidated balance sheets. The ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Company generally uses its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. As a practical expedient, the Company elected, for all office and facility leases, not to separate nonlease components from lease components and instead to account for each separate lease component and its associated non-lease components as a single lease component.

Revenue Recognition

The Company derives its revenue primarily from fees for IONM services provided. Revenue is recognized upon transfer of control of promised service to a customer in an amount that reflects the consideration the Company expects to receive in exchange for those services.

Patient service fee revenue and receivables

Patient service fee revenue is recognized in the period in which IONM services are rendered, at net realizable amounts from third party payors when collections are reasonably assured and can be estimated. The majority of our services are rendered on an out-of-network basis and billed to third party insurers. Since allowable charges for services rendered out-of-network are not contractually based, the Company estimates the net realizable value from the gross charges submitted to third party payors and recognizes the net patient service fee revenue. The estimates for out-of-network revenue are based on evaluating the payor mix, historical settlements and payment data for payor types, and current economic conditions to calculate an appropriate net realizable value for revenue and accounts receivables. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its revenue estimates as necessary in subsequent periods. Patient service fee revenue is also adjusted in the period when an accounts receivable balance for IONM service is written-off once collection is doubtful and the total collection amount is below the accounts receivable balance for IONM services. The timing of adjustments to patient service fee revenue for collections exceeding the originally estimated amounts may not occur in the same reporting period as the write-off of collected amounts below the originally estimated amounts, which may result in material adjustments to patient service revenue in a given reporting period.

For services rendered to patients that have insurance coverage and that the Company has an in-network contract with, the Company records patient service fee revenue pursuant to the contract rate.

Hospital, management and other revenue

The Company recognizes revenue from hospital and surgery center customers and certain PEs, for which the Company does not have an ownership interest in, on a contractual basis. Revenue from services rendered is recorded after services are rendered. The fees billed to hospital and surgery center customers are on net 30-day terms. The fees billed to the PEs for which the Company does not have an ownership interest in are not collected until the PEs collect sufficient cash for the services that they have performed.

Accounts receivable collection cycle

The cash collection cycles of the Company are protracted due to the out-of-network billing to private insurance payers. The collection cycle for IONM to out-of-network payers may require an extended period to

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maximize reimbursement on claims. The collection cycle impacts the technical fees that are billed by Neuromonitoring and the professional fees that are billed by Networks. The collection cycle may consist of multiple payments from out-of-network private insurance payers, as the collection process entails multiple rounds of denials, underpayments, appeals and negotiations as part of the process to maximize the reimbursement yield on claims. Due to the extended collection cycle, the Company has a policy to reserve claims that have aged to 24 months. The Company continues collection efforts following 24 months despite the reserves on these claims but will not write-off such claims until they age to 36 months. Collections on claims which have been reserved will result in the reversal of prior reserves.

The Company performs a collection analysis for out-of-network billings to private insurance companies and adjusts its revenue and accounts receivable if the collection rate is different from the amount recorded in previous periods. Historically, this analysis was performed semi-annually.

Stock-based Compensation Expense

The Company accounts for stock-based compensation expense in accordance with the authoritative guidance on share-based payments. Under the provisions of the guidance, stock-based compensation expense is measured at the grant date based on the fair value of the option using a Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period.

The authoritative guidance also requires that the Company measure and recognize stock-based compensation expense upon modification of the term of a stock award. The stock-based compensation expense for such modification is the sum of any unamortized expense of the award before modification and the modification expense. The modification expense is the incremental amount of the fair value of the award before the modification and the fair value of the award after the modification, measured on the date of modification. In the event the modification results in a longer requisite period than in the original award, the Company has elected to apply the pool method where the aggregate of the unamortized expense and the modification expense is amortized over the new requisite period on a straight-line basis. In addition, any forfeiture will be based on the original requisite period prior to the modification.

Calculating stock-based compensation expense requires the input of highly subjective assumptions, including the expected term of the stock-based awards, stock price volatility, and the pre-vesting option forfeiture rate. The Company estimates the expected life of options granted based on historical exercise patterns, which are believed to be representative of future behavior. The Company estimates the volatility of the Company's common stock on the date of grant based on historical volatility. The assumptions used in calculating the fair value of stock-based awards represent the Company's best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and the Company uses different assumptions, its stock-based compensation expense could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. The Company estimates the forfeiture rate based on historical experience of its stock-based awards that are granted, exercised and cancelled. If the actual forfeiture rate is materially different from the estimate, stock-based compensation expense could be significantly different from what was recorded in the current period.

The Company may grant performance share units ("PSUs") to employees or consultants. PSU awards will vest if certain employee-specific or company-designated performance targets are achieved. If minimum performance thresholds are achieved, each PSU award will convert into common stock at a defined ratio depending on the degree of achievement of the performance target designated by each individual award. If minimum performance thresholds are not achieved, then no shares will be issued. Based upon the expected levels of achievement, stock-based compensation is recognized on a straight-line basis over the PSUs' requisite service periods. The expected levels of achievement are reassessed over the requisite service periods and, to the extent that the expected levels of achievement change, stock-based compensation is adjusted in the period of

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change and recorded on the statements of operations and the remaining unrecognized stock-based compensation is recorded over the remaining requisite service period.

Derivative Liabilities

Certain non-employee stock options and broker warrants are considered derivative liabilities, as the currency denomination of the exercise price is different from the functional currency of the Company. As a result, the fair value of the share purchase warrants is initially calculated on the issuance date and remeasured at each reporting period using the Black-Scholes Option Pricing model. Any change in the fair value of the warrants subsequent to the initial recognition is recorded in the consolidated statements of income. Once such instruments are extinguished or no longer considered derivative liabilities, such amounts are reclassified as equity.

Segment and Geographic Information

The Company operates in one segment and its services are sold nationally in the United States directly through the Company.

Income Taxes

The Company must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments are used in the calculation of tax credits, tax benefits, tax deductions, and in the calculation of certain deferred taxes and tax liabilities. Significant changes to these estimates may result in an increase or decrease to the Company's tax provision in a subsequent period.

The provision for income taxes was determined using the asset and liability method prescribed by U.S. GAAP. Under this method, deferred tax assets and liabilities are recognized for the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. If and when it is determined that a deferred tax asset will not be realized for its full amount, we will recognize and record a valuation allowance with a corresponding charge to earnings. The calculation of the current tax liability involves dealing with uncertainties in the application of complex tax laws and regulations and in determining the liability for tax positions, if any, taken on the Company's tax returns in accordance with authoritative guidance on accounting for uncertainty in income taxes.

Contingencies

From time to time, the Company may be involved in legal and administrative proceedings and claims of various types. The Company records a liability in its consolidated financial statements for these matters when a loss is known or considered probable and the amount can be reasonably estimated. Management reviews these estimates in each accounting period as additional information becomes known and adjusts the loss provision when appropriate. If the loss is not probable or cannot be reasonably estimated, a liability is not recorded in the consolidated financial statements. If a loss is probable but the amount of loss cannot be reasonably estimated, the Company discloses the loss contingency and an estimate of possible loss or range of loss (unless such an estimate cannot be made). The Company does not recognize gain contingencies until they are realized. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Indemnification

The Company is a party to a variety of agreements in the ordinary course of business under which it may be obligated to indemnify third parties with respect to certain matters. These obligations include, but are not limited to, contracts entered into with physicians where the Company agrees, under certain circumstances, to indemnify a third party, against losses arising from matters including but not limited to medical malpractice and other liability. In accordance with authoritative guidance for accounting for guarantees, the Company evaluates estimated losses for such indemnification. The Company considers such factors as the degree of

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probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. To date, no such claims have been filed against the Company and no liability has been recorded in the Company's financial statements.

As permitted under Nevada law, the Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company believes, given the absence of any such payments in the Company's history, and the estimated low probability of such payments in the future, that the estimated fair value of these indemnification agreements is immaterial. In addition, the Company has directors' and officers' liability insurance coverage that is intended to reduce its financial exposure and may enable the Company to recover any payments, should they occur.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09 (Topic 606) "Revenue from Contracts with Customers." Topic 606 supersedes the revenue recognition requirements in Topic 605 "Revenue Recognition" (Topic 605), and requires entities to recognize revenue when control of goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. On January 1, 2018, the Company adopted the new standard using the modified retrospective method, under which the Company recorded no cumulative net of tax adjustment to the opening balance of retained earnings on January 1, 2018. Prior period comparative information has not been restated and continues to be reported under Topic 605 in effect for those periods. This new standard had a material impact on the Company's revenue and its consolidated statement of operations and balance sheet as of and for the year ended December 31, 2018, and is expected to have a material impact on an ongoing basis, with no impact on the timing of customer billings or on cash flows. See "Note 4 — Revenue" for further discussion.

In June 2018, the FASB issued ASU No. 2018-07, "Stock-based Compensation: *Improvements to Nonemployee Share-based Payment Accounting*," which amends the existing accounting standards for share-based payments to nonemployees. This ASU aligns much of the guidance on measuring and classifying nonemployee awards with that of awards to employees. Under the new guidance, the measurement of nonemployee equity awards is fixed on the grant date. The effective date for the standard is for interim periods in fiscal years beginning after December 15, 2018, with early adoption permitted, but no earlier than the Company's adoption date of Topic 606. The new guidance is required to be applied retrospectively with the cumulative effect recognized at the date of initial application. The Company adopted this standard as of January 1, 2019. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, "*Leases*" (Topic 842), which generally requires companies to recognize operating and financing lease liabilities and corresponding right-of-use (ROU) assets on the balance sheet. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. On January 1, 2019, the Company adopted the new standard using the modified retrospective transition approach and elected the transition option, under which the Company initially applied the transition requirements to all leases that existed at December 31, 2018, with any residual effects of initially applying Topic 842 recognized as a cumulative effect adjustment to the opening balance of retained earnings on January 1, 2019. The Company elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. Under the optional transition method, the Company opted to continue to apply the legacy guidance in ASC 840, Leases, including its disclosure requirements, in the comparative periods presented in the year it adopted the new leases standard, and therefore did not restate prior period results.

The most significant impact from adopting Topic 842 was the initial recognition of operating lease ROU assets and operating lease liabilities of \$666 and \$666, respectively, as of January 1, 2019. Operating lease

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liabilities consist of both current and noncurrent portions with the current portion included in the balance of accrued liabilities. The standard did not materially impact the Company's Consolidated Statements of Operations and had no impact on cash flows.

Recent Accounting Pronouncements

On December 18, 2019, FASB released ASU 2019-12, "*Simplifying the Accounting for Income Taxes*" ("ASU 2019-12"). The purpose of the update is to reduce the complexity pertaining to certain areas in accounting for income taxes. Key amendments from ASU 2019-12 include, but are not limited to, the accounting for hybrid tax regimes, step-up in tax basis goodwill in non-business combination transactions, intraperiod tax allocation exception to the incremental approach and interim period accounting for enacted changes in tax law. The effective date of the amendments for public corporations is for fiscal years beginning after December 15, 2020. Although early adoption is permitted, the Company will not early adopt. The Company will continue to analyze the financial impact of ASU 2019-12.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, which introduces a new approach to estimate credit losses on certain types of financial instruments based on expected losses instead of incurred losses. It also modifies the impairment model for available-for-sale debt securities and provides a simplified accounting model for purchased financial assets with credit deterioration since their origination. ASU No. 2016-13 is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. We are currently assessing the impact of adopting this new accounting standard on these Consolidated Financial Statements and related disclosures.

NOTE 4. REVENUE

During the fourth quarter of 2019, the Company recorded a reduction in revenue of approximately \$10,300 for reserves on its accounts receivable that relate to private insurance companies that have failed to pay the Company for its neuromonitoring services. In addition, during the fourth quarter of 2019, the Company recorded an additional \$6,000 of reduced revenue for reserves on its accounts receivable that relate to a decline in the Company's historical collection experience. These reserve amounts relate to receivables and revenue recorded during 2018 and 2019. The Company also recorded reduced revenue in the fourth quarter of 2019 for the PEs for these same issues. The Company's portion of this reduced revenue was approximately \$700 and this amount was recorded as a reduction to earnings from equity method investments.

During the fourth quarter of 2018, the Company recorded a reduction in revenue of approximately \$9,600 for reserves on its accounts receivable for a decline in the Company's historical collection experience. This reserve relates to receivables and revenue recorded during 2017 and 2018. The Company also recorded reduced revenue in the fourth quarter of 2018 for the PEs for this same issue. The Company's portion of this reduced revenue was approximately \$2,300 and this amount was recorded as a reduction to earnings from equity method investments.

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Accounts Receivable

A summary of the accounts receivable activity is as follows:

	December 31,	
	2019	2018
Accounts receivable, net:		
Patient service fee	\$ 67,779	\$ 37,080
Hospital, management and other	1,159	388
Total accounts receivable	68,938	37,468
Allowance for doubtful accounts	(38,075)	(15,293)
Total accounts receivable, net	<u>\$ 30,863</u>	<u>\$ 22,175</u>

Allowance for doubtful accounts

A summary of the allowance for doubtful accounts activity is as follows:

Year ended	Balance at beginning of year	Bad debt expense	Deductions	Balance at end of year
December 31, 2019	\$ 15,293	\$26,433	\$ (3,651)	\$ 38,075
December 31, 2018	\$ 117	\$15,196	\$ (20)	\$ 15,293

NOTE 5. COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

Other current assets consisted of the following:

	December 31,	
	2019	2018
Prepaid insurance	\$104	\$55
Deposits	34	30
Other assets	30	—
Other current assets	<u>\$168</u>	<u>\$85</u>

Property, plant and equipment, net, consisted of the following:

	December 31,	
	2019	2018
Office lease	\$ 267	\$ —
Medical equipment	1,712	1,285
Computer equipment	18	18
Furniture and fixtures	85	56
Gross property, plant and equipment	2,082	1,359
Less: Accumulated depreciation and amortization	(1,211)	(679)
Property, plant and equipment, net	<u>\$ 871</u>	<u>\$ 680</u>

Depreciation expense related to equipment and furniture and fixtures was \$462 and \$407, respectively for the year ended December 31, 2019 and 2018.

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Amortization expense related to the office lease was \$75 and \$0, respectively for the year ended December 31, 2019 and 2018.

Accounts payable and accrued liabilities consisted of the following:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Accounts payable	\$3,520	\$2,305
Accrued salaries and benefits	541	360
Other accrued liabilities	304	351
Accounts payable and accrued liabilities	<u>\$4,365</u>	<u>\$3,016</u>

Other current liabilities consisted of the following:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Insurance premiums financed	\$81	\$—
Other current liabilities	<u>\$81</u>	<u>\$—</u>

Other income consisted of the following:

	<u>Years Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
(Loss) gain for broker warrant fair value	\$ (14)	\$ 62
(Loss) gain for stock option fair value	(8)	80
Gain on settlement	194	—
Other income	<u>\$ 172</u>	<u>\$ 142</u>

NOTE 6. LEASES

Under Topic 842, a contract is a lease, or contains a lease, if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the entity has both of the following: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset. The Company does not assume renewals in the determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement. Lease agreements generally do not contain material residual value guarantees or material restrictive covenants.

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. As a practical expedient, the Company elected not to separate nonlease components for the corporate office facility (e.g., common-area maintenance costs) from lease components (e.g., fixed payments including rent) and instead to account for each separate lease component and its associated non-lease components as a single lease component.

Operating leases

The Company leases corporate office facilities under two operating sub-leases which expire June 30, 2021.

Finance leases

The Company leases medical equipment under financing leases with stated interest rates of 6.5% — 12.8% per annum which expire at various dates through 2022.

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The Consolidated Balance Sheets include the following amounts for right-to-use assets as of December 31, 2019:

	<u>December 31, 2019</u>
Operating	\$ —
Finance	848
Total	\$ 848

Finance lease assets are reported net of accumulated amortization of \$620 as of December 31, 2019.

The following are the components of lease cost for operating and finance leases:

	<u>Year ended December 31, 2019</u>
Lease Cost:	
Operating leases	\$ 63
Finance leases:	
Amortization of right-to-use assets	307
Interest on lease liabilities	91
Total finance lease cost	398
Total lease cost	\$ 461

The following are the weighted average lease terms and discount rates for operating and finance leases:

	<u>As of December 31, 2019</u>
Weighted average remaining lease term:	
Operating leases	17.2 months
Finance leases	28.9 months
Weighted average discount rate:	
Operating leases	6.8%
Finance leases	9.3%

We obtained right-of-use assets in exchange for lease liabilities of \$586 upon commencement of finance leases during the year ended December 31, 2019.

Future minimum lease payments and related lease liabilities as of December 31, 2019 were as follows:

	<u>Operating Leases</u>	<u>Finance Leases</u>	<u>Total Lease Liabilities</u>
2020	\$ 144	\$ 382	\$ 526
2021	71	301	372
2022	—	158	158
Thereafter	—	—	—
Total lease payments	215	841	1,056
Less: imputed interest	(10)	(85)	(95)
Present value of lease liabilities	\$ 205	\$ 756	\$ 961
Less: current portion of lease liabilities	(134)	(327)	(461)
Noncurrent lease liabilities	\$ 71	\$ 429	\$ 500

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Note: Future minimum lease payments exclude short-term leases as well as payments to landlords for variable common area maintenance, insurance and real estate taxes.

Under the prior accounting guidance of ASC 840, operating lease expense was \$70.

As of December 31, 2018, future minimum finance lease payments were as follows:

	Capital Lease Liabilities
2019	\$ 274
2020	235
2021	153
2022	29
2023	—
Thereafter	—
Total lease payments	<u>691</u>
Less: imputed interest	<u>(104)</u>
Present value of lease liabilities	<u>\$ 587</u>
Less: current portion of lease liabilities	<u>(206)</u>
Non current lease liabilities	<u>\$ 381</u>

NOTE 7. ACQUISITIONS

Littleton Professional Reading

During May 2019, the Company purchased the net assets of Littleton Professional Reading for \$700. Of this amount, \$466 was paid during the year ended December 31, 2019 and the remainder was due prior to the end of 2019, however, the Company negotiated an extension to the term of the last installment to prior to the end of 2020. Prior to the acquisition, the Company had a 15% ownership in Littleton Professional Reading, which was accounted for as a PE under the equity method of accounting.

Velocity

Effective September 1, 2019, the Company formed a joint venture, Velocity Revenue Cycle, LLC (“Velocity”), with its third party billing company to bill and collect all the Company’s historical and future cases. The joint venture was established to provide greater control and transparency over the billing and collection process. The Company owned 65% of Velocity.

During December 2019, the Company reached an agreement with Clever Claims, LLC (“Clever”) to acquire Clever’s 35% stake (the “Clever Stake”) in Velocity. Pursuant to the terms of the agreement and effective on December 31, 2019, Clever assigned the Clever Stake, in exchange for nominal consideration, to Assure Billing, LLC, which is a wholly-owned subsidiary of the Company. As a result, the Company consolidates 100% of Velocity as of December 31, 2019.

Neuro-Pro Monitoring

On October 31, 2019, the Company entered into a purchase agreement with Neuro-Pro Monitoring and its related entities (the “Sellers”) to acquire their neuromonitoring operations in Texas. The purchase price was \$7,000 and was funded via promissory notes of \$6,000 (“\$6,000 Note”) and \$1,000 (“\$1,000 Note”) maturing

ASSURE HOLDINGS CORP.
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November 29, 2019 and November 1, 2020, respectively, with the Sellers. Both promissory notes bear interest at the IRS Applicable Federal Rate.

Effective November 27, 2019, the \$6,000 Note was amended to extend the maturity date to January 15, 2020. As compensation for this amendment, the Company issued an additional promissory note for \$700 to the Sellers (the "Additional Promissory Note") that matures December 1, 2020. The Additional Promissory Note bears interest at the IRS Applicable Federal Rate.

Effective January 13, 2020, the \$6,000 Note was amended to extend the maturity date to January 31, 2020. The maturity date was subsequently amended to February 10, 2020 and then again to the February 14, 2020.

As compensation for these amendments, the Company issued 500,000 restricted common shares to the Sellers. The Company recorded a liability as of December 31, 2019 for the fair value of the restricted common shares of \$540.

Effective February 14, 2020, the Company paid the Sellers \$530. The \$6,000 Note, \$1,000 Note and the Additional Promissory Note were cancelled and replaced with a new \$7,170 note (the "Replacement Note"). The Replacement Note bears interest at the IRS Applicable Federal Rate and requires monthly principal payments at varying amounts. The Replacement Note was amended March 31, 2020 to modify certain principal payment terms. The Company paid the Sellers \$100 for this amendment. The principal payment terms of the Replacement Note are as follows:

- \$500 due March 31, 2020;
- \$328 due each month from April 2020 to April 2021;
- \$800 due May 15, 2020; and
- \$1,700 due May 31, 2021.

The Company has made all payments pursuant to this payment schedule.

Based on an evaluation of the provisions of ASC 805, "Business Combinations," the Company was determined to be the accounting acquirer in the business combinations. The Company has applied the acquisition method of accounting that requires, among other things, that identifiable assets acquired and liabilities assumed generally be recognized on the balance sheet at fair value as of the acquisition date. In determining the fair value, the Company utilized various forms of the income, cost and market approaches depending on the asset or liability being fair valued. The estimation of fair value required significant judgment related to future net cash flows (including revenue, operating expenses, and working capital), discount rates reflecting the risk inherent in each cash flow stream, competitive trends, market comparables and other factors. Inputs were generally determined by taking into account historical data (supplemented by current and anticipated market conditions) and growth rates.

The initial allocation of the purchase price was based on preliminary valuations and assumptions and is subject to change within the measurement period. The Company expects to finalize the allocation of the purchase price within the measurement period. Final determination of the fair values may result in further adjustments to the values presented in the following table:

The table below presents the preliminary fair value that was allocated to assets and liabilities based upon fair values as determined by the Company.

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Purchase price consideration:	
Promissory notes, at fair value	\$7,151
Common shares liability, at fair value	540
Total consideration	7,691
Assets acquired:	
Equipment	172
Intangibles	4,662
Total assets acquired	4,834
Goodwill	2,857
Total	\$7,691

Identified intangible assets consisted of the following:

	<u>Average</u> <u>Life</u> <u>(Years)</u>	<u>December 31, 2019</u>		
		<u>Gross</u> <u>Assets</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net</u>
Finite-lived intangible assets				
Doctor agreements	10	\$4,509	\$ (72)	\$4,437
Non compete agreements	2	36	(3)	33
Total finite-lived intangible assets		4,545	(75)	4,470
Indefinite-lived intangible assets				
Tradenames	NA	117	—	117
Total intangible assets		<u>\$4,662</u>	<u>\$ (75)</u>	<u>\$4,587</u>

Amortization expense was \$75 for the year ended December 31, 2019.

As of December 31, 2019, the estimated future amortization expense of finite-lived intangible assets was as follows:

2020	\$ 472
2021	466
2022	451
2023	451
2024	451
Thereafter	2,179
	<u>\$4,470</u>

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NOTE 8. DEBT

As of December 31, 2019 and 2018, the Company's debt obligations are summarized as follows:

	December 31,	
	2019	2018
Bank line of credit	\$ 1,000	\$ 274
Bank promissory note	1,418	—
	<u>2,418</u>	<u>274</u>
Face value of convertible debenture	965	—
Less: fair value ascribed to conversion feature and warrants	(564)	—
Plus: accretion of implied interest	5	—
	<u>406</u>	<u>—</u>
Total debt	2,824	274
Less: current portion of debt	(1,664)	(274)
Long-term debt	<u>\$ 1,160</u>	<u>\$ —</u>

As of December 31, 2019, future minimum principal payments are summarized as follows:

	Bank Indebtedness	Convertible Debt
2020	\$ 1,664	\$ —
2021	693	—
2022	61	—
2023	—	965
2024	—	—
Thereafter	\$ 2,418	\$ 965
Less: fair value ascribed to conversion feature and warrants	—	(564)
Plus: accretion and implied interest	—	5
	<u>\$ 2,418</u>	<u>\$ 406</u>

Bank Indebtedness

Commencing in 2018, the Company utilized a line of credit provided by its bank to fund its operations. The line of credit provided up to \$1,000 of borrowings and bore interest at the one-month LIBOR rate plus 3.5% and was expected to mature on March 25, 2019.

During January 2019, the Company cancelled its existing line of credit and entered into a \$2,000 promissory note and a \$1,000 line of credit with its existing bank. The promissory note bears interest at 6% and requires monthly principal and interest payment of \$61 through maturity in January 2022. During March 2020, the Company amended the line of credit to extend the maturity date from March 2020 to September 2020. The Company will make monthly payments of \$167 from April 2020 through September 2020. The line of credit bears interest at an index rate that fluctuates with the one-month LIBOR rate plus 3.5% (5.6% as of December 31, 2019). The line of credit is secured by all of the Company's assets. As of December 31, 2019, the Company has drawn \$1,000 on the line of credit.

For the year ended December 31, 2019, interest expense of \$252 was incurred related to the promissory note and the line of credit. For the year ended December 31 2018, interest expense of \$22 was incurred related to the line of credit.

ASSURE HOLDINGS CORP.

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(in thousands, except share and per share amounts)*Convertible Debt*

On November 22, 2019, the Company launched a non-brokered private placement of convertible debenture units (“CD Unit”) for gross proceeds of up to \$4,000, with an option to increase the offering by an additional \$2,000 (the “Offering”). On December 13, 2019, the Company closed on Tranche 1 of the Offering for gross proceeds of \$965 and the issuance of 344,505 warrants. These proceeds will be used for working capital and growth capital purposes. Each CD Unit was offered at a price of \$1. Each CD Unit included, among other things, 357 common share purchase warrants that allow the holder to purchase shares of the Company’s common stock at a price of \$1.90 per share for a period of three years and the right to convert the CD Unit into shares of the Company’s common stock at a conversion price of \$1.40 per share for a period of four years. The CD Units carry a 9% coupon rate.

The fair value to the debt was determined to be \$401, the conversion feature \$376 and the warrants \$188. The difference between the fair value of the debt of \$401 and the face value of debt of \$965 will be accreted as interest expense over the four-year life of the CD Units. The finders’ received \$67 and 48,250 warrants to purchase shares of the Company’s common stock at a price of \$1.40 per share for three years.

NOTE 9. SHAREHOLDERS’ EQUITY*Stock Option Plan*

Under the Company’s stock option plan (the “Stock Option Plan”), the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants. The maximum number of our Common Shares that may be reserved for issuance under the Plan, is a variable number equal to 10% of the issued and outstanding Common Shares on a non-diluted basis at any one time. Options under the Plan are granted from time to time at the discretion of the Board of Directors, with vesting periods and other terms as determined by the Board of Directors.

A summary of the stock option activity is presented below:

	Options Outstanding			
	Number of Shares Subject to Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Balance at December 31, 2017	3,260,000	\$ 0.13		
Options granted	800,000	\$ 1.99		
Options exercised	(50,000)	\$ 0.05		
Options canceled / expired	(675,000)	\$ 0.86		
Balance at December 31, 2018	<u>3,335,000</u>	<u>\$ 0.48</u>		
Options granted	1,501,000	\$ 1.56		
Options exercised	(650,000)	\$ 0.15		
Options canceled / expired	(1,000,000)	\$ 0.05		
Balance at December 31, 2019	<u>3,186,000</u>	<u>\$ 1.12</u>	<u>4.62</u>	<u>\$ 1,266</u>
Vested and exercisable at December 31, 2019	<u>1,802,333</u>	<u>0.72</u>	<u>4.72</u>	<u>\$ 1,266</u>

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The following table summarizes information about stock options outstanding and exercisable under the Company's Stock Option Plan at December 31, 2019:

Options Outstanding			Options Exercisable	
Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price per Share	Number Exercisable (in thousands)	Weighted Average Exercise Price per Share
1,000,000	5.65	\$0.05	1,000,000	\$0.05
50,000	0.19	\$0.37	50,000	\$0.37
460,000	4.76	\$1.28	92,000	\$1.28
1,041,000	4.05	\$1.56	307,000	\$1.56
75,000	8.05	\$1.80	75,000	\$1.80
500,000	3.75	\$1.80	233,333	\$1.80
60,000	2.82	\$2.80	45,000	\$2.80
<u>3,186,000</u>	4.62	\$1.12	<u>1,802,333</u>	\$0.72

Options

The Company uses the Black-Scholes option pricing model to determine the estimated fair value of options. The fair value of each option grant is determined on the date of grant and the expense is recorded on a straight-line basis and is included as a component of General and Administrative expense. The assumptions used in the model include expected life, volatility, risk-free interest rate, and dividend yield. The Company's determinations of these assumptions are outlined below.

Expected life— The expected life assumption is based on analysis of the Company's historical employee exercise patterns.

Volatility— Volatility is calculated using the historical volatility of the Company's common stock for a term consistent with the expected life.

Risk-free interest rate— The risk-free interest rate assumption is based on the U.S. Treasury rate for issues with remaining terms similar to the expected life of the options.

Dividend yield— Expected dividend yield is calculated based on cash dividends declared by the Board for the previous four quarters and dividing that result by the average closing price of the Company's common stock for the quarter. The Company has not declared a dividend to date.

Forfeiture rate— The Company does not estimate a forfeiture rate at the time of the grant due to the limited number of historical forfeitures. As a result, the forfeitures are recorded at the time the grant is forfeited.

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The following assumptions were used to value the awards granted during the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Expected life (in years)	5.0	5 – 10
Risk-free interest rate	2%	2%
Dividend yield	0%	0%
Expected volatility	100%	93% – 103%

Derivative Liability

Stock options granted to consultants that have a strike price that is different than the Company's functional currency are treated as a liability and are revalued at the end of each reporting period for the term of the vesting period. Any change in the fair value of the stock option subsequent to the initial recognition is recorded in the consolidated statements of income.

Changes in the Company's stock option liability for the years ended December 31, 2019 and 2018 were as follows:

Balance at December 31, 2017	\$ 326
Gain on revaluation	<u>(80)</u>
Balance at December 31, 2018	\$ 246
Loss on revaluation	8
Reclassification option fair value at exercise to equity	<u>(188)</u>
Balance at December 31, 2019	<u>\$ 66</u>

The assumptions used for the Black-Scholes Option Pricing Model to revalue the stock options granted to consultants as of December 31, 2018 were as follows:

Risk free rate of return	2.0%
Expected life	3.2 – 3.8 years
Expected volatility	101 – 103%
Expected dividend per share	nil

There were no stock options granted to consultants during the year ended December 31, 2019 that required recurring fair value adjustments.

Warrants

2017 Warrants

As part of a private placement completed in 2017, the Company issued 49,000 warrants. Each warrant entitled the holder to purchase one common share at an exercise price of \$0.50 CAD with an original expiration date of May 24, 2019. As of December 31, 2018, all 49,000 warrants were outstanding. During 2019, all 49,000 warrants were exercised.

Any change in the fair value of the warrant subsequent to the initial recognition was recorded as a component of Other income in the consolidated statements of operations.

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Changes in the Company's share purchase warrant liability for the years ended December 31, 2019 and 2018 were as follows:

Balance at December 31, 2017	\$128
Gain on revaluation	(62)
Reclassification warrant fair value at exercise to equity	(10)
Balance at December 31, 2018	\$ 56
Loss on revaluation	14
Reclassification warrant fair value at exercise to equity	(70)
Balance at December 31, 2019	\$ —

The fair value of the share purchase warrants as of December 31, 2018 was estimated using the Black-Scholes Option Pricing Model. The assumptions used for the Black-Scholes Option Pricing model to value the warrant liability were as follows:

Risk free rate of return	2.40%
Expected life	0.4 years
Expected volatility	120%
Expected dividend per share	nil
Exercise price	\$0.50 CAD
Stock price	\$2.05 CAD

2019 Warrants

As part of the convertible debt issuance, the Company issued 344,505 warrants to the convertible debt holders and 48,250 finders' fee warrants. The Company calculated the fair value of \$622 for the 2019 warrants using the Black-Scholes Option Pricing Model on the issuance date.

The assumptions used for the Black-Scholes Option Pricing model to value the 2019 warrants were as follows:

Risk free rate of return	1.60%
Expected life	4 years
Expected volatility	171%
Expected dividend per share	nil
Exercise price	\$1.40
Stock price	\$1.31

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NOTE 10. EARNINGS PER SHARE

The following table sets forth the computation of basic and fully diluted income per common share for the years ended December 31, 2019 and 2018:

	<u>Year Ended</u> <u>December 31, 2019</u>	<u>Year Ended</u> <u>December 31, 2018</u>
Net income	\$ 2,716	\$ 4,320
Basic weighted average common share outstanding	34,402,607	35,552,234
Basic earnings per common share	<u>\$ 0.08</u>	<u>\$ 0.12</u>
Net income	\$ 2,716	\$ 4,320
Basic weighted average common shares outstanding	34,402,607	35,552,234
Dilutive effect of stock options, warrants, and performance shares	7,510,000	9,384,000
Dilutive weighted average common shares outstanding	<u>41,912,607</u>	<u>44,936,234</u>
Diluted earnings per common share	<u>\$ 0.06</u>	<u>\$ 0.10</u>

Basic net income per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income per share is computed using the treasury stock method to calculate the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential dilutive common shares include incremental common shares issuable upon the exercise of stock options, less shares from assumed proceeds. The assumed proceeds calculation includes actual proceeds to be received from the employee upon exercise and the average unrecognized stock compensation cost during the period.

Stock options to purchase 1,676,000 common shares and warrants to purchase 392,755 common shares were outstanding at December 31, 2019 that were not included in the computation of diluted weighted average common shares outstanding because their effect would have been anti-dilutive.

As of December 31, 2018, the Company did not have any securities that would be considered anti-dilutive.

NOTE 11. INCOME TAXES

Income tax expense for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Income tax expense		
Federal	\$ —	\$ 369
State	(3)	75
	(3)	444
Deferred tax expense:		
Federal	690	1,089
State	119	198
	809	1,287
Total income taxes.	<u>\$806</u>	<u>\$1,731</u>

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Deferred tax assets and liabilities as of December 31, 2019 and 2018:

	2019	2018
Deferred Tax Assets (Liabilities):		
Noncurrent:		
Fixed assets	\$ (133)	\$ (125)
Stock-based and performance share compensation	4,456	4,180
Equity method investments	(835)	(603)
Accrual to cash adjustment	(6,916)	(4,862)
Section 163(J) limitation	81	—
Net operating loss and carryforward	1,357	—
Other	(20)	—
Total Noncurrent DTL	<u>\$(2,010)</u>	<u>\$(1,410)</u>
Valuation Allowance	—	—
Net Deferred Tax Liabilities	<u>\$(2,010)</u>	<u>\$(1,410)</u>

Effective tax rate reconciliation for the years ended December 31, 2019 and 2018:

	2019	2018
Reconciliation of effective tax rate:		
Federal taxes at statutory rate	21.0%	21.0%
State taxes, net of federal benefit	3.7%	5.0%
Permanent items	-1.6%	6.7%
Provision to return adjustment and other	-0.2%	-6.9%
Deferred tax liability adjustments	0.0%	2.7%
Effective income tax rate	<u>22.9%</u>	<u>28.5%</u>

The Company had an effective tax rate of 22.9% and 28.5% for the years ended December 31, 2019 and 2018, respectively.

At December 31, 2019, \$5,493 of cumulative net operating loss carryforwards for federal income tax purposes were available to offset future taxable income of which none is subject to expiration. The tax Reform Act of 1986 contains provisions that limit the utilization of net operating loss carryforwards if there has been a change in ownership as described in Internal Revenue Code Section 382. The Company has not prepared an analysis to determine if a change of control has occurred. Such a change of ownership may limit the Company's utilization of its net operating losses.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is probable that the Company will realize the benefits of these deductible differences at December 31, 2019.

The Company accounts for unrecognized tax benefits in accordance with ASC Topic 740, *Income Taxes*. As of December 31, 2019, the Company has not recorded a liability for uncertain tax positions. The Company

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recognizes interest and penalties related to uncertain tax positions in income tax (benefit)/expense. No interest and penalties related to uncertain tax positions were accrued at December 31, 2019.

NOTE 12. EQUITY METHOD INVESTMENT

Assure Networks, LLC holds various interests in PEs that are accounted for under the equity method of accounting. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the Company's pro rata share of earnings or loss of the investee. The amount of the adjustment is included in the determination of the Company's net income and the investment account is also adjusted for any profit distributions received or receivable from an investee.

Balance, December 31, 2017	\$ 2,260
Share of earnings	1,167
Distributions	(1,171)
Balance, December 31, 2018	\$ 2,256
Share of earnings	1,305
Distributions	(979)
Acquisition	(222)
Balance, December 31, 2019	<u>\$ 2,360</u>

NOTE 13. RELATED PARTY TRANSACTIONS

Related party transactions were as follows:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Due from PEs, net	\$2,489	\$ 400
Due from management and Board, net	128	2,566
Due from related parties, net	<u>\$2,617</u>	<u>\$2,966</u>

The majority of the balance relates to PEs that the Company manages but has no ownership interest. The amount due is interest-free and subject to repayment within one year.

Amount due from management and Board relate to personal expenses, distributions and compensation not authorized by an employment agreement or otherwise, net of amounts owed to Board members and advances from certain members of the Company's management team.

During January 2019, Mr. Parson repaid his indebtedness to the Company by surrendering and cancelling 1,461,392 shares of common stock owned by him. The common shares were valued at \$1.50 per share, approximately equal to the weighted average trading price of the Company's common shares during the month of December 2018.

During March 2019, Mr. Willer agreed to settle his indebtedness to the Company. Prior to the settlement, Mr. Willer was owed 1,000,000 common shares pursuant to a performance share agreement. As part of the settlement, Mr. Willer agreed to reduce the number of common shares owed to him pursuant to the performance share agreement by 250,000 common shares. The Company will account for this settlement at closing. The closing had not yet occurred as of December 31, 2019.

During 2019, two members of the Company's management team advanced the Company approximately \$190.

Compensation to family members of the Company's Founder and former Executive Chairman for business development services and patient advocate services rendered during the years ended December 31, 2019 and 2018 totaled \$297 and \$207, respectively.

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For 2019, Velocity Revenue Cycle, LLC billed the PEs approximately \$581 for billing and collection fees. There were no such billings during 2018.

NOTE 14. COMMITMENTS AND CONTINGENCIES*Indemnifications*

The Company is a party to a variety of agreements in the ordinary course of business under which it may be obligated to indemnify third parties with respect to certain matters. These obligations include, but are not limited to, contracts entered into with physicians where the Company agrees, under certain circumstances, to indemnify a third party, against losses arising from matters including but not limited to medical malpractice and other liability. The impact of any such future claims, if made, on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to final outcome of these potential claims.

As permitted under Nevada law, the Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company believes, given the absence of any such payments in the Company's history, and the estimated low probability of such payments in the future, that the estimated fair value of these indemnification agreements is immaterial. In addition, the Company has directors' and officers' liability insurance coverage that is intended to reduce its financial exposure and may enable the Company to recover any payments, should they occur.

Performance share compensation

As part of a reverse takeover transaction ("RTO") during 2016, the Company entered into a one-time stock grant agreement with two executives (Messrs. Preston Parsons and Matthew Willer) on November 8, 2016, each of which defines a bonus share threshold as follows: should the Company meet or exceed a 2017 fiscal year EBITDA threshold of C\$7,500, the Company would issue 6,000,000 common shares of the surviving issuer at the trailing 30-day average closing price. The performance share grant was structured as part of the RTO transaction to provide additional equity to management conditioned upon performance achievements. As the Company achieved the EBITDA threshold for the year ended December 31, 2017, the Company has recorded a liability of approximately \$16,011 for the value of the shares to be issued while the agreements are modified and the cash collected threshold is achieved, which the Company deems probable. No performance shares have been issued through December 31, 2019.

During March 2019, Mr. Parsons agreed to amend his performance share agreement whereby the 5 million common shares due him will be distributed based upon the Company collecting \$9,800 of cash receipts and achieving certain other milestones. As of December 31, 2019, the Company had collected over 100% of the required cash receipts. The last date that the common shares can be issued to Mr. Parson is June 30, 2020. Additionally, Mr. Parsons has voluntarily decided to distribute 1,000,000 performance shares to certain employees of the Company, 300,000 performance shares to John Farlinger, Chief Executive Officer, and 200,000 performance shares to each of Trent Carmen, Chief Financial Officer, and Alex Rasmussen, Vice President of Operations.

NOTE 15. SUBSEQUENT EVENTS*COVID-19*

In March 2020, there was a global outbreak of COVID-19 (Coronavirus) that has resulted in changes in global supply of certain products. The pandemic is having an unprecedented impact on the U.S. economy as federal, state, and local governments react to this public health crisis, which has created significant uncertainties. These uncertainties include, but are not limited to, the potential adverse effect of the pandemic on the economy, our

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healthcare partners, our employees and patients. As the pandemic continues to grow, consumer fear about becoming ill with the virus and recommendations and/or mandates from federal, state, and local authorities to avoid large gatherings of people or self-quarantine are continuing to increase, which has already affected, and may continue to affect, the number of procedures performed.

Although Assure has seen over a 70% decline in the number of procedures performed in March and April due to a downturn in elective procedures driven by the COVID-19 pandemic, the volume of cases performed and scheduled for May has increased. In addition, the Company anticipates that the majority of the procedures that were postponed in March and April will be rescheduled for another time in 2020.

Health and safety measures taken at Assure include:

- Cancellation of all non-essential travel.
- Indefinite work from home policy for all employees not engaged in on-site medical facility activities.
- Mandatory self-quarantine for anyone who has experienced any flu-like symptoms or has had contact with anyone believed to have been exposed to COVID-19.

The Company has taken the following actions to increase its cash position and preserve financial flexibility:

- The Company has implemented salary reductions, salary deferrals and a selective employee furlough program, designed to reduce corporate spending by 20% compared to the third quarter of 2019.
- Assure has amended the promissory note with the Sellers of Neuro-Pro Monitoring to postpone \$700 of its March 31, 2020, payment to May 15, 2020.

U.S Government Loans

During April 2020, the Company received an unsecured loan under the United States Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) pursuant to the recently adopted Coronavirus Aid, Relief, and Economic Security Act (the “PPP Loan”) in the amount of \$1,211. The two-year, SBA-administered PPP loan has an interest rate of 1.0% per annum, with principal and interest payments due on the first day of each month, with payments commencing on December 1, 2020. All or a portion of the PPP Loan may be forgiven if the Company maintains its employment and compensation within certain parameters during the eight-week period following the loan origination date and the proceeds of the PPP Loan are spent on payroll costs, rent or lease agreements dated before February 15, 2020 and utility payments arising under service agreements dated before February 15, 2020.

The Company is currently evaluating other forms of government funding at this time.

2020 Private Placements

During the fourth quarter of 2019, the Company launched a non-brokered private placement of convertible debenture units (“CD Unit”) for gross proceeds of up to \$4,000, with an option to increase the offering by an additional \$2,000 (the “Offering”). From January 2020 to April 2020, the Company closed on three separate tranches of the Offering for total proceeds of \$1,655. The net proceeds from these tranches of the Offering is being utilized for working capital purposes. Each CD Unit was offered at a price of \$1. Each CD Unit includes, among other things, 357 common share purchase warrants that allow the holder to purchase shares of the Company’s common stock at a price of \$1.90 per share for a period of three years and the right to convert the CD Unit into shares of the Company’s common stock as a conversion price of \$1.40 per share for a period of four years. The CD Units carry a 9% coupon rate. In conjunction with these Offerings, Finders’ received \$79 and 56,299 warrants to purchase shares of the Company’s common stock at a price of \$1.40 per share for three years.

At the end of April 2020, the Company launched a non-brokered private placement of convertible debenture units (“New CD Unit”) for gross proceeds of up to \$500, with an option to increase the offering by

ASSURE HOLDINGS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except share and per share amounts)

an additional \$500 (the "New Offering"). The net proceeds of the New Offering will be used for working capital and to retire part of the \$800 obligation due on May 15, 2020 to the Sellers of Neuro-Pro Monitoring. Each New CD Unit will be offered at a price of \$1. Each New CD Unit will include, among other things, 1,000 common share purchase warrants that will allow the holder to purchase shares of the Company's common stock at a price of \$1.00 per share for a period of three years and the right to convert the CD Unit into shares of the Company's common stock as a conversion price of \$0.67 for a period of four years. The CD Units will carry a 9% coupon rate. The Company closed the New Offering after receiving total proceeds of \$830. In conjunction with the New Offering, Finders' received \$23 and 34,476 warrants to purchase shares of the Company's common stock at a price of \$1.00 per share for four years.

NOTE 16. EVENT (UNAUDITED) SUBSEQUENT TO THE DATE OF THE INDEPENDENT AUDITOR'S REPORT*Quarterly Period Collection Experience*

In conjunction with the Company's June 30, 2020 collection analysis, the Company looked at more recent payment trends from the private insurance companies than what it has historically utilized in order to estimate the accounts receivable collection allowances and patient service revenue. These recent payment trends were lower than what the Company would have normally calculated based upon its historical policy. Rather than wait until these more recent payment trends entered into the collection analyses in future periods, the Company pro-actively decided to set its June 30, 2020 collection estimates based upon these more recent collection payment trends. The impact of this was a reduction of accounts receivable and out-of-network fee revenue of approximately \$15,000.

Similar declines to the payment trends for the PEs were also noted during the June 30, 2020 collection analysis. In order to be consistent with the handling of the out-of-network fee revenue, the PEs also pro-actively recorded their collection estimates based upon the more recent collection payment trends. The Company's portion of the reduced accounts receivable and out-of-network fee revenue was approximately \$3,100, with approximately \$2,200 being recorded as a reduction of management fee revenue and approximately \$900 being recorded as a reduction to earnings(loss) from equity method investments.

The collection rate analysis completed for the three months ended September 30, 2020 for out-of-network revenues resulted in decreased revenue per case of approximately 2.5%.

ASSURE HOLDINGS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)

Schedule II. Valuation and Qualifying Accounts for the Years Ended December 31, 2019 and 2018

	<u>Balance at Beginning of Year</u>	<u>Charged (Credited) to Expenses</u>	<u>Charged (Credited) to Other Accounts</u>	<u>Balance at End of Year</u>
Accounts receivable:				
<i>Allowance for doubtful accounts</i>				
2019	\$ 15,293	\$ 26,433	\$ (3,651)	\$ 38,075
2018	\$ 117	\$ 15,196	\$ (20)	\$ 15,293

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ASSURE HOLDINGS CORP.
Condensed Consolidated Balance Sheets
(in thousands, except share amounts)
(unaudited)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash	\$ 148	\$ 59
Accounts receivable, net	15,020	30,863
Other assets	444	168
Due from related parties	3,730	2,617
Total current assets	19,342	33,707
Equity method investments	487	2,360
Property, plant and equipment, net	839	871
Intangibles, net	4,232	4,587
Goodwill	2,857	2,857
Total assets	<u>\$ 27,757</u>	<u>\$ 44,382</u>
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,639	\$ 4,365
Current portion of debt	4,100	1,664
Current portion of lease liability	515	461
Current portion of acquisition liability	3,880	5,030
Other current liabilities	181	81
Total current liabilities	10,315	11,601
Lease liability, net of current portion	503	500
Debt, net of current portion	3,147	1,160
Acquisition debt, net of current portion	—	2,429
Provision for acquisition share issuance	540	540
Provision for fair value of stock options	16	66
Provision for performance share issuance	16,011	16,011
Deferred tax liability, net	295	2,010
Total liabilities	30,827	34,317
Commitments and contingencies (Note 13)		
SHAREHOLDERS' (DEFICIT) EQUITY		
Common stock: \$0.001 par value; 900,000,000 shares authorized, 34,971,237 and 34,795,313 shares issued and outstanding, respectively	35	35
Additional paid-in capital	8,258	6,682
Retained (deficit) earnings	(11,363)	3,348
Total shareholders' (deficit) equity	(3,070)	10,065
Total liabilities and shareholders' (deficit) equity	<u>\$ 27,757</u>	<u>\$ 44,382</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASSURE HOLDINGS CORP.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended September		Nine Months Ended September	
	2020	2019	2020	2019
Revenue				
Patient service fees, net	\$ 2,965	\$ 6,932	\$ (6,342)	\$ 20,066
Hospital, management and other	998	1,019	3,902	2,318
Total revenue	3,963	7,951	(2,440)	22,384
Cost of revenues	(2,232)	(1,275)	(5,062)	(4,466)
Gross margin (loss)	1,731	6,676	(7,502)	17,918
Operating expenses				
General and administrative	1,957	1,570	5,853	5,090
Sales and marketing	349	394	801	1,067
Depreciation and amortization	249	116	769	332
Total operating expenses	2,555	2,080	7,423	6,489
(Loss)/income from operations	(824)	4,596	(14,925)	11,429
Other (expenses)/income				
(Loss)/earnings from equity method investments	(232)	285	(1,449)	1,192
Other (expense)/income	(3)	(56)	50	5
Interest, net	(285)	(62)	(783)	(163)
Total other (expense)/income	(520)	167	(2,182)	1,034
(Loss)/income before income taxes	(1,344)	4,763	(17,107)	12,463
Income tax benefit (expense)	367	(1,094)	2,396	(3,022)
Net (loss)/income	\$ (977)	\$ 3,669	\$ (14,711)	\$ 9,441
(Loss)/income per common share				
Basic	\$ (0.03)	\$ 0.11	\$ (0.42)	\$ 0.27
Diluted	\$ (0.03)	\$ 0.09	\$ (0.42)	\$ 0.23
Weighted average number of common share used in per share calculation – basic				
	34,940,291	34,411,980	34,843,639	34,608,711
Weighted average number of common share used in per share calculation – diluted				
	34,940,291	40,430,847	34,843,639	40,627,578

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASSURE HOLDINGS CORP.
Condensed Consolidated Statements of Shareholders' Equity (Deficit)
(in thousands, except share amounts)
(unaudited)

	Common Stock		Additional paid-in capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balances, June 30, 2020	<u>34,795,313</u>	<u>\$ 35</u>	<u>\$ 8,028</u>	<u>\$(10,386)</u>	<u>\$(2,323)</u>
Share based compensation	—	—	88	—	88
Common share issuance	125,924	—	102	—	102
Settlement of payables	50,000	—	40	—	40
Net loss	—	—	—	(977)	(977)
Balances, September 30, 2020	<u>34,971,237</u>	<u>\$ 35</u>	<u>\$ 8,258</u>	<u>\$(11,363)</u>	<u>\$(3,070)</u>

	Common Stock		Additional paid-in capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balances, December 31, 2019	<u>34,795,313</u>	<u>\$ 35</u>	<u>\$ 6,682</u>	<u>\$ 3,348</u>	<u>\$ 10,065</u>
Share based compensation	—	—	456	—	456
Tax impact of equity component of convertible debt issuance	—	—	(288)	—	(288)
Equity component of convertible debt issuance	—	—	1,220	—	1,220
Fair value of finders' warrants	—	—	46	—	46
Common share issuance	125,924	—	102	—	102
Settlement of payables	50,000	—	40	—	40
Net loss	—	—	—	(14,711)	(14,711)
Balances, September 30, 2020	<u>34,971,237</u>	<u>\$ 35</u>	<u>\$ 8,258</u>	<u>\$(11,363)</u>	<u>\$(3,070)</u>

	Common Stock		Additional paid-in capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balances, June 30, 2019	<u>34,145,313</u>	<u>\$ 35</u>	<u>\$ 5,456</u>	<u>\$ 6,404</u>	<u>\$ 11,895</u>
Exercise of options	500,000	25	—	—	25
Share based compensation	—	—	204	—	204
Tax loss of stock option exercises	—	—	(164)	—	(164)
Net income	—	—	—	3,669	3,669
Balances, September 30, 2019	<u>34,645,313</u>	<u>\$ 60</u>	<u>\$ 5,496</u>	<u>\$ 10,073</u>	<u>\$ 15,629</u>

	Common Stock		Additional paid-in capital	Retained Earnings (Deficit)	Total
	Shares	Amount			
Balances, December 31, 2018	<u>35,562,105</u>	<u>\$ 36</u>	<u>\$ 6,458</u>	<u>\$ 632</u>	<u>\$ 7,126</u>
Settlement of related party receivable	(1,461,392)	(1)	(2,190)	—	(2,191)
Exercise of warrants	44,600	—	16	—	16
Exercise of options	500,000	25	—	—	25
Reclassification warrant fair value at exercise to equity	—	—	70	—	70
Share based compensation	—	—	952	—	952
Tax loss of stock option exercises	—	—	190	—	190
Net income	—	—	—	9,441	9,441
Balances, September 30, 2019	<u>34,645,313</u>	<u>\$ 60</u>	<u>\$ 5,496</u>	<u>\$ 10,073</u>	<u>\$ 15,629</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASSURE HOLDINGS CORP.
Condensed Consolidated Statements of Cash Flows
(in thousands, except share amounts)
(unaudited)

	Nine Months Ended	
	September 30, 2020	September 30, 2019
Cash flows from operating activities		
Net (loss)/income	\$(14,711)	\$ 9,441
Adjustments to reconcile net income/(loss) to net cash used in operating activities		
Cash receipts from operations	10,124	6,744
Loss/(earnings) from equity method investments	1,449	(1,192)
Share based compensation	456	952
Tax impact of equity component of convertible debt issuance	(288)	—
Depreciation and amortization	769	332
Provision for broker warrant fair value	—	14
Provision for stock option fair value	(50)	(19)
Accretion of debt recorded at fair value	619	—
Change in operating assets and liabilities		
Accounts receivable	6,119	(21,046)
Accounts payable and accrued liabilities	(3,126)	474
Due from related party, net	(1,113)	(1,243)
Income taxes	(1,715)	3,022
Other assets and liabilities	(209)	(170)
Cash (used in) operating activities	<u>(1,676)</u>	<u>(2,691)</u>
Cash flows from investing activities		
Purchase of equipment and furniture	(33)	(6)
Repayment of acquisition debt	(3,934)	(467)
Distributions received from equity method investments	424	888
Cash (used in)/provided by investing activities	<u>(3,543)</u>	<u>415</u>
Cash flows from financing activities		
Proceeds from exercise of stock options and warrants	—	41
Proceeds from promissory note	1,978	2,000
Repayment of promissory note	(1,418)	(423)
Proceeds from line of credit	2,122	600
Repayment of line of credit	(1,000)	(274)
Proceeds from convertible debenture	2,485	—
Proceeds from payroll protection program	1,211	—
Proceeds from the issuance of common shares	102	—
Principal payments of finance leases	(172)	(250)
Proceeds from sale leaseback	—	238
Cash provided by financing activities	<u>5,308</u>	<u>1,932</u>
Increase (decrease) in cash	89	(344)
Cash at beginning of period	59	831
Cash at end of period	<u>\$ 148</u>	<u>\$ 487</u>
Supplemental cash flow information		
Interest paid	\$ 145	\$ 144
Income taxes paid	\$ 62	\$ 218
Supplemental non-cash flow information		
Purchase of equipment with finance leases	\$ 269	\$ 520
Reclassification warrant fair value at exercise to equity	\$ —	\$ 70
Related party receivable settled for common shares	\$ —	\$ (2,191)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ASSURE HOLDINGS CORP.

Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

1. THE COMPANY

Assure Holdings Corp. (the “Company”), through its two indirect wholly-owned subsidiaries, Assure Neuromonitoring, LLC (“Neuromonitoring”) and Assure Networks, LLC (“Networks”), provides technical and professional intraoperative neuromonitoring (“IONM”) surgical support services primarily associated with spine and head surgeries. These services have been recognized as the standard of care by hospitals and surgeons for risk mitigation. Assure Holdings, Inc., a wholly-owned subsidiary, employs most of the corporate employees and performs various corporate services on behalf of the consolidated Company.

Neuromonitoring employs technologists who utilize technical equipment and their technical training to monitor EEG and EMG signals during surgical procedures and to pre-emptively notify the underlying surgeon of any nerve related issues that are identified. The technologists perform their services in the operating room during the surgeries. The technologists are certified by a third party credentialing agency.

Networks performs similar support services as Neuromonitoring except that these services are provided by third party contracted neurologists or certified readers. The support services provided by Networks occurs at the same time and for the same surgeries as the support services provided by the Neuromonitoring technologist, except that they typically occur at an offsite location.

The Company was originally incorporated in Colorado on November 7, 2016. In conjunction with a reverse merger, the Company was redomiciled in Nevada on May 16, 2017.

Neuromonitoring was formed on August 25, 2015 in Colorado and currently has multiple wholly-owned subsidiaries. The Company’s services are sold in the United States, directly through the Company.

Networks was formed on November 7, 2016 in Colorado and holds varying ownerships interests in numerous Provider Network Entities (“PEs”), which are professional IONM entities. These entities are accounted for under the equity method of accounting.

COVID-19

In March 2020, a global outbreak of COVID-19 (Coronavirus) has resulted in changes in global supply of certain products. The pandemic is having an unprecedented impact on the U.S. economy as federal, state, and local governments react to this public health crisis, which has created significant uncertainties. These uncertainties include, but are not limited to, the potential adverse effect of the pandemic on the economy, our healthcare partners, our employees and patients. As the pandemic continues to grow, consumer fear about becoming ill with the virus and recommendations and/or mandates from federal, state, and local authorities to avoid large gatherings of people or self-quarantine are continuing to increase, which has already affected, and may continue to affect, the number of procedures performed. In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property.

Although Assure saw over a 70% decline in the number of procedures performed in March and April due to a downturn in elective procedures driven by the COVID-19 pandemic, the volume of cases performed for May and June increased back to an almost normal operating level.

Health and safety measures taken at Assure include:

- Cancellation of all non-essential travel.
- Indefinite work from home policy for all employees not engaged in on-site medical facility activities.

ASSURE HOLDINGS CORP.**Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)**

- Mandatory self-quarantine for anyone who has experienced any flu-like symptoms or has had contact with anyone believed to have been exposed to COVID-19.

The Company has taken the following actions to increase its cash position and preserve financial flexibility:

- The Company implemented salary reductions, salary deferrals and a selective employee furlough program, designed to reduce corporate spending by 20% compared to the third quarter of 2019. The actions continued until June 16, 2020.
- Assure amended the promissory note with the Sellers of Neuro-Pro Monitoring to postpone \$700 of its March 31, 2020 payment to May 15, 2020.
- The Company received a \$1,211 loan in April 2020 pursuant to the Payroll Protection Program.

There is currently uncertainty surrounding the future spread of COVID-19 and the potential impact that it may have on the Company's future operations.

2. BASIS OF PRESENTATION

The accompanying interim unaudited condensed consolidated financial statements as of September 30, 2020 and 2019, and for the three and nine months then ended, have been prepared by the Company in accordance with generally accepted accounting principles ("GAAP") in the United States ("U.S.") for interim financial information. The amounts as of December 31, 2019 have been derived from the Company's annual audited financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary (consisting of normal recurring adjustments) to state fairly the financial position of the Company and its results of operations and cash flows as of and for the periods presented. These financial statements should be read in conjunction with the annual audited financial statements and notes thereto as of and for the year ended December 31, 2019.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries and majority owned entities. All significant inter company transactions and accounts have been eliminated in consolidation.

For entities in which management has determined the Company does not have a controlling financial interest but has varying degrees of influence regarding operating policies of that entity, the Company's investment is accounted for using the equity method of accounting.

The results of operations for the three and nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2020 or any future period and the Company makes no representations related thereto.

Certain reclassifications have been made to prior period amounts to conform to the current period presentation. There was no effect on net income/(loss) as a result of these reclassifications.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are detailed in "Note Summary of Significant Accounting Policies" in its audited financial statements for the year ended December 31, 2019, included herein.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying

ASSURE HOLDINGS CORP.**Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)**

notes. The accounting estimates and assumptions that require management's most significant, difficult, and subjective judgment include the recognition and measurement of patient service fee, net, hospital, management, and other revenue, the collectability of accounts receivable, the fair value measurements of goodwill and intangible assets, the assessment of the recoverability of goodwill, the assessment of useful lives and recoverability of intangible assets and long-lived assets, recognition and measurement of current and deferred income tax assets and liabilities, the assessment of unrecognized tax benefits, the valuation and recognition of stock-based compensation expense and business combinations, among others. Actual results experienced by the Company may differ from management's estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant assumptions, judgments, and estimates that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: patient service fee, net, hospital, management, and other revenue and accounts receivable.

Revenue

The Company derives its revenue primarily from fees for IONM services provided. Revenue is recognized upon transfer of control of promised service to a customer in an amount that reflects the consideration the Company expects to receive in exchange for those services.

Patient service fee revenue and receivables

Patient service fee revenue is recognized in the period in which IONM services are rendered, at net realizable amounts from third party payors when collections are reasonably assured and can be estimated. The majority of our services are rendered on an out-of-network basis and billed to third party insurers. Since allowable charges for services rendered out-of-network are not contractually based, the Company estimates the net realizable value from the gross charges submitted to third party payors and recognizes the net patient service fee revenue. The estimates for out-of-network revenue are based on evaluating the payor mix, historical settlements and payment data for payor types, and current economic conditions to calculate an appropriate net realizable value for revenue and accounts receivables. These estimates are subject to ongoing monitoring and adjustment based on actual experience with final settlements and collections and management revises its revenue estimates as necessary in subsequent periods. Patient service fee revenue is also adjusted in the period when an accounts receivable balance for IONM service is written-off once collection is doubtful and the total collection amount is below the accounts receivable balance for IONM services. The timing of adjustments to patient service fee revenue for collections exceeding the originally estimated amounts may not occur in the same reporting period as the write-off of collected amounts below the originally estimated amounts, which may result in material adjustments to patient service revenue in a given reporting period.

For services rendered to patients that have insurance coverage and that the Company has an in-network contract with, the Company records patient service fee revenue pursuant to the contract rate.

Hospital, management and other revenue

The Company recognizes revenue from hospital and surgery center customers and certain PEs, for which the Company does not have an ownership interest in, on a contractual basis. Revenue from services rendered is recorded after services are rendered. The fees billed to hospital and surgery center customers are on net 30-day terms. The fees billed to the PEs for which the Company does not have an ownership interest in are not collected until the PEs collect sufficient cash for the services that they have performed.

ASSURE HOLDINGS CORP.**Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)***Accounts receivable collection cycle*

The cash collection cycles of the Company are protracted due to the out-of-network billing to private insurance payers. The collection cycle for IONM to out-of-network payers may require an extended period to maximize reimbursement on claims. The collection cycle impacts the technical fees that are billed by Neuromonitoring and the professional fees that are billed by Networks. The collection cycle may consist of multiple payments from out-of-network private insurance payers, as the collection process entails multiple rounds of denials, underpayments, appeals and negotiations as part of the process to maximize the reimbursement yield on claims. Due to the extended collection cycle, the Company has a policy to reserve claims that have aged to 24 months. The Company continues collection efforts following 24 months despite the reserves on these claims but will not write-off such claims until they age to 36 months. Collections on claims which have been reserved will result in the reversal of prior reserves.

The Company performs a collection analysis for out-of-network billings to private insurance companies and adjusts its revenue and accounts receivable if the collection rate is different from the amount recorded in previous periods. Historically, this analysis was performed semi-annually. Commencing September 30, 2020, the analysis is performed quarterly.

Recent Accounting Pronouncements

In December 2019, the FASB released ASU 2019-12, "Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). The purpose of the update is to reduce the complexity pertaining to certain areas in accounting for income taxes. Key amendments from ASU 2019-12 include, but are not limited to, the accounting for hybrid tax regimes, step-up in tax basis for goodwill in non-business combination transactions, intraperiod tax allocation exception to the incremental approach, and interim period accounting for enacted changes in tax law. ASU 2019-12 is effective for the Company in the first quarter of the year ending December 31, 2021. The Company is in the process of evaluating the impact of the adoption of this new standard on its consolidated financial statements and does not currently anticipate a material impact.

4. REVENUE

In conjunction with the Company's June 30, 2020 collection analysis, the Company looked at more recent payment trends from the private insurance companies than what it has historically utilized in order to estimate the accounts receivable collection allowances and patient service revenue. These recent payment trends were lower than what the Company would have normally calculated based upon its historical policy. Rather than wait until these more recent payment trends entered into the collection analyses in future periods, the Company pro-actively decided to set its June 30, 2020 collection estimates based upon these more recent collection payment trends. The impact of this was a reduction of accounts receivable and out-of-network fee revenue of approximately \$15,000.

Similar declines to the payment trends for the PEs were also noted during the June 30, 2020 collection analysis. In order to be consistent with the handling of the patient service fee revenue, the PEs also pro-actively recorded their collection estimates based upon the more recent collection payment trends. The Company's portion of the reduced accounts receivable and patient service fee revenue was approximately \$3,100, with approximately \$2,200 being recorded as a reduction of management fee revenue and approximately \$900 being recorded as a reduction to earnings(loss) from equity method investments.

The collection rate analysis completed for the three months ended September 30, 2020 for out-of-network revenues resulted in decreased revenue per case of approximately 2.5%.

ASSURE HOLDINGS CORP.
Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

5. COMPOSITION OF CERTAIN FINANCIAL STATEMENT CAPTIONS

Other current assets consisted of the following:

	September 30, 2020	December 31, 2019
Prepaid insurance	\$ 183	\$ 104
Deposits	73	34
Income tax receivable	147	—
Other	41	30
Other current assets	<u>\$ 444</u>	<u>\$ 168</u>

Property, plant and equipment net, consisted of the following:

	September 30, 2020	December 31, 2019
Office lease	\$ 407	\$ 267
Medical equipment	2,112	1,712
Computer equipment	18	18
Furniture and fixtures	95	85
Gross property, plant and equipment	2,632	2,082
Less: Accumulated depreciation and amortization	(1,793)	(1,211)
Property, plant and equipment, net	<u>\$ 839</u>	<u>\$ 871</u>

Depreciation and amortization expense was \$249 and \$116 for the three months ended September 30, 2020 and 2019, respectively, and \$769 and \$332 for the nine months ended September 30, 2020 and 2019, respectively.

Accounts payable and accrued liabilities consisted of the following:

	September 30, 2020	December 31, 2019
Accounts payable	\$ 1,413	\$ 3,520
Accrued salaries and benefits	144	541
Other accrued liabilities	82	304
Accounts payable and accrued liabilities	<u>\$ 1,639</u>	<u>\$ 4,365</u>

Other current liabilities consisted of the following as of September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
Insurance premiums financed	\$ 145	\$ 81
Other current liabilities	36	—
	<u>\$ 181</u>	<u>\$ 81</u>

ASSURE HOLDINGS CORP.

Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)

Other (expense)/income consisted of the following:

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
(Loss) for broker warrant fair value	\$ —	\$ —	\$ —	\$ (14)
(Loss) gain for stock option fair value	(3)	(56)	50	19
Other (expense)/income	<u>\$ (3)</u>	<u>\$ (56)</u>	<u>\$ 50</u>	<u>\$ 5</u>

6. LEASES

Under Topic 842, a contract is a lease, or contains a lease, if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration. To determine whether a contract conveys the right to control the use of an identified asset for a period of time, an entity shall assess whether, throughout the period of use, the entity has both of the following: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset. The Company does not assume renewals in the determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement. Lease agreements generally do not contain material residual value guarantees or material restrictive covenants.

Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. As a practical expedient, the Company elected not to separate nonlease components for the corporate office facility (e.g., common-area maintenance costs) from lease components (e.g., fixed payments including rent) and instead to account for each separate lease component and its associated non-lease components as a single lease component.

Operating leases

The Company leases corporate office facilities under two operating sub-leases which expire June 30, 2021.

Finance leases

The Company leases medical equipment under financing leases with stated interest rates of 6.5% – 12.8% per annum which expire at various dates through 2022.

The Consolidated Balance Sheets include the following amounts for right-to-use assets as of September 30, 2020:

	<u>September 30, 2020</u>
Right-to-use assets:	
Operating	\$ 186
Finance	833
Total	<u>\$ 1,019</u>

Finance lease assets are reported net of accumulated amortization of \$876 as of September 30, 2020.

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The following are the components of lease cost for operating and finance leases:

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lease Cost:				
Operating leases	\$ 64	\$ 35	\$ 171	\$ 35
Finance leases				
Amortization of right-to-use assets	84	76	256	222
Interest on lease liabilities	15	15	48	57
Total finance lease cost	99	91	304	279
Total lease cost	<u>\$ 163</u>	<u>\$ 126</u>	<u>\$ 475</u>	<u>\$ 314</u>

The following are the weighted average lease terms and discount rates for operating and finance leases:

	<u>As of September 30, 2020</u>
Weighted average remaining lease term:	
Operating leases	9 months
Finance leases	17.6 months
Weighted average discount rate:	
Operating leases	6.9%
Finance leases	7.8%

We obtained right-of-use assets in exchange for lease liabilities of \$294 upon commencement of operating leases during the nine months ended September 30, 2020.

Future minimum lease payments and related lease liabilities as of September 30, 2020 were as follows:

	<u>Operating</u> <u>Leases</u>	<u>Finance</u> <u>Leases</u>	<u>Total</u> <u>Lease</u> <u>Liabilities</u>
2020 (remaining three months)	\$ 65	\$ 102	\$ 167
2021	127	369	496
2022	—	325	325
2023	—	58	58
2024	—	52	52
Thereafter	—	23	23
Total lease payments	192	929	1,121
Less: imputed interest	(6)	(96)	(102)
Present value of lease liabilities	<u>\$ 186</u>	<u>833</u>	<u>\$ 1,019</u>
Less: current portion of lease liabilities	(186)	(330)	(516)
Noncurrent operating lease liabilities	<u>\$ 0</u>	<u>\$ 503</u>	<u>\$ 503</u>

Note: Future minimum lease payments exclude short-term leases as well as payments to landlords for variable common area maintenance, insurance and real estate taxes.

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Future minimum lease payments and related lease liabilities as of December 31, 2019 were as follows:

	Operating Leases	Finance Leases	Total Lease Liabilities
2020	\$ 144	\$ 382	\$ 526
2021	71	301	372
2022	—	158	158
Thereafter	—	—	—
Total lease payments	<u>215</u>	<u>841</u>	<u>1,056</u>
Less: imputed interest	(10)	(85)	(95)
Present value of lease liabilities	<u>\$ 205</u>	<u>\$ 756</u>	<u>\$ 961</u>
Less: current obligations under leases (accrued liabilities)	(134)	(327)	(461)
Noncurrent operating lease liabilities	<u>\$ 71</u>	<u>\$ 429</u>	<u>\$ 500</u>

7. ACQUISITIONS**Littleton Professional Reading**

During May 2019, the Company purchased the net assets of Littleton Professional Reading for \$700. Of this amount, \$466 was paid during the year ended December 31, 2019 and the remainder was due prior to the end of 2019, however, the Company negotiated an extension to the term of the last installment to prior to the end of 2020. Prior to the acquisition, the Company had a 15% ownership in Littleton Professional Reading, which was accounted for as a PE under the equity method of accounting. A portion of the proceeds from the Loan Facility were used to payoff the remaining balance due on this indebtedness.

Velocity

Effective September 1, 2019, the Company formed a joint venture, Velocity Revenue Cycle, LLC (“Velocity”), with its third party billing company to bill and collect all the Company’s historical and future cases. The joint venture was established to provide greater control and transparency over the billing and collection process. The Company owned 65% of Velocity.

During December 2019, the Company reached an agreement with Clever Claims, LLC (“Clever”) to acquire Clever’s 35% stake (the “Clever Stake”) in Velocity. Pursuant to the terms of the agreement and effective on December 31, 2019, Clever assigned the Clever Stake, in exchange for nominal consideration, to Assure Billing, LLC, which is a wholly-owned subsidiary of the Company. As a result, the Company consolidates 100% of Velocity as of December 31, 2019.

Neuro-Pro Monitoring

On October 31, 2019, the Company entered into a purchase agreement with Neuro-Pro Monitoring and its related entities (the “Sellers”) to acquire their neuromonitoring operations in Texas. The purchase price was \$7,000 and was funded via promissory notes of \$6,000 (“\$6,000 Note”) and \$1,000 (“\$1,000 Note”) maturing November 29, 2019 and November 1, 2020, respectively, with the Sellers. Both promissory notes bear interest at the IRS Applicable Federal Rate.

Effective November 27, 2019, the \$6,000 Note was amended to extend the maturity date to January 15, 2020. As compensation for this amendment, the Company issued an additional promissory note for \$700 to the Sellers (the “Additional Promissory Note”) that matures December 1, 2020. The Additional Promissory Note bears interest at the IRS Applicable Federal Rate.

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Effective January 13, 2020, the \$6,000 Note was amended to extend the maturity date to January 31, 2020. The maturity date was subsequently amended to February 10, 2020 and then again to the February 14, 2020. As compensation for these amendments, the Company has agreed to issue 500,000 restricted common shares to the Sellers. The Company recorded a liability as of December 31, 2019 for the fair value of the restricted common shares of \$540.

On February 14, 2020, the Company paid the Sellers \$530. The \$6,000 Note, \$1,000 Note and the Additional Promissory Note were cancelled and replaced with a new \$7,170 note (the "Replacement Note"). The Replacement Note bears interest at the IRS Applicable Federal Rate and requires monthly principal payments at varying amounts. The Replacement Note was amended March 31, 2020 to modify certain principal payment terms. The Company paid the Sellers \$100 for this amendment. The principal payment terms of the Replacement Note are as follows:

- \$500 due March 31, 2020;
- \$328 due each month from April 2020 to April 2021;
- \$700 due May 15, 2020; and
- \$1,700 due May 31, 2021.

The Company has made all payments pursuant to this payment schedule.

Goodwill

During the third quarter of 2020, the COVID-19 pandemic continued to have a significant and negative impact on business and economic activities in the U.S and around the world. The resulting global economic downturn has negatively impacted, and is expected to continue to negatively impact, the Company's consolidated financial results for the remainder of 2020 and into 2021. Due to continued reduction in demand in certain markets the Company's management concluded there were indicators of potential goodwill impairment. The Company proceeded with a quantitative interim goodwill impairment test as of September 30, 2020. Based on the quantitative assessment, the Company concluded that the fair value of the reporting units exceeded the carrying amount. As a result, no goodwill impairment charges were recognized as of September 30, 2020.

Acquired Intangible Assets

Identified intangible assets consisted of the following:

	Average Life (Years)	September 30, 2020			December 31, 2019		
		Gross Assets	Accumulated Amortization	Net	Gross Assets	Accumulated Amortization	Net
Finite-lived intangible assets							
Doctor agreements	10	\$4,509	\$ (410)	\$4,099	\$4,509	\$ (72)	\$4,437
Noncompete agreements	2	36	(20)	16	36	(3)	33
Total finite-lived intangible assets		4,545	(430)	4,115	4,545	(75)	4,470
Indefinite-lived intangible assets							
Trade names	NA	117	—	117	117	—	117
Total intangible assets		\$4,662	\$ (430)	\$4,232	\$4,662	\$ (75)	\$4,587

Amortization expense was \$118 and \$355 for the three and nine months ended September 30, 2020.

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As of September 30, 2020, the estimated future amortization expense of finite-lived intangible assets was as follows:

2020 (remaining 3 months)	\$ 117
2021	466
2022	451
2023	451
2024	451
Thereafter	2,179
	<u>\$4,115</u>

8. DEBT

As of September 30, 2020 and December 31, 2019, the Company's debt obligations are summarized as follows:

	September 30, 2020	December 31, 2019
Bank operating line	\$ 1,978	\$ 1,000
Bank term loan	2,122	1,418
Payroll protection program note	1,211	—
	<u>5,311</u>	<u>2,418</u>
Face value of convertible debenture	3,450	965
Less: fair value ascribed to conversion feature and warrants	(1,784)	(564)
Plus: accretion of implied interest	270	5
	<u>1,936</u>	<u>406</u>
Total debt	7,247	2,824
Less: current portion	(4,100)	(1,664)
Long-term debt	<u>\$ 3,147</u>	<u>\$ 1,160</u>

As of September 30, 2020, future minimum principle payments were as follows:

	Bank Indebtedness	Convertible Debt
Reminder 2020	\$ 4,100	\$ —
2021	—	—
2022	—	—
2023	—	965
2024	—	2,485
Thereafter	\$ 4,100	\$ 3,450
Less: fair value ascribed to conversion feature and warrants	—	(1,784)
Plus: accretion and implied interest	—	270
	<u>\$ 4,100</u>	<u>\$ 1,936</u>

For the three and nine months ended September 30, 2020, interest expense was \$21 and \$82, respectively.

For the three and nine months ended September 30, 2019, interest expense was \$30 and \$69, respectively.

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Bank Indebtedness

In January 2019, the Company cancelled its then existing line of credit and entered in to a \$2,000 promissory note and a \$1,000 line of credit with its existing bank. The promissory note bore interest at 6% and required monthly principal and interest payment of \$61 through maturity in January 2022. During March 2020, the Company amended the line of credit to extend the maturity date from March 2020 to September 2020. The Company was required to make monthly payments of \$167 from April 2020 through September 2020. The line of credit bore interest at an index rate that fluctuated with the one-month LIBOR rate plus 3.5%. The line of credit was secured by all of the Company's assets. As of September 30, 2020, the Company had repaid this line of credit.

During August 2020, the Company entered into a new \$4,000 term loan (the "Term Loan") and a \$2,500 operating line of credit (the "Operating Line" and together with the Term Loan, the "Loan Facility"), for a total of \$6,500 with Central Bank. The Loan Facility proceeds were utilized to pay off the existing outstanding bank indebtedness and the remaining indebtedness related to the acquisition of the net assets of Littleton Professional Reading, and to fund working capital. As of September 30, 2020, the Company has drawn \$1,978 on the Operating Line and \$2,122 on the Term Loan.

Under the conditions of the agreement governing the Loan Facility (the "Loan Agreement"), the Term Loan bears interest at the Wall Street Journal prime rate ("WSJ") plus 2.0% and matures on August 12, 2024. Commencing on August 1, 2021, principal payments in the amount of \$308, together with interest, shall be made quarterly on the Term Loan until maturity. In addition, the Operating Line bears interest at a rate of WSJ plus 2.0% and matures on August 12, 2022. Commencing on September 1, 2020 and continuing on the first calendar day of each month until maturity, interest on the Operating Line is due. Assure did not issue any shares, warrants, or options in connection with this transaction.

The Loan Facility is secured by a first-ranking security interest in all of the present and future undertakings, property and assets of the Company and its subsidiaries.

U.S Government Loans

During April 2020, the Company received an unsecured loan under the United States Small Business Administration ("SBA") Paycheck Protection Program ("PPP") pursuant to the recently adopted Coronavirus Aid, Relief, and Economic Security Act (the "PPP Loan") in the amount of \$1,211. The two-year, SBA-administered PPP loan has an interest rate of 1.0% per annum, with principal and interest payments due on the first day of each month, with payments commencing on December 1, 2020. All or a portion of the PPP Loan may be forgiven if the Company maintains its employment and compensation within certain parameters following the loan origination date and the proceeds of the PPP Loan are spent on payroll costs, rent or lease agreements dated before February 15, 2020 and utility payments arising under service agreements dated before February 15, 2020.

Convertible Debt

On November 22, 2019, the Company launched a non-brokered private placement of convertible debenture units ("CD Unit") for gross proceeds of up to \$4,000, with an option to increase the offering by an additional \$2,000 (the "Offering"). On December 13, 2019, the Company closed on Tranche 1 of the Offering for gross proceeds of \$965. These proceeds were used for working capital and growth capital purposes. Each CD Unit was offered at a price of \$1. Each CD Unit included, among other things, 357 common share purchase warrants that allow the holder to purchase shares of the Company's common stock at a price of \$1.90 per share for a period of three years and the right to convert the CD Unit into shares of the Company's common stock at a conversion price of \$1.40 per share for a period of four years. The CD Units carry a 9% coupon rate. In conjunction with this Offering, the finders' received \$67 and 48,250 warrants to purchase shares of the Company's common stock at a price of \$1.40 per share for three years.

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The fair value of the debt was determined to be \$401, the conversion feature \$376 and the warrants \$188. The difference between the fair value of the debt of \$401 and the face value of debt of \$965 will be accreted as interest expense over the four-year life of the CD Units. The value of the conversion feature and the warrants is recorded Additional paid-in capital as the equity component of convertible debt issuance.

From January 2020 to April 2020, the Company closed on three separate tranches of the Offering for total proceeds of \$1,705 and the issuance of 1,420,835 warrants. The net proceeds from these tranches of the Offering is being utilized for working capital purposes. Each CD Unit was offered at a price of \$1. Each CD Unit includes, among other things, 357 common share purchase warrants that allow the holder to purchase shares of the Company's common stock at a price of \$1.90 per share for a period of three years and the right to convert the CD Unit into shares of the Company's common stock as a conversion price of \$1.40 per share for a period of four years, The CD Units carry a 9% coupon rate. In conjunction with these Offerings, Finders' received \$79 and 56,299 warrants to purchase shares of the Company's common stock at a price of \$1.40 per share for three years.

The fair value of the second tranche of debt was determined to be \$259, the conversion feature \$152 and the warrants \$58. The difference between the fair value of the debt of \$259 and the face value of debt of \$469 will be accreted as interest expense over the four-year life of the CD Units. The fair value of the third tranche of debt was determined to be \$483, the conversion feature \$291 and the warrants \$112. The difference between the fair value of the debt of \$483 and the face value of debt of \$886 will be accreted as interest expense over the four-year life of the CD Units. The fair value of the fourth tranche of debt was determined to be \$159, the conversion feature \$96 and the warrants \$45. The difference between the fair value of the debt of \$159 and the face value of debt of \$300 will be accreted as interest expense over the four-year life of the CD Units. The value of the conversion feature and the warrants is recorded Additional paid-in capital as the equity component of convertible debt issuance.

At the end of April 2020, the Company launched a separate non-brokered private placement of convertible debenture units ("April CD Unit") for gross proceeds of up to \$500, with an option to increase the offering by an additional \$500 (the "April Offering"). The \$830 proceeds from the April Offering were used for working capital and to retire part of the \$800 obligation due on May 15, 2020 to the Sellers of Neuro-Pro Monitoring. Each April CD Unit was offered at a price of \$1. Each April CD Unit included, among other things, 1,000 common share purchase warrants that allow the holder to purchase shares of the Company's common stock at a price of \$1.00 per share for a period of three years and the right to convert the CD Unit into shares of the Company's common stock as a conversion price of \$0.67 for a period of four years, The CD Units carry a 9% coupon rate. On May 21, 2020, the Company closed the April Offering. In conjunction with the April Offering, Finders' received \$23 and 34,476 warrants to purchase shares of the Company's common stock at a price of \$1.00 per share for four years. The fair value of the April Offering of debt was determined to be \$364, the conversion feature \$279 and the warrants \$187. The difference between the fair value of the debt of \$364 and the face value of debt of \$830 will be accreted as interest expense over the four-year life of the CD Units. The value of the conversion feature and the warrants is recorded Additional paid-in capital as the equity component of convertible debt issuance.

NOTE 9 — SHAREHOLDERS' EQUITY***Stock Option Plan***

Under the Company's stock option plan (the "Stock Option Plan"), the Company may grant options to purchase common shares of the Company to its directors, officers, employees and consultants. The maximum number of our Common Shares that may be reserved for issuance under the Plan, is a variable number equal to 10% of the issued and outstanding Common Shares on a non-diluted basis at any one time. Options under the Plan are granted from time to time at the discretion of the Board of Directors, with vesting periods and other terms as determined by the Board of Directors.

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In June 2020, the Company launched a non-brokered private placement of units of the Company (the “June Units”) for gross proceeds of up to \$300 (the “June Offering”). Each June Unit was offered at a price of \$0.81 and consisted of one common share and one-half of one share purchase warrant (each whole share purchase warrant, “Warrant”). Each Warrant entitles the holder to acquire one common share at an exercise price of \$1.13 per share for a period of 24 months. The Company raised \$102 from the issuance of 125,924 common shares related to the June Offering, which closed in July 2020, from two surgeons who are the majority owners of one of the PEs.

During September 30, 2020, the Company issued 50,000 common shares to settle \$40 of outstanding accounts payable.

A summary of the stock option activity is as follows:

	<u>Options Outstanding</u>	
	<u>Number of Shares Subject to Options</u>	<u>Weighted Average Exercise Price Per Share</u>
Balance at December 31, 2018	3,335,000	\$ 0.48
Options granted	1,501,000	\$ 1.56
Options exercised	(650,000)	\$ 0.15
Options canceled / expired	(1,000,000)	\$ 0.05
Balance at December 31, 2019	<u>3,186,000</u>	<u>\$ 1.12</u>
Options granted	300,000	\$ 0.90
Options canceled / expired	(101,000)	\$ 1.67
Balance at September 30, 2020	<u>3,385,000</u>	<u>\$ 1.08</u>
Vested and exercisable at September 30, 2020	<u>2,269,266</u>	<u>0.93</u>

Options

The Company uses the Black-Scholes option pricing model to determine the estimated fair value of options. The fair value of each option grant is determined on the date of grant and the expense is recorded on a straight-line basis and is included as a component of General and Administrative expense. The assumptions used in the model include expected life, volatility, risk-free interest rate, and dividend yield. The Company’s determinations of these assumptions are outlined below.

Expected life — The expected life assumption is based on analysis of the Company’s historical employee exercise patterns.

Volatility — Volatility is calculated using the historical volatility of the Company’s common stock for a term consistent with the expected life.

Risk-free interest rate — The risk-free interest rate assumption is based on the U.S. Treasury rate for issues with remaining terms similar to the expected life of the options.

Dividend yield — Expected dividend yield is calculated based on cash dividends declared by the Board for the previous four quarters and dividing that result by the average closing price of the Company’s common stock for the quarter. The Company has not declared a dividend to date.

Forfeiture rate — The Company does not estimate a forfeiture rate at the time of the grant due to the limited number of historical forfeitures. As a result, the forfeitures are recorded at the time the grant is forfeited.

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The following assumptions were used to value the awards granted in the three months ended September 30, 2020:

Expected life (in years)	5
Risk-free interest rate	3%
Dividend yield	0%
Expected volatility	107%

There were no equity awards issued during the first and second quarters of 2020. During the third quarter of 2020, the Company awarded 300,000 stock options to employees.

Derivative Liability

Stock options granted to consultants that have a strike price that is different than the Company's functional currency are treated as a liability and are revalued at the end of each reporting period for the term of the vesting period. Any change in the fair value of the stock option subsequent to the initial recognition is recorded in the consolidated statements of income.

Changes in the Company's stock option liability were as follows:

Balance at December 31, 2019	\$ 66
Gain on revaluation	(50)
Balance at September 30, 2020	\$ 16

Warrants

As part of 2019 the convertible debt issuance, the Company issued 344,505 warrants to the convertible debt holders and 48,250 finders' fee warrants. The Company calculated the fair value of \$622 for the 2019 warrants using the Black-Scholes Option Pricing Model on the issuance date. The assumptions used for the Black-Scholes Option Pricing model to value the 2019 warrants were as follows:

Risk free rate of return	1.60%
Expected life	4 years
Expected volatility	171%
Expected dividend per share	nil
Exercise price	\$1.40
Stock price	\$1.31

As part of the 2020 convertible debt issuance, the Company issued 1,420,835 warrants to the convertible debt holders and 90,777 finders' fee warrants. In conjunction with the June Offering, the Company issued 62,962 warrants.

A summary of the stock warrant activity is as follows:

	Number	Weighted Average Exercise Price	Weighted Average Remaining life
Outstanding – December 31, 2019	392,755	1.40	
Issued	1,574,574	1.19	
Outstanding – September 30, 2020	<u>1,967,329</u>	1.23	2.99

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The Company calculated the fair value of \$1,072 for the warrants issued during the nine months ended September 30, 2020 using the Black-Scholes Option Pricing Model on the issuance date. The assumptions used for the Black-Scholes Option Pricing model to value the warrants were as follows:

Risk free rate of return	0.3% – 1.6%
Expected life	3 – 4 years
Expected volatility	89%
Expected dividend per share	nil
Exercise price	\$0.67 – \$1.90
Stock price	\$0.72 – \$1.25

NOTE 10 — EARNINGS PER SHARE

The following table sets forth the computation of basic and fully diluted income per common share for three and nine months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net (loss)/income	\$ (977)	\$ 3,669	\$ (14,711)	\$ 9,441
Basic weighted average common share outstanding	34,940,291	34,411,980	34,843,639	34,608,711
Basic earnings/(loss) per common share	\$ (0.03)	\$ 0.11	\$ (0.42)	\$ 0.27
Net (loss)/income	\$ (977)	\$ 3,669	\$ (14,711)	\$ 9,441
Basic weighted average common shares outstanding	34,940,291	34,411,980	34,843,639	34,608,711
Dilutive effect of stock options, warrants, and performance shares	—	6,018,867	—	6,018,867
Dilutive weighted average common shares outstanding	34,940,291	40,430,847	34,843,639	40,627,578
Diluted (loss)/earnings per common share	\$ (0.03)	\$ 0.09	\$ (0.42)	\$ 0.23

Basic net income per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income per share is computed using the treasury stock method to calculate the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential dilutive common shares include incremental common shares issuable upon the exercise of stock options, less shares from assumed proceeds. The assumed proceeds calculation includes actual proceeds to be received from the employee upon exercise and the average unrecognized stock compensation cost during the period.

At September 30, 2020 and 2019, stock options to purchase 3,385,000 and 1,676,000 common shares, respectively and warrants to purchase 1,967,329 and 0 common shares, respectively were not included in the computation of diluted weighted average common shares outstanding because their effect would have been anti-dilutive in periods for which the Company has a net loss.

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Income Tax Expense

For the three and nine months ended September 30, 2020, the Company recorded income tax benefits of \$367 and \$2,396, respectively. The income tax benefit was recorded to the extent of previously recorded deferred tax liabilities, however a valuation allowance has been established against the deferred tax assets as it is not more likely than not they will be recognized. For the three and nine months ended September 30, 2019, the Company recorded income tax expense of \$1,094 and \$3,022, respectively. The Company's estimated annual tax rate is impacted primarily by the amount of taxable income earned in each jurisdiction the Company operates in, changes in deferred tax assets and liabilities, and to permanent differences between financial statement carrying amounts and the tax basis.

NOTE 12. EQUITY METHOD INVESTMENT

Assure Networks, LLC holds various interests in PEs that are accounted for under the equity method of accounting. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the Company's pro rata share of earnings or loss of the investee. The amount of the adjustment is included in the determination of the Company's net income and the investment account is also adjusted for any profit distributions received or receivable from an investee.

Balance, December 31, 2019	\$ 2,360
Share of losses	(1,449)
Distributions	(424)
Balance, September 30, 2020	\$ 487

NOTE 13. RELATED PARTY TRANSACTIONS

Related party transactions were as follows:

	September 30, 2020	December 31, 2019
Due from PEs, net	\$ 3,381	\$ 2,489
Due from management and Board, net	349	128
Due from related parties, net	<u>\$ 3,730</u>	<u>\$ 2,617</u>

The majority of this balance relates to PEs that the Company manages but has no ownership interest. The amount due is interest-free and is subject to repayment within one year. During July 2020, two surgeons who are the majority owners of one of the PEs purchased 125,924 shares of the Company's common shares for \$102.

Amount due from management and Board, net relate to personal expenses, distributions and compensation not authorized by an employment agreement or otherwise, net of amounts owed to Board members and advances from certain members of the Company's management team.

During March 2019, Mr. Willer agreed to settle his \$375 indebtedness to the Company. Prior to the settlement, Mr. Willer was owed 1,000,000 common shares pursuant to a performance share agreement. As part of the settlement, Mr. Willer agreed to reduce the number of common shares owed to him pursuant to the performance share agreement by 250,000 common shares. The Company will account for this settlement at closing. The closing had not yet occurred as of November 30, 2020.

During 2019, two members of the Company's management team advanced the Company approximately \$190. As of September 30, 2020, the advances had been completely repaid.

ASSURE HOLDINGS CORP.**Notes to Condensed Consolidated Financial Statements**
(in thousands, except share and per share amounts)
(Unaudited)

Compensation to family members of the Company's Founder and former Executive Chairman for business development services and patient advocate services rendered during the three months ended September 30, 2020 and 2019 totaled \$75 and \$81, respectively, and \$216 and \$216 during the nine months ended September 30, 2020 and 2019, respectively.

In August 2020, the Company entered into a \$6,500 Loan Facility (as defined in Note 7) with Colorado based, Central Bank & Trust, a part of Farmers & Stockmens Bank ("Central Bank"). A former member of the Company's Board of Directors is the Chief Executive Officer of Central Bank. See Notes 7 and 11 for further discussion.

NOTE 14. COMMITMENTS AND CONTINGENCIES***Indemnifications***

The Company is a party to a variety of agreements in the ordinary course of business under which it may be obligated to indemnify third parties with respect to certain matters. These obligations include, but are not limited to, contracts entered into with physicians where the Company agrees, under certain circumstances, to indemnify a third party, against losses arising from matters including but not limited to medical malpractice and other liability. The impact of any such future claims, if made, on future financial results is not subject to reasonable estimation because considerable uncertainty exists as to final outcome of these potential claims.

As permitted under Nevada law, the Company has agreements whereby it indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was, serving at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company believes, given the absence of any such payments in the Company's history, and the estimated low probability of such payments in the future, that the estimated fair value of these indemnification agreements is immaterial. In addition, the Company has directors' and officers' liability insurance coverage that is intended to reduce its financial exposure and may enable the Company to recover any payments, should they occur.

Performance share compensation

As part of a reverse takeover transaction ("RTO") during 2016, the Company entered into a one-time stock grant agreement with two executives (Messrs. Preston Parsons and Matthew Willer) on November 8, 2016, each of which defines a bonus share threshold as follows: should the Company meet or exceed a 2017 fiscal year EBITDA threshold of \$7,500 CAD, the Company would issue 6,000,000 common shares of the surviving issuer at the trailing 30-day average closing price. The performance share grant was structured as part of the RTO transaction to provide additional equity to management conditioned upon performance achievements. As the Company achieved the EBITDA threshold for the year ended December 31, 2017, the Company recorded a liability of approximately \$16,011 for the value of the shares to be issued while the agreements were modified and the cash collected threshold was achieved, which the Company deems probable.

During March 2019, Mr. Parsons agreed to amend his performance share agreement whereby the 5 million common shares due him will be distributed based upon the Company collecting \$9,800 of cash receipts and achieving certain other milestones. As of December 31, 2019, the Company had collected over 100% of the required cash receipts. However, by consent between Mr. Parsons and the Company, no performance shares have been issued through September 30, 2020. Additionally, Mr. Parsons has voluntarily decided to distribute 1,000,000 performance shares to certain employees of the Company, 300,000 performance shares to John Farlinger, Chief Executive Officer, and 200,000 performance shares to each of Trent Carman, Chief Financial Officer, and Alex Rasmussen, Vice President of Operations.

ASSURE HOLDINGS CORP.**Notes to Condensed Consolidated Financial Statements
(in thousands, except share and per share amounts)
(Unaudited)****NOTE 15 — SUBSEQUENT EVENTS**

During September 2020, the Company received notice from Central Bank that the reserves recorded by the Company against its accounts receivable during the quarter ended June 30, 2020 constituted a material adverse change in the assets of the Company and thereby triggered an event of default under the Loan Facility. Central Bank has not demanded repayment of amounts advanced under the Loan Facility. The Company and Central Bank are currently working on certain terms of the Loan Facility. Currently, no additional amounts may be borrowed under the Loan Facility. As a result of this notice of default, the Company has classified the entire outstanding balance of the Loan Facility as a current liability. In conjunction with the notice from Central Bank, Mr. Scott Page, the Chief Executive Officer of Central Bank, resigned from the Company's Board of Directors.

During November 2020, the Company filed an application for forgiveness of its PPP Loan. The Company was subsequently notified that the PPP Loan had been forgiven. The loan forgiveness will be recorded during the fourth quarter of 2020.

In December 2020, the Company completed a brokered private placement of units of the Company's common stock (the "December Units") for gross proceeds of \$10,468 (the "December Offering"). Each December Unit was offered at a price of \$0.64 and consisted of one common share and one share purchase warrant "Warrant"). Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.78 per common share for a period of 60 months.

Three members of Company's management and two Board participated in the private placement and may sell up to 952,904 shares of common stock.



32,715,406 SHARES OF COMMON STOCK

PROSPECTUS

, 2020

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following is a statement of approximate expenses to be incurred by Assure Holdings Corp. in connection with the distribution of the securities registered under this registration statement. All amounts shown are estimates except for the SEC registration fee.

	<u>Amount</u>
SEC registration fee	\$ 3,784
Legal fees and expenses	\$40,000
Accountant's fees and expenses	\$15,000
Miscellaneous	\$10,000
Total	<u>\$68,784</u>

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The NRS empower us to indemnify our directors and officers against expenses relating to certain actions, suits or proceedings as provided for therein. In order for such indemnification to be available, the applicable director or officer must not have acted in a manner that constituted a breach of his or her fiduciary duties and involved intentional misconduct, fraud or a knowing violation of law, or must have acted in good faith and reasonably believed that his or her conduct was in, or not opposed to, our best interests. In the event of a criminal action, the applicable director or officer must not have had reasonable cause to believe his or her conduct was unlawful.

Pursuant to our articles, we may indemnify each of our present and future directors, officers, employees or agents who becomes a party or is threatened to be made a party to any suit or proceeding, whether pending, completed or merely threatened, and whether said suit or proceeding is civil, criminal, administrative, investigative, or otherwise, except an action by or in the right of the Company, by reason of the fact that he is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including, but not limited to, attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit, proceeding or settlement, provided such person acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The expenses of directors, officers, employees or agents of the Company incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Company as they are incurred and in advance of the final disposition of the action, suit, or proceeding, if and only if the director, officer, employee or agent undertakes to repay said expenses to the Company if it is ultimately determined by a court of competent jurisdiction, after exhaustion of all appeals therefrom, that he is not entitled to be indemnified by the corporation.

No indemnification shall be applied, and any advancement of expenses to or on behalf of any director, officer, employee or agent must be returned to the Company, if a final adjudication establishes that the person's acts or omissions involved a breach of any fiduciary duties, where applicable, intentional misconduct, fraud or a knowing violation of the law which was material to the cause of action.

The NRS further provides that a corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise for any liability asserted against him and liability and expenses incurred by him in his capacity as a director, officer, employee or agent, or arising out of his status as such, whether or not the corporation has the authority to indemnify him against such liability and expenses. We have secured a directors' and officers' liability insurance policy. We expect that we will continue to maintain such a policy.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.**2018**

During 2018, we issued securities pursuant to exemptions from the registration requirements of the Securities Act in the following transactions:

Rule 701 Compensatory Grants and Issuances

We granted options to purchase shares of common stock to officers, directors and employees pursuant to Rule 701 of the Securities Act as follows:

Grantee	Award	Exercise Price	Expiry Date
Peter Csapo, Chief Financial Officer	500,000		Cancelled
Alex Rasmussen, Executive Vice President of Operations	75,000	\$ 1.80	1/16/2028
	38,000	\$ 1.80	10/1/2023
Martin Burian, Director	75,000	\$ 1.80	10/1/2023
Kent Lund, Director	75,000	\$ 1.80	Cancelled
John Farlinger, Director	302,000	\$ 1.80	10/1/2023
Employee	10,000	\$ 1.80	10/1/2023

We issued 50,000 shares of common stock pursuant to the exercise of options granted to Matt Willer in 2015 at an exercise price of \$0.05 per share. The shares were issued pursuant to Rule 701 of the Securities Act.

Section 4(a)(2) Exempt Issuances

We issued 7,000 shares pursuant to the exercise of warrants by an “accredited investor” (as defined in Rule 501(a) of Regulation D) pursuant to Section 4(a)(2) of the Securities Act.

2019

During 2019, we issued securities pursuant to exemptions from the registration requirements of the Securities Act in the following transactions:

Rule 701 Compensatory Grants and Issuances

We granted options to purchase shares of common stock to officers, directors and employees pursuant to Rule 701 of the Securities Act as follows:

<u>Grantee</u>	<u>Award</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Alex Rasmussen, Executive Vice President of Operations	37,000 50,000	\$ 1.56 \$ 1.28	1/16/2024 10/4/2024
Trent Carman, Chief Financial Officer	157,000	\$ 1.56	Cancelled
Scott Page, Director	150,000	\$ 1.56	Cancelled
Martin Burian, Director	150,000	\$ 1.56	1/16/2024
Chris Rumana, Director	150,000	\$ 1.56	1/16/2024
Steven Summer, Director	150,000	\$ 1.28	10/4/2024
John Farlinger, Director	117,000	\$ 1.56	Cancelled 10/4/2024
Other Employees ⁽²⁾	257,500 160,000	\$ 1.56 \$ 1.28	1/16/2024 10/4/2024

On March 4, 2020, Mr. Parsons entered into a Stock Grant Amendment and Transfer Agreement, under which he agreed to transfer and distribute 1,700,000 of the 5,000,000 Performance Shares to which he is entitled to certain employees and senior management. Pursuant to a vesting agreement dated December 29, 2020, the Performance Shares vest on December 31, 2021 or earlier upon the satisfaction of certain conditions.

We issued 500,000 shares of common stock pursuant to the exercise of options granted to Preston Parsons in 2015 at an exercise price of \$0.05 per share. The shares were issued pursuant to Rule 701 of the Securities Act.

We granted options to a third party to acquire 120,000 shares of common stock at \$1.56 per share for services. The options were granted to one grantee that was an accredited investor pursuant to Section 4(a)(2) of the Securities Act.

Regulation D/Section 4(a)(2) Exempt Issuances

Convertible Debenture Units (November 2019 Offering)

On November 22, 2019, we launched a non-brokered private placement of convertible debenture units to “accredited investors” as defined in Rule 501(a) of Regulation D. Each convertible debenture unit was offered at a price of \$1,000 and consisted of one convertible debenture with a face value of \$1,000, convertible into common stock at a conversion price of \$1.40 per share for a period of four years, and 357 common share purchase warrants, each warrant exercisable by the holder to acquire one share of common stock at a price of \$1.90 per share for a period of three years. The convertible debenture units carry a 9% annual coupon rate.

On December 13, 2019, we closed on Tranche 1 of the Offering for gross proceeds of \$965,000. In connection with the closing, we issued convertible debentures with a face value of \$965,000 and 344,505 share purchase warrants. We paid finders a fee of \$67,000 and 48,250 warrants to purchase shares of the Company’s common stock at a price of \$1.90 per share for three years.

GVC Capital LLC and Heidtke & Co. Inc. received finders fees and warrants: GVC Capital LLC and Heidtke & Co. Inc.

The Debentures and Warrants were issued on reliance to the exemption from registration pursuant to Rule 506(b) of Regulation D under the Securities Act of 1933, as amended. The Debentures and Warrants bear U.S. restrictive legends.

2020

During 2020, we issued securities pursuant to exemptions from the registration requirements of the Securities Act in the following transactions:

Rule 701 Compensatory Grants and Issuances

We granted options to purchase shares of common stock to officers, directors and employees pursuant to Rule 701 of the Securities Act as follows:

Grantee	Award	Exercise Price	Expiry Date
Alex Rasmussen, Executive Vice President of Operations	75,000	\$ 0.97	12/10/2025
John Price, Vice President of Finance	250,000	\$ 0.97	12/10/2025
Other Employees	300,000	\$ 0.90	8/27/2025
	240,000	\$ 0.97	12/10/2025

We issued 500,000 shares of common stock pursuant to the exercise of options granted to Preston Parsons in 2015 at an exercise price of \$0.05 per share. The shares were issued pursuant to Rule 701 of the Securities Act.

*Regulation D/Section 4(a)(2) Exempt Issuances*Convertible Debenture Units (November 2019 Offering)

From January 2020 to April 2020, we closed on three separate tranches of the non-brokered private placement of convertible debenture units that commenced in November 2019 for total proceeds of \$1,655,000. The offering was made to “accredited investors” as defined in Rule 501(a) of Regulation D. In connection with the closings, we issued convertible debentures with a total face value of \$1,655,000 and 590,835 share purchase warrants. Each convertible debenture unit was offered at a price of \$1,000 and consisted of one convertible debenture with a face value of \$1,000, convertible into common stock at a conversion price of \$1.40 per share for a period of four years, and 357 common share purchase warrants, each warrant exercisable by the holder to acquire one share of common stock at a price of \$1.90 per share for a period of three years. The convertible debenture units carry a 9% annual coupon rate.

In conjunction with the closing of the first tranche of the Units, finders were paid a total fee of \$78,820 and 56,299 warrants. The Warrants allow the finders to acquire one common share of the Company at a price of \$1.40 per share for a period of three years. GVC Capital LLC, Alpha North, Leede, Mackie and Canaccord Capital received finders fees and warrants.

The Debentures and Warrants were issued on reliance to the exemption from registration pursuant to Rule 506(b) of Regulation D under the Securities Act of 1933, as amended. The Debentures and Warrants bear U.S. restrictive legends.

Convertible Debenture Units (April 2020 Offering)

At the end of April 2020, we launched a separate non-brokered private placement of convertible debenture units to “accredited investors” as defined in Rule 501(a) of Regulation D. Each convertible debenture unit consisted of one convertible debenture with a face value of \$1,000, convertible into shares of common stock at a conversion price of \$0.67 for a period of four years and 1,000 common share purchase warrants exercisable by the holder to purchase shares of common stock at a price of \$1.00 per share for a period of three years. The convertible debenture carry a 9% annual coupon rate.

On May 21, 2020, we closed the offering for proceeds of \$830,000 and issued convertible debentures with a face value of \$830,000 and 830,000 share purchase warrants.

We paid finders a fee of \$23,100 and 34,476 warrants exercisable to purchase shares of common stock at a price of \$1.00 per share for four years. GVC Capital LLC, Leede, Canaccord Capital and Heidtke & Co. Inc. received finders fees and warrants.

The Debentures and Warrants were issued on reliance to the exemption from registration pursuant to Rule 506(b) of Regulation D under the Securities Act of 1933, as amended. The Debentures and Warrants bear U.S. restrictive legends.

Other Private Placement

On July 13, 2020, we issued 125,924 shares of common stock at \$0.81 per share and 62,962 warrants to purchase common shares for \$0.81, for gross proceeds of \$120,000 to two investors. The proceeds were used for general and administrative expenses. The private placement was to two “accredited investors” as defined in Rule 501(a) of Regulation D in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended.

On August 4, 2020, we issued 50,000 shares of common stock to one investor at \$0.81 per share for gross proceeds of \$40,500, which were in settlement of an account. The private placement was to an “accredited investors” as defined in Rule 501(a) of Regulation D in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended.

December 2020 Private Placement

On December 1, 2020, we entered into securities purchase agreements with the selling stockholders, pursuant to which we sold and issued to the investors an aggregate of 16,357,703 units of the Company at an issue price of \$0.64 per Unit, for gross proceeds of \$10,468,930. Each unit consisted of one share of common stock and one common stock warrant, each exercisable to acquire one share of common stock at \$0.78 per share for a period of five years from the date of issuance. Accordingly, we issued the Investors 16,357,703 shares of common stock and 16,357,703 common stock warrants. Pursuant to the Securities Purchase Agreement, we entered into a registration rights agreement, requiring us to register the shares of common stock issued under the units and the shares of common stock acquireable upon exercise of the warrants for resale under the Securities Act. The offering was made to “accredited investors” as defined in Rule 501(a) of Regulation D.

We paid finders a fee of \$761,476. The following finders received finders fees: The Benchmark Company, LLC (\$726,878) and Odeon Capital Group LLC (\$200,000).

The Common Stock and Warrants were issued on reliance to the exemption from registration pursuant to Rule 506(b) of Regulation D under the Securities Act of 1933, as amended. The Debentures and Warrants bear U.S. restrictive legends.

Performance Share Grant

On December 29, 2020, we issued 5,000,000 shares of restricted common stock to seven employees and/or officers of Assure, which were initially granted to Preston Parsons by our predecessor. On March 4, 2020, Mr. Parsons agreed to reallocate 1,700,000 shares of restricted common stock to six employees and/or officers of Assure, including John Farlinger, our CEO (300,000 shares) and Trent Carman, our CFO (200,000), under the terms of Incentive Stock Agreements. The restricted stock is subject to forfeiture under the terms of Restricted Stock Award Agreements dated December 29, 2020, and will vest on December 31, 2021 or earlier upon satisfaction of certain conditions. The shares of common stock were issued to officers, directors and employees pursuant to Rule 701 of the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.**(a) Exhibits.**

The exhibits filed and furnished with this registration statement are set forth on the “*Exhibit Index*” set forth elsewhere herein.

(b) Financial Statement Schedules.

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, or are inapplicable, and therefore have been omitted.

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes:

(A) (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(B) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with

the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

EXHIBIT INDEX

Exhibit Number	Description
3.1	Articles of Incorporation of Montreux Capital Corp. dated May 15, 2017
3.2	Articles of Domestication (from British Columbia to State of Nevada) dated May 15, 2017
3.3	Certificate of Amendment to Articles of Incorporation (Name Change) of Montreux Capital Corp. dated May 17, 2017
3.4	Bylaws of Assure Holdings Corp.
4.1	Form of Warrants (December 1, 2020)
4.2	Form of Convertible Notes (December 2019/April 2020)
4.3	Form of Warrants (December 2019/April 2020)
5.1	Opinion of Dorsey & Whitney LLP
10.1	Share Exchange Agreement among Montreux Capital Corp. and Assure Holdings Inc. dated May 16, 2017
10.2	Stock Grant Agreement between Assure Neuromonitoring and Preston Parsons dated June 15, 2016
10.3	Stock Grant Agreement between Assure Neuromonitoring and Matthew Willer dated June 15, 2016
10.4	Employment Agreement between Assure Holdings Corp. and Preston Parsons dated November 7, 2016
10.5	Employment Agreement between Assure Holdings Corp. and John Farlinger dated June 1, 2018
10.6	Executive Employment Agreement between Assure Holdings Corp. and Trent Carman
10.7	Debt Settlement Agreement between Assure Holdings Corp. and Preston Parsons dated August 16, 2018
10.8	Share Grant Amendment and Transfer Agreement between Assure Holdings Corp. and Preston Parsons dated March 4, 2020
10.9	Form of Stock Grant Agreement dated December 29, 2020
10.10	Loan Agreement between Assure Holdings Corp. and Central Bank & Trust, part of Farmers & Stockmens Bank, dated August 12, 2020
10.11	Guaranty Agreement between Subsidiaries of Assure Holdings Corp. and Central Bank & Trust, part of Farmers & Stockmens Bank, dated August 12, 2020
10.12	Security Agreement between Assure Holdings Corp. and Central Bank & Trust, part of Farmers & Stockmens Bank, dated August 12, 2020
10.13	Promissory Note of Assure Holdings Corp. to Central Bank & Trust, part of Farmers & Stockmens Bank, dated August 12, 2020
10.14	Securities Purchase Agreement among Assure Holdings Corp. and Selling Shareholders dated December 1, 2020
10.15	Registration Rights Agreement among Assure Holdings Corp. and Selling Shareholders dated December 1, 2020
10.16	Stock Option Plan, as amended (approved on December 10, 2020)
10.17	Equity Incentive Plan (approved on December 10, 2020)
14.1	Code of Ethics
21.1	List of Subsidiaries
23.1	Consent of Dorsey & Whitney LLP (included in Exhibit 5.1)
23.2	Consent of Baker Tilly US LLP
24.1	Power of Attorney (included on signature page).

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, Colorado, on the 30th day of December, 2020.

ASSURE HOLDINGS CORP.

By: /s/ John Farlinger

Name: John Farlinger

Title: Executive Chairperson and Chief Executive Officer

POWERS OF ATTORNEY

Each of the undersigned officers and directors of Assure Holdings Corp., a Nevada corporation, hereby constitutes and appoints John Farlinger and Trent Carman and each of them, severally, as his or her attorney-in-fact and agent, with full power of substitution and resubstitution, in his or her name and on his or her behalf, to sign in any and all capacities this registration statement and any and all amendments (including post-effective amendments) and exhibits to this registration statement and any and all applications and other documents relating thereto, with the Securities and Exchange Commission, with full power and authority to perform and do any and all acts and things whatsoever which any such attorney or substitute may deem necessary or advisable to be performed or done in connection with any or all of the above described matters, as fully as each of the undersigned could do if personally present and acting, hereby ratifying and approving all acts of any such attorney or substitute.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ John Farlinger</u> John Farlinger	Executive Chairperson and Chief Executive Officer	December 30, 2020
<u>/s/ Trent Carman</u> Trent Carman	Chief Financial Officer	December 30, 2020
<u>/s/ Preston Parsons</u> Preston Parsons	Director and Founder	December 30, 2020
<u>/s/ Martin Burian</u> Martin Burian	Director	December 30, 2020
<u>/s/ Christopher Rumana</u> Christopher Rumana	Director	December 30, 2020
<u>/s/ Steven Summer</u> Steven Summer	Director	December 30, 2020



BARBARA K. CEGAUSKE
 Secretary of State
 202 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov



040105

Articles of Incorporation
 (PURSUANT TO NRS CHAPTER 78)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

1. Name of Corporation:	Montreux Capital Corp.		
2. Registered Agent for Service of Process: (check only one box)	<input checked="" type="checkbox"/> Commercial Registered Agent: Corporation Trust Company of Nevada Name		
	<input type="checkbox"/> Noncommercial Registered Agent (name and address below) OR <input type="checkbox"/> Office or Position with Entity (name and address below)		
	Name of Noncommercial Registered Agent OR Name of Title of Office or Other Position with Entity		
	Street Address	City	Nevada Zip Code
Mailing Address (if different from street address) City Nevada Zip Code			
3. Authorized Stock: (number of shares corporation is authorized to issue)	Number of shares with par value: 900,000,000	Par value per share: \$.001	Number of shares without par value: 0
4. Names and Addresses of the Board of Directors/Trustees: (each Director/Trustee must be a natural person at least 18 years of age; attach additional page if more than two directors/trustees)	1) Ian M. Burns Name		
	La Maison Godaine, Les Godaines	St. Martin	GY GY4 6QL State Zip Code
	2) Laurie W. Sadler Name		
	3785 Mallard Place	Nanoose Bay	BC V9P 9H1 State Zip Code
5. Purpose: (optional; required only if Benefit Corporation status selected)	The purpose of the corporation shall be:		
7. Name, Address and Signature of Incorporator: (attach additional page if more than one incorporator)	I declare, to the best of my knowledge under penalty of perjury, that the information contained herein is correct and acknowledge that pursuant to NRS 239.356, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.		
	Jeffrey B. Lightfoot (counsel to Corporation)	<input checked="" type="checkbox"/> Incorporator's Signature	
	PO Box 49130, 2900- 595 Burrard St	Vancouver	BC V7X 1J5 State Zip Code
8. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity.		
<input checked="" type="checkbox"/>	Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity	Date: 5.12.17	

This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS 78 Articles Revised: 1-5-15



140903



BARBARA K. CEGAVSKE
 Secretary of State
 202 North Carson Street
 Carson City, Nevada 89701-4201
 (775) 684-5708
 Website: www.nvsos.gov

Articles of Domestication
 (PURSUANT TO NRS 92A.270)

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1. Entity Name and Type of Domestic Entity as set forth in its Constituent Documents:	Montreux Capital Corp. Corporation formed under the British Columbia Business Corporations Act.
2. Entity Name Before Filing Articles of Domestication:	Montreux Capital Corp.
3. Date and Jurisdiction of Original Formation:	September 24, 2007 British Columbia, Canada
4. Jurisdiction that Constituted the Principal Place of Business, Central Administration or Equivalent of the Undomesticated Entity Immediately Before Articles of Domestication:	British Columbia, Canada
5. Signature of Authorized Representative:	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <input checked="" type="checkbox"/> Authorized Signature </div> <div style="border: 1px solid black; padding: 2px;"> 5.12.17 </div> </div> <div style="text-align: right; margin-top: 5px;"> Date </div>

Filing Fee: \$350.00

IMPORTANT: This document must be accompanied by the appropriate constituent document for the type of domestic entity described in article 1 above and the filing fees.

This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS 92A Domestication
 Revised: 1-5-15



090204



BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Certificate of Amendment
(PURSUANT TO NRS 78.385 AND 78.390)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation
For Nevada Profit Corporations
(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)

1. Name of corporation:

Montreux Capital Corp.

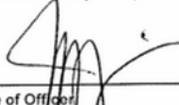
2. The articles have been amended as follows: (provide article numbers, if available)

The name of the corporation has been changed from Montreux Capital Corp. to Assure Holdings Corp

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation* have voted in favor of the amendment is: 100%

4. Effective date and time of filing: (optional) Date: Time: (must not be later than 90 days after the certificate is filed)

5. Signature: (required)

X 

Signature of Officer

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless to limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.
This form must be accompanied by appropriate fees. Nevada Secretary of State Amend Profit-After Revised: 1-5-15

APPENDIX “C”

By-Law No.1

A by-law relating generally to the conduct of the affairs of ASSURE HOLDINGS CORP.

BE IT ENACTED as a by-law of Assure Holdings Corp. (the “Corporation”) as follows:

1 - DEFINITIONS

1.1 Definitions

1.1.1 In this By-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:

“**Act**” means Nevada’s general corporate law set forth in Chapter 78 of the Nevada Revised Statutes and Nevada’s laws governing mergers, exchanges, and conversions of business entities as set forth in NRS Chapter 92A from time to time in force and all amendments thereto including all regulations and amendments thereto made pursuant to Nevada Corporate Law;

“**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as well as in the United States, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province, state and territory Canada or the United States;

“**appoint**” includes “elect” and vice versa;

“**board**” means the board of directors of the Corporation

“**by-law**” means this by-law and any other by-law of the Corporation from time to time in force and effect;

“**meeting of shareholders**” includes an annual meeting of shareholders and a special meeting of shareholders;

“**non-business day**” means Saturday, Sunday and any other day that is a statutory holiday in the Province of Ontario, Province of British Columbia, State of Colorado or the State of Nevada;

“**recorded address**” means in the case of a shareholder, his or her address as recorded in the securities register; and in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding, or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, his or her latest address as recorded in the records of the Corporation;

“**signing officer**” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.4 or by a resolution passed pursuant thereto;

“**special meeting of shareholders**” includes a meeting of any class or classes of shareholders, and means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders:

1.1.2 all terms contained in the by-laws that are not otherwise defined in the by-laws and which are defined in the Act shall have the meanings given to such terms in the Act:

1.1.3 words importing the singular shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; and the word “**persons**” shall include individuals, bodies corporate, partnerships, associations, personal representatives and any number or aggregate of persons; and

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1.1.4 the headings used in the by-laws are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions thereof, or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

1.2 Conflicts with Laws

1.2.4 The Corporation was continued as a Nevada domestic corporation on May 15, 2017. In the event of any inconsistencies between the by-laws and mandatory provisions of the Act, the provisions of the Act shall prevail.

2 – BUSINESS OF THE CORPORATION

2.1 Registered Office

Unless changed in accordance with the Act, the registered office of the Corporation shall be at the place specified in the articles and at such address therein as the directors may from time to time determine.

2.2 Corporate Seal

The corporate seal of the Corporation shall be in such form as the directors may by resolution adopt from time to time.

2.3 Financial Year

The first financial period of the Corporation and thereafter the fiscal year of the Corporation shall terminate on such date as the directors may by resolution determine.

2.4 Execution of Instruments

2.4.1 Subject to section 2.5, contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any one officer or director.

- 2.4.2 The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.
- 2.4.3 Any director or officer who may execute contracts, documents or instruments in writing, on behalf of the Corporation, may direct the manner in which and the person or persons by whom any particular contract, document or instrument in writing, or class thereof, may or shall be executed and delivered on behalf of the Corporation.
- 2.4.4 The signature or signatures of any officer or director of the Corporation and of any officer or officers, person or persons appointed as aforesaid by resolution of the directors may, if specifically authorized by resolution of the directors, be printed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation, and all contracts, documents or instruments in writing or securities of the Corporation on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, as authorized by resolution of the directors, shall be deemed to have been manually signed by such officers, directors or persons whose signature or signatures is or are so reproduced, and shall be as valid to all intents and purposes as if they had been signed manually, and notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or securities of the Corporation.

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- 2.4.5 The corporate seal of the Corporation may, when required, be affixed to contracts, documents or instruments in writing signed as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the board of directors, although a document is not invalid merely because a corporate seal is not affixed thereto.
- 2.4.6 The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

2.5 Banking Arrangements

- 2.5.1 The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as determined by any one officer or director. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as any one director may from time to time determine.
- 2.5.2 All cheques, drafts or orders for the payment of money, and all notes, acceptances and bills of exchange shall be signed by any one officer or director or other person or persons, whether or not an officer or officers of the Corporation, and in such manner as any one director may from time to time determine.

2.6 Custody of Securities

- 2.6.1 All securities (including shares, debentures, bonds, notes, warrants or other obligations or securities) owned by the Corporation shall be lodged in the name of the Corporation with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the directors, with such other depositaries or in such other manner as may be determined from time to time by the directors.
- 2.6.2 All securities (including shares, debentures, bonds, notes, warrants or other obligations or securities) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship), and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

2.7 Voting Securities in Other Bodies Corporate

The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the said signing officers executing or arranging for the same. In addition, the directors may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.8 Exclusive Forum for Certain Disputes

- 2.8.1 Unless the Corporation consents in writing to the selection of an alternative forum, the applicable court of competent jurisdiction shall be the state and federal courts located in Denver, Colorado (the **Colorado Court**), which Colorado Court shall, to the fullest extent permitted by law, be the sole and exclusive forum for any of the following actions or other proceedings:

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- 2.8.1.1 a derivative action, including an application for leave to commence such an action, in the name of and on behalf of the Corporation;
- 2.8.1.2 an application for an oppression remedy, including an application for leave to commence such a proceeding;
- 2.8.1.3 an action asserting a claim of breach of the duty of care owed by the Corporation or any director, officer or other employee of the Corporation to the Corporation or to any of the Corporation’s shareholders;
- 2.8.1.4 an action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or to any of the Corporation’s shareholders;
- 2.8.1.5 an action or other proceeding asserting a claim or seeking a remedy pursuant to any provision of the Act or the Corporation’s articles or by-laws (as either may be amended or restated from time to time); and
- 2.8.1.6 an action or other proceeding asserting a claim against the Corporation or any director or officer or other employee of the Corporation regarding a matter of the regulation of the business and affairs of the Corporation, including (without limitation) the articles, by-laws, internal affairs, governance, status, internal controls and procedures of the Corporation.

2.8.5 If any action or other proceeding the subject matter of which is within the scope of the preceding sentence (an “**Action**”) is filed in a court other than the Colorado Court in the name of any shareholder (an “**Extra-Jurisdictional Action**”), such shareholder shall be deemed to have consented to (a) the personal jurisdiction of the Colorado Court in connection with any action or other proceeding to enforce the preceding sentence, and (b) having service of process made upon such shareholder in any such action or other proceeding by service upon such shareholder’s counsel in the Extra-Jurisdictional Action as agent for such shareholder.

2.8.6 To the extent an Action is brought in the Colorado Court by a plaintiff who is ordinarily resident outside Colorado, the Corporation will not seek security for costs from that plaintiff solely by reason of that plaintiff’s residence outside Colorado.

3 - DIRECTORS

3.1 Number of Directors

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles.

3.2 Qualification

Every director shall be an individual 18 or more years of age, and no one who is of unsound mind and has been so found by a court in the United States or elsewhere, or who has the status of a bankrupt shall be a director. Unless the articles otherwise provide, a director need not be a shareholder.

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3.3 Term of Office

A director’s term of office (subject to the provisions, if any, of the Corporation’s articles, and subject to his or her election for an expressly stated term) shall be from the date of the meeting at which he or she is elected or appointed until the close of the annual meeting next following, or until his or her successor is elected or appointed.

3.4 Election and Removal

3.4.1 Directors shall be elected by the shareholders in a meeting on a show of hands unless a poll is demanded, and if a poll is demanded, such election shall be by ballot. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors or the shareholders otherwise determine.

3.4.2 Except for those directors elected for an expressly stated term, all the directors then in office shall cease to hold office at the close of a meeting of shareholders at which directors are elected but, if qualified, are eligible for re- election. If a meeting of the shareholders of the Corporation fails to elect the number or the minimum number of directors required by the articles by reason of the disqualification, incapacity or the death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum. Subject to the Act, the shareholders of the Corporation may, by ordinary resolution at a special meeting, remove any director before the expiration of his or her term of office, in which case the director so removed shall vacate office forthwith upon the passing of the resolution for his or her removal, and may, by a majority of the votes cast at the meeting, elect any person in his or her stead for the remainder of his or her term.

3.5 Nomination of Directors

3.5.1 Subject only to the Act and the articles, only persons who are nominated in accordance with the procedures set out in this section 3.5 shall be eligible for election as directors.

3.5.2 Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors,

3.5.2.1 by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting,

3.5.2.2 by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

3.5.2.3 by any person (a “**Nominating Shareholder**”) (i) who, at the close of business on the date of the giving of the notice provided for below in this section 3.5 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this section 3.5;

3.5.2.3.1 In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 3.5;

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3.5.2.3.2 To be timely, a Nominating Shareholder’s notice to the corporate secretary of the Corporation must be made (i) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

3.5.3 To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary of the Corporation must set forth:

- 3.5.3.1 as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residential address of the person, (B) the principal occupation(s) or employment(s) of the person, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
- 3.5.3.2 as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information as may be required under the Act, Applicable Securities Laws or the rules of any stock exchange on which the Corporation's securities are listed to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation.
- 3.5.4 No person shall be eligible for election as a director unless nominated in accordance with the provisions of this section 3.5; provided, however, that nothing in this section 3.5 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act.
- 3.5.5 The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- 3.5.6 For purposes of this section 3.5, "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com or other similar service, as applicable under Applicable Securities Laws.

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- 3.5.7 Notwithstanding any other provision of By-law No. 1, notice given to the corporate secretary of the Corporation pursuant to this section 3.5 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at CorpSec@assureiom.com) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the corporate secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. MST on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- 3.5.8 Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section 3.5.

3.6 Vacation of Office

- 3.6.1 The office of a director shall be vacated if:
- 3.6.1.1 he or she dies;
- 3.6.1.2 he or she is removed from office by the shareholders;
- 3.6.1.3 he or she becomes bankrupt;
- 3.6.1.4 he or she is found by a court of competent jurisdiction to be of unsound mind: or
- 3.6.1.5 his or her written resignation is received by the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

3.7 Vacancies

- 3.7.1 Subject to the Act, where a vacancy occurs in the board, except a vacancy resulting from an increase in the number or minimum number of directors or from failure to elect the number or minimum number of directors required by the articles, and a quorum of directors remains in office, the directors then in office may appoint a person to fill the vacancy for the remainder of the term.
- 3.7.2 If there is not then a quorum of directors or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall without delay call a special meeting of shareholders to fill the vacancy and, if they fail to do so or if there are no directors then in office, the meeting may be called by any shareholder.

3.8 Action by Directors

The directors shall manage, or supervise the management of, the business and affairs of the Corporation, and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the articles, the by-laws, any special resolution of the Corporation, or by statute expressly directed or required to be done in some other manner.

3.9 Duties

Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall:

- 3.9.1 act honestly and in good faith with a view to the best interest of the Corporation; and

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- 3.9.2 exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3.10 Validity of Acts

An act by a director or officer is valid notwithstanding an irregularity in his or her election or appointment or a defect in his or her qualification.

3.11 Remuneration and Expenses

The remuneration to be paid to the directors shall be such as the directors shall from time to time determine. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director of a Corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

4 - MEETINGS OF DIRECTORS

4.1 Calling of Meetings

Meetings of the directors shall be held from time to time at such place as the chairman of the board (if any), the president or vice-president who is a director or any two directors may determine and the corporate secretary shall, upon direction of any of the foregoing, convene a meeting of directors.

4.2 Place of Meeting

Meetings of directors and of any committee of directors may be held at any place determined by the board in accordance with the by-laws.

4.3 Notice

Notice of the time and place for the holding of any such meeting shall be delivered personally, by mail or by facsimile, or otherwise communicated by electronic means upon written consent in accordance with the requirements of the Act ("**Electronic Communications**") to each director not less than two business days (exclusive of the day on which the notice is delivered, mailed, or sent by Electronic Communications but inclusive of the day for which notice is given) before the date of the meeting; provided that meetings of the directors or of any committee of directors may be held at any time without formal notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all absent directors have waived notice. Notice of any meeting of directors or of any committee of directors or any irregularity in any meeting or the notice thereof may be waived by any director in writing or by Electronic Communication addressed to the Corporation or in any other manner, and such waiver may be validly given either before or after the meeting to which such waiver relates. A notice of meeting of directors or of any committee of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

4.4 Quorum

Subject to section 3.9, the quorum for the transaction of business at any meeting of the directors shall consist of a majority of the directors then in office and, notwithstanding any vacancy among the directors a quorum of directors may exercise all the powers of the directors.

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4.5 First Meeting of the New Board

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders, or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

4.6 Adjournment

Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place, and no notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting are announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

4.7 Telephone Participation

Where all directors have consented thereto (either before or after the meeting), a director may participate in a meeting of directors or of any committee of directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other, and a director participating in a meeting by such means shall be deemed to be present at that meeting.

4.8 Regular Meetings

The directors may appoint a day or days in any month or months for regular meetings of the directors at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.9 Chairman

The chairman of any meeting of the directors shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, chief executive officer, president, lead director or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chairman.

4.10 Votes to Govern

All questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting in addition to his or her original vote shall not have a second or casting vote.

4.11 Resolution in Lieu of Meeting

A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors is as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors.

5 - COMMITTEES

5.1 Committees of Directors

The directors may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

5.2 Transaction of Business

Subject to the provisions of section 4.7, the powers of such committee or committees of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place determined by the board in accordance with the by-laws.

5.3 Advisory Bodies

The directors may from time to time appoint advisory bodies as they may deem advisable.

5.4 Procedure

Unless otherwise determined by the directors, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

6 - OFFICERS

6.1 Appointment of Officers

The directors may annually or as often as may be required appoint, without limitation, any of a chief executive officer, a president, a chief financial officer and a corporate secretary, and if deemed advisable, may annually or as often as may be required appoint one or more vice-presidents (to which title may be words added indicating seniority or function), a treasurer, a controller and such other officers as the directors may determine, including one or more assistants to any one of the officers so appointed. Subject to sections 6.2 and 6.3, an officer may but need not be a director, and one person may hold more than one office. In case and whenever the same person holds the offices of corporate secretary and treasurer, he or she may but need not be known as the secretary-treasurer. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such authority and shall perform such functions and duties as may from time to time be prescribed by resolution of the directors.

6.2 Chairman of the Board

The board may from time to time appoint a chairman of the board who shall be a director. If appointed, the directors may assign to him or her any of the powers and duties that are by any provisions of this by-law assigned to the lead director or to the president; and he shall, subject to the provisions of the Act, have such other powers and duties as the directors may specify. During the absence or disability of the chairman of the board, his or her duties shall be performed and his or her powers exercised by the lead director, if any, or by the president.

6.3 Lead Director

The board of directors may appoint from their number a lead director. Subject to the Act, a lead director shall possess and exercise such authority and powers and shall perform such duties as may be determined by the by-laws and the board of directors. A lead director shall not be an officer of the Corporation.

6.4 Chief Executive Officer

The chief executive officer shall have, under the control of the board of directors, general supervision and direction of the business and affairs of the Corporation. The chief executive officer shall possess and exercise such authority and powers and perform such other duties as may be determined by the by-laws, the board of directors and the chairman of the board. In the absence of the chairman of the board and lead director, if any, and if the executive officer is also a director of the Corporation, the executive officer shall, when present, preside at all meetings of the directors, any committee of the directors and shareholders; he or she shall sign such contracts, documents or instruments in writing as require his or her signature, and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.

6.5 President

Unless the board of directors determines otherwise, the president shall be the chief operating officer of the Corporation and shall have, under the control of the board of directors and the chief executive officer, general supervision of the business of the Corporation. The president shall possess and exercise such authority and powers and perform such other duties as may be determined by the by-laws, the board of directors, the chairman of the board and the chief executive officer. In the absence of the chairman of the board and the lead director, if any, and the chief executive officer, and if the president is also a director of the Corporation, the president shall, when present, preside at all meetings of the directors, any committee of the directors and shareholders; he or she shall sign such contracts, documents or instruments in writing as require his or her signature, and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.

6.6 Chief Financial Officer

The board of directors may from time to time appoint a chief financial officer who shall possess the competencies and skills recommended by the chief executive officer and the board or directors. The chief financial officer shall provide effective financial leadership for the Corporation to grow shareholder value responsibly, in a profitable and sustainable manner.

6.7 Vice-President

The vice-president or, if more than one, the vice-presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the president in the absence or inability or refusal to act of the chief executive officer, provided, however, that a vice-president who is not a director shall not preside as chairman at any meeting of directors or shareholders. The vice-president or, if more than one, the vice-presidents in order of seniority, shall sign such contracts, documents or instruments in writing as require his, her or their signatures and shall also have such other powers and duties as may from time to time be assigned to him, her or them by resolution of the directors.

6.8 Corporate Secretary

- 6.8.1 The corporate secretary shall possess and exercise such authority and powers and perform such duties as may be determined by the by-laws, the board of directors, the chairman of the board, the chief executive officer and the president.
- 6.8.2 The corporate secretary shall give or cause to be given, as and when instructed, notices to the board of directors, the shareholders, officers, auditors and members of committees and advisory bodies of the board of directors. Unless otherwise determined by the board of directors, the corporate secretary shall attend and record minutes of all meetings of the board of directors, committees of the board of directors, shareholders and advisory bodies. The corporate secretary shall have charge of the corporate seal or seals and of the corporate records, subject to section 8.3 hereof, required by law to be kept, except accounting records.

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6.9 Controller

- 6.9.1 The controller shall possess and exercise such authority and powers and perform such duties as may be determined by the by-laws, the board of directors, the chairman of the board, the chief executive officer, the president and the chief financial officer.
- 6.9.2 The controller shall have charge of the accounts and accounting records of the corporation and shall keep or cause to be kept accurate accounts of all transactions affecting the financial position of the corporation. Subject to the control of the chief financial officer of the corporation, the controller shall determine the appropriate accounting procedures for the proper recording of the corporation's assets and liabilities.
- 6.9.3 The controller shall prepare for submission to the board of directors such financial statements as may be required by the board of directors and shall prepare after the close of each financial year financial statements in accordance with the requirements of any applicable laws.
- 6.9.4 The controller shall provide financial information and data to the board of directors of the corporation, whenever requested.

6.10 Treasurer

Subject to the provisions of any resolution of the directors and the duties, authority and power granted to the controller of the Corporation, the treasurer shall have the care and custody of all the funds and securities of the Corporation, and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository or depositories as the directors may by resolution direct. He or she shall prepare and maintain proper accounting records in compliance with the Act. He or she shall render to the directors whenever required an account of all his or her transactions as treasurer and of the financial position of the Corporation. He or she shall sign such contracts, documents or instruments in writing as require his or her signature, and shall have such other powers and duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.

6.11 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the directors or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.12 Term of Office

All officers, employees and agents, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause. Otherwise, each officer appointed by the directors shall hold office until his or her successor is appointed or until the earlier of his or her resignation or death.

6.13 Variation of Powers and Duties

The directors may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

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6.14 Terms of Employment and Remuneration

The terms of employment and remuneration of all officers appointed by the board, including the chairman of the board, if any, and the president shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder shall not disqualify him or her from receiving such remuneration as may be determined.

6.15 Conflict of Interest

An officer shall disclose his or her interest in any material contract or proposed material contract with the Corporation in accordance with section 7.4.

6.16 Fidelity Bonds

The directors may require such officers, employees and agents of the Corporation as the directors deem advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the directors may from time to time determine, provided that no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

6.17 Vacancies

If the office of chairman, lead director, president, vice-president, corporate secretary, controller, treasurer, or any other office created by the directors pursuant to section 6.10

hereof shall be or become vacant by reason of death, resignation or in any other manner whatsoever, the directors shall in the case of the president or the corporate secretary and may in the case of any other officer appoint an officer to fill such vacancy.

6.18 Other Officers

The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

7 - PROTECTION OF DIRECTORS AND OFFICERS

7.1 Limitation of Liability

Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, including any person with whom or which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her office or in relation thereto, unless the same shall happen by or through his or her failure to exercise his or her powers and to discharge his or her duties honestly, in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act and regulations made thereunder, or relieve him or her from liability for a breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors.

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7.2 Indemnity

7.2.1 Subject to the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding to which the individual is involved because of that association with the Corporation or other entity, if:

7.2.2.1 the individual acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request: and

7.2.2.1 in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

7.2.2 The Corporation shall advance monies to a director, officer or other individual for costs, charges and expenses of a proceeding referred to above. The individual shall repay the monies if he or she does not fulfill the conditions set out in paragraphs 7.2.1.1 and 7.2.1.2 above. The Corporation shall also indemnify any such individuals in such other circumstances as the Act or any law permits or requires. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.3 Insurance

Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any person referred to in section 7.2 against any liability incurred by him or her in his or her capacity as a director or officer, or an individual acting in a similar capacity, of the Corporation or of another body corporate at the Corporation's request.

7.4 Conflict of Interest

A director or officer who is a party to, or who is a director or officer (or acting in a similar capacity) of or has a material interest in a party to, any material contract or transaction, whether made or proposed, with the Corporation shall disclose the nature and extent of his or her interest at the time and in the manner provided by the Act. Any such contract or transaction shall be referred to the directors or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the directors or shareholders, and a director interested in a contract so referred to the permitted board shall not vote on any resolution to approve the same, except as permitted by the Act.

7.5 Submission of Contracts or Transactions to Shareholders for Approval

The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

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8 - SHARES

8.1 Issuance

Subject to the Act and the articles of the Corporation, the directors may from time to time issue, or grant options to purchase, the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the directors may determine, in accordance with the Act, the Corporation's stock option plan or regulatory approval, if applicable, provided that no share shall be issued until it is fully paid as provided by the Act.

8.2 Commissions

The directors may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.3 Transfer Agents and Registrars

The directors may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The directors may at any time terminate any such appointment.

8.4 Share Certificates

- 8.4.1 Every holder of one or more shares of the Corporation shall be entitled, at his or her option, to a share certificate, or to a non-transferable written acknowledgement of his or her right to obtain a share certificate, stating the number and class or series of shares held by him or her as shown on the securities register.
- 8.4.2 Share certificates and acknowledgements of a shareholder's right to a share certificate shall be in such form as the directors shall from time to time approve.
- 8.4.3 Any share certificate shall be signed in accordance with section 2.4; it need not be under the corporate seal. The signature of one of the signing officers may be printed or mechanically reproduced upon share certificates. Every printed or mechanically reproduced signature shall for all purposes be deemed to be a signature binding upon the Corporation.
- 8.4.4 Unless the directors otherwise determine, certificates representing shares in respect of which a transfer agent or registrar, as the case may be, has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar. In the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent or registrar, the signature of any signing officer may be printed or mechanically reproduced upon share certificates and every such printed or mechanically reproduced signature shall for all purposes be deemed to be a signature binding upon the Corporation.
- 8.4.5 Notwithstanding any change in the persons holding office between the time of signing and the issuance of any certificate, and notwithstanding that a person may not have held office at the date of issuance of such certificate, any such certificate so signed shall be valid and binding upon the Corporation.

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8.5 Joint Shareholders

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.6 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make dividends or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.7 Replacement of Share Certificates

The directors or any officer or agent designated by the directors may in their or his or her discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the directors, or any officer or agent designated by the directors, may from time to time prescribe, whether generally or in any particular case.

8.8 Lien for Indebtedness

If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to the articles, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, may refuse to register a transfer of the whole or any part of such shares.

9 - DIVIDENDS AND RIGHTS

9.1 Dividends

Subject to the Act, the directors may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.2 Dividend Cheques

A dividend payable in money shall be paid by either electronically by direct deposit or by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and, if paid by cheque, mailed by prepaid ordinary mail to such registered holder at his or her recorded address, unless such holder otherwise directs. In the case of joint holders any cheque issued shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.3 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the directors may from time to time prescribe, whether generally or in any particular case.

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9.4 Record Date for Dividend and Rights

The directors may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment for such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than 7 days before such record date in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the directors.

9.5 Unclaimed Dividends

Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

10 - MEETINGS OF SHAREHOLDERS

10.1 Annual Meetings

10.1.1 The annual meeting of shareholders shall be held on such day and at such time in each year and, subject to section 10.3, at such place as the directors, the chairman of the board or the chief executive officer may from time to time determine, in any event no later than 15 months after the Corporation's last annual meeting of shareholders, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.1.2 An annual meeting of shareholders may also be constituted as an annual and special meeting of shareholders to consider and transact any special business, which may be considered and transacted at a special meeting of shareholders.

10.2 Special Meetings

The directors, the chairman of the board or the chief executive officer shall have power to call a special meeting of shareholders at any time.

10.3 Place of Meetings

Subject to the Act, meetings of shareholders shall be held at the place within Canada or the United States that the directors determine. If the Corporation makes available a telephonic, electronic or other communication facility that permits all participants of a shareholders meeting to communicate adequately with each other during the meeting and otherwise complies with the Act, any person entitled to attend such meeting may participate by means of such communication facility in the manner prescribed by the Act, and any person participating in the meeting by such means is deemed to be present at the meeting.

10.4 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Part Eleven not less than 21 nor more than 60 days before the date of the meeting to each director, to the auditors and to each shareholder who at the close of business on the record date is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and the auditors' report, election of directors and reappointment of incumbent auditors shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

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10.5 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to section 10.6, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is kept and at the meeting for which the list was prepared.

10.6 Record Date for Notice

The directors may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 21 days, for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date is given not less than 7 days before such record date, in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given, or, if no notice is given, the day on which the meeting is held.

10.7 Meetings without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held, provided that such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting, any business may be transacted which the Corporation at a meeting of shareholders may transact.

10.8 Chairman, Corporate Secretary and Scrutineers

The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: chairman of the board, chief executive officer, president, lead director or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the corporate secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as corporate secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

10.9 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.10 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be 2 persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 5% of the issued and outstanding shares of the Corporation carrying voting rights at the meeting of shareholders.

10.11 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate or association, at any meeting of shareholders for which the Corporation has prepared the list referred to in paragraph 10.5, a shareholder whose name appears on such list is entitled to vote the shares shown opposite his or her name at the meeting to which the list relates. At any meeting of shareholders for which the Corporation has not prepared the list referred to in paragraph 10.5, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting. The persons entitled to vote at any meeting of shareholders shall be the persons entitled to vote in accordance with the Act.

10.12 Proxyholders and Representatives

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, to attend and act as his or her representative at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his or her attorney and shall conform with the requirements of the Act. Alternatively, every such shareholder which is a body corporate or association may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and such individual may exercise on the shareholders behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the corporate secretary of the Corporation or the chairman of the meeting. Any such proxyholder or representative need not be a shareholder.

10.13 Time for Deposit of Proxies

The directors may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it has been received by the corporate secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

10.14 Joint Shareholders

If two or more persons hold shares jointly, any of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy, they shall vote together as one on the shares jointly held by them.

10.15 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hand or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

10.16 Show of Hands

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as provided in section 10.17. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. For the purpose of this section, if at any meeting the Corporation has made available to shareholders the means to vote electronically, any vote made electronically shall be included in tallying any votes by show of hands.

10.17 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chairman may require a ballot or any person who is present and entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.18 Adjournment

The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.19 Resolution in Writing

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act.

11 - NOTICES

11.1 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the directors shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his or her recorded address or if mailed to him or her at his or her recorded address by prepaid ordinary or air mail or if transmitted to him or her by any electronic means permitted by the Act. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box: and a notice so sent by any electronic means shall be deemed to have been given at the time specified under the Act. The corporate secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the directors in accordance with any information believed by him or her to be reliable.

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11.2 Signature to Notices

The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

11.3 Proof of Service

A certificate of the chairman of the board, the chief executive officer, the president, a vice-president, the corporate secretary, the treasurer or the controller or of any other officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation as the case may be.

11.4 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

11.5 Computation of Time

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

11.6 Undeliverable Notices

If any notice given to a shareholder pursuant to section 11.1 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he or she informs the Corporation in writing of his or her new address.

11.7 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.8 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder through whom he derives his or her title to such share prior to his or her name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he or she became so entitled) and prior to his or her furnishing to the Corporation the proof of authority or evidence of his or her entitlement prescribed by the Act.

11.9 Waiver of Notice

Any shareholder, proxyholder, representative, director, officer, auditor, member of a committee of the board or other person entitled to attend a meeting of shareholders may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her or to the shareholder whom the proxyholder or representative represents under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event for which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner.

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12 - REPEAL OF EXISTING BY-LAW NO. 1

12.1 Repeal of Existing By-Law No. 1

As of the coming into effect of this By-Law No.1, the existing By-law No. 1 of the Corporation is repealed, provided that such repeal does not affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles or predecessor charter documents of the Corporation obtained pursuant to, any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board with continuing effect passed under any repealed by-law shall continue good and valid.

13.1 Effective Date

This by-law shall come into force upon being passed by the directors in accordance with the Act.

MADE by the board the 5th day of October, 2017. **WITNESS** the seal of the Corporation.

[signed] "Preston Parsons"

Preston Thomas Parsons
Chairman and Chief Executive Officer

[signed] "Matthew Wilier"

Matthew Douglas Wilier
President and Corporate Secretary

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED UNLESS (A) SUCH SECURITIES HAVE BEEN REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, (B) SUCH SECURITIES HAVE BEEN SOLD PURSUANT TO RULE 144 OR (C) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

**ASSURE HOLDINGS CORP.
WARRANT TO PURCHASE COMMON STOCK**

Warrant No.: 2020-_____
Number of Shares of Common Stock: _____
Date of Issuance: November __, 2020 ("Issuance Date")

Assure Holdings Corp., a corporation organized under the laws of the State of Nevada (the "Company"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, the registered holder hereof or its permitted assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon surrender of this Warrant to Purchase Common Stock (including any Warrants to Purchase Common Stock issued in exchange, transfer or replacement hereof, the "Warrant"), at any time or times on or after the Issuance Date (the "Initial Exercise Date"), but not after 11:59 p.m., Eastern time, on the Expiration Date (as defined below), _____ fully paid and nonassessable shares of Common Stock (as defined below) (the "Warrant Shares"). Certain capitalized terms used in this Warrant are defined in Section 15. This Warrant is one of the Warrants to purchase Common Stock (the "SPA Warrants") issued pursuant to that certain Securities Purchase Agreement, dated as of November __, 2020 (the "Subscription Date"), by and among the Company and the purchasers (the "Purchasers") referred to therein (the "Securities Purchase Agreement").

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof, this Warrant may be exercised by the Holder on any day on or after the Initial Exercise Date but not after 11:59 p.m., Eastern time, on the Expiration Date, in whole or in part, by (i) delivery of a written notice, in the form attached hereto as Exhibit A (an "Exercise Notice"), of the Holder's election to exercise this Warrant and (ii) payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which this Warrant is being exercised (the "Aggregate Exercise Price") in cash or by wire transfer of immediately available funds. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder. Execution and delivery of the Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Shares. On or before the second (2nd) Business Day following the date on which the Company has received each of the Exercise Notice and the Aggregate Exercise Price (together, the "Exercise Delivery Documents"), the Company shall transmit by electronic mail an acknowledgment of confirmation of receipt of the Exercise Delivery Documents to the Holder and the Company's transfer agent (the "Transfer Agent"). On or before the third (3rd) Business Day following the date on which the Company has received all of the Exercise Delivery Documents, the Company shall instruct the Transfer Agent to issue and dispatch by overnight courier to the address as specified in the Exercise Notice, a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Delivery Documents, 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 certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 7(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which are acquired upon such exercise. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but rather the number of shares of Common Stock to be issued shall be rounded down to the nearest whole number. The Company shall pay any and all taxes which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant. Upon their issuance, the Warrant Shares will be validly allotted, issued and outstanding as fully paid and nonassessable Common Stock, and may be subject to certain resale or trade restrictions imposed by applicable Canadian and U.S. securities laws. In the event that the issuance of the Warrant Shares will cause the Holder to become a "control person" (as defined under TSX Venture Exchange Policy 1.1), the Holder acknowledges and agrees that the Company shall not issue the Warrant Shares until the date on which the stockholders of the Company approve the Holder as a new control person in accordance with the policies of the TSX Venture Exchange.

(b) Exercise Price. For purposes of this Warrant, "Exercise Price" means \$0.78, subject to adjustment as provided herein.

(c) Cashless Exercise. Notwithstanding anything contained herein to the contrary, if a registration statement covering the Warrant Shares that are the subject of the Exercise Notice is not effective under the terms of the Registration Rights Agreement (the "Unavailable Warrant Shares") the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "Net Number" of shares of Common Stock determined according to the following formula (a "Cashless Exercise"):

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$$\text{Net Number} = \frac{(A \times B)}{C} - (A \times C)$$

B

For purposes of the foregoing formula:

A= the total number of shares with respect to which this Warrant is then being exercised.

B= the Closing Sale Price of the shares of Common Stock (as reported by Bloomberg) on the date immediately preceding the date of the Exercise Notice.

C= the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 12.

(e) Covenant Regarding Authorized Shares; Insufficient Authorized Shares. The Company shall at all times while this Warrant shall be outstanding, reserve and keep available out of its authorized but unissued Common Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the exercise of all or any portion of the Warrant Shares (disregarding for this purpose any and all limitations of any kind on such exercise). If at any time while any of the SPA Warrants remain outstanding the Company does not have a sufficient number of authorized and otherwise unreserved shares of Common Stock to satisfy its obligation to reserve for issuance upon exercise of the SPA Warrants at least a number of shares of Common Stock equal to 100% (the “**Required Reserve Amount**”) of the number of shares of Common Stock as shall from time to time be necessary to effect the exercise of all of the SPA Warrants then outstanding (an “**Authorized Share Failure**”), then the Company shall immediately take all commercially reasonable action necessary to increase the Company’s authorized shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for the SPA Warrants then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than one hundred twenty (120) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall solicit its stockholders’ approval of such increase in authorized shares of Common Stock and to cause its board of directors (the “**Board**”) to recommend to the stockholders that they approve such proposal.

(f) Limitations on Exercises; Beneficial Ownership. The Company shall not effect the exercise of this Warrant, and the Holder shall not have the right to exercise this Warrant, to the extent that after giving effect to such exercise, such Holder (together with such Holder’s affiliates) would beneficially own in excess of 9.99% of the shares of Common Stock outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by such Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (i) exercise of the remaining, unexercised portion of this Warrant beneficially owned by such Holder and its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Holder and its affiliates (including, without limitation, any convertible notes or convertible preferred stock or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). For purposes of this Warrant, in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (1) the Company’s most recent Form 10-K, Form 10-Q, Current Report on Form 8-K or other public filing with the U.S. Securities and Exchange Commission (the “**SEC**”), as the case may be, (2) a more recent public announcement by the Company or (3) any other more recent notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day 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 the SPA Warrants, by the Holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. This limitation on beneficial ownership (a) may be increased, decreased or terminated, in the Holder’s sole discretion, upon sixty-one (61) days’ written notice to the Company by the Holder and (b) shall terminate automatically on the date that is fifteen (15) days prior to expiration of the Expiration Date.

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(g) If the Company shall fail for any reason or for no reason to issue to the Holder within three (3) Trading Days of the Exercise Date a certificate for the number of shares of Common Stock to which the Holder is entitled and register such shares of Common Stock on the Company’s share register or to credit the Holder’s balance account with DTC for such number of shares of Common Stock to which the Holder is entitled upon the Holder’s exercise of this Warrant, and if on or after such Trading Day the Holder purchases, or another Person purchases on the Holder’s behalf or for the Holder’s account (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of shares of Common Stock issuable upon such exercise that the Holder anticipated receiving from the Company (a “**Buy-In**”), then the Company shall, within three (3) Business Days after the Holder’s written request and in the Holder’s discretion, either (i) pay cash to the Holder in an amount equal to the Holder’s total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased (the “**Buy-In Price**”), at which point the Company’s obligation to deliver such certificate (and to issue such Warrant Shares) shall terminate, or (ii) promptly honor its obligation to deliver to the Holder a certificate or certificates representing such Warrant Shares and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Common Stock, times (B) the Closing Bid Price on the date of exercise.

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2. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES. If the Company at any time on or after the Subscription Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of Warrant Shares will be proportionately increased. If the Company at any time on or after the Subscription Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of Warrant Shares will be proportionately decreased. Any adjustment under this Section 2 shall become effective at the close of business on the date such subdivision or combination becomes effective.

3. RIGHTS UPON DISTRIBUTION OF ASSETS. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Distribution**”), at any time after the issuance of this Warrant, then, in each such case:

(a) any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of shares of Common Stock entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction of which (i) the numerator shall be the Closing Bid Price of the shares of Common Stock on the Trading Day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Board) applicable to one (1) share of Common Stock, and (ii) the denominator shall be the Closing Bid Price of the shares of Common Stock on the Trading Day immediately preceding such record date; and

(b) the number of Warrant Shares shall be increased to a number of shares equal to the number of shares of Common Stock obtainable immediately prior to the close of business on the record date fixed for the determination of holders of shares of Common Stock entitled to receive the Distribution multiplied by the reciprocal of the fraction set forth in the immediately preceding paragraph (a); provided that, in the event that the Distribution is of shares of common stock of a company whose common stock is traded on a national securities exchange or a national automated quotation system (“**Other Shares of Common Stock**”), then the Holder may elect to receive a warrant to purchase Other Shares of Common Stock in lieu of an increase in the number of Warrant Shares, the terms of which shall be identical to those of this Warrant, except that such warrant shall be exercisable into the number of shares of Other Shares of Common Stock that would have been payable to the Holder pursuant to the Distribution had the Holder exercised this Warrant immediately prior to such record date and with an aggregate exercise price equal to the product of the amount by which the exercise price of this Warrant was decreased with respect to the Distribution pursuant to the terms of the immediately preceding paragraph (a) and the number of Warrant Shares calculated in

4. **FUNDAMENTAL TRANSACTIONS.** The Company shall not enter into or be party to a Fundamental Transaction unless (A) (i) the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the Registration Rights Agreement in accordance with the provisions of this Section 4 pursuant to written agreements in form and substance reasonably satisfactory to the Required Holders and approved by the Required Holders prior to the consummation of such Fundamental Transaction, including agreements to deliver to each holder of SPA Warrants in exchange for such SPA Warrants a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, an adjusted exercise price equal to the value for the shares of Common Stock reflected by the terms of such Fundamental Transaction, and exercisable for a corresponding number of shares of capital stock equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and reasonably satisfactory to the Required Holders and (ii) the Successor Entity (including its Parent Entity) is a publicly traded corporation whose common stock is quoted on or listed for trading on an Eligible Market or (B) the Company provides each Holder with not less than ten (10) Business Days prior notice of the anticipated consummation of such Fundamental Transaction (which notice may be provided by means of a press release and/or the filing of a Current Report on Form 8-K) and affords each Holder an opportunity to exercise such Holder's Warrants prior to the consummation of such Fundamental Transaction, following which each unexercised Warrant will be null, void and of no further force or effect. Upon the occurrence of any Fundamental Transaction subject to the provisions of Section 4(A), the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of the Fundamental Transaction subject to the provisions of Section 4(A), the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon exercise of this Warrant at any time after the consummation of the Fundamental Transaction, in lieu of the shares of the Common Stock (or other securities, cash, assets or other property) issuable upon the exercise of the Warrant prior to such Fundamental Transaction, such shares of the publicly traded common stock (or its equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Warrant been converted immediately prior to such Fundamental Transaction, as adjusted in accordance with the provisions of this Warrant. The provisions of this Section 4 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the exercise of this Warrant.

5. **NONCIRCUMVENTION.** The Company hereby covenants and agrees that the Company will not, by amendment of its Certificate of Incorporation, Bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, 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, and will at all times in good faith carry out all the provisions of this Warrant and take all commercially reasonable action as may be required to protect the rights of the Holder hereunder. Without limiting the generality of the foregoing, the Company shall (i) not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, (ii) take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant, and (iii) so long as any of the SPA Warrants are outstanding, take all commercially reasonable action necessary to reserve and keep available out of its authorized and unissued shares of Common Stock, solely for the purpose of effecting the exercise of the SPA Warrants, 100% of the number of shares of Common Stock as shall from time to time be necessary to effect the exercise of the SPA Warrants then outstanding (without regard to any limitations on exercise).

6. **WARRANT HOLDER NOT DEEMED A STOCKHOLDER.** Except as otherwise specifically provided herein, the Holder, solely in such Person's capacity as a Holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of capital stock of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the Holder of this Warrant, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 6, the Company shall provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders; provided, that the Company shall be deemed to have complied with such requirement by filing any such notices or other information on the SEC's Electronic Data Gathering Analysis and Retrieval system.

7. **REISSUANCE OF WARRANTS.**

(a) **Transfer of Warrant.** If this Warrant is to be transferred, subject to any restrictions on such transfer set forth in Section 14, or under the Securities Purchase Agreement, Registration Rights Agreement or any other agreement to which the Holder is party or by which it is bound, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 7(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 7(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred.

(b) **Lost, Stolen or Mutilated Warrant.** Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 7(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) **Exchangeable for Multiple Warrants.** This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 7(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, that no Warrants for fractional shares of Common Stock shall be given.

(d) **Issuance of New Warrants.** Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant shall (i) be of like tenor with this Warrant, (ii) represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 7(a) or Section 7(c), the Warrant Shares designated by the Holder which, when added to the number of shares of

Common Stock underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) have the same rights and conditions as this Warrant.

8. **NOTICES.** Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 7.5 of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant, including in reasonable detail a description of such action and the reason therefore. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) reasonably promptly upon any adjustment of the Exercise Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least ten (10) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock, (B) with respect to any grants, issuances or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

9. **AMENDMENT AND WAIVER.** Except as otherwise provided herein, the provisions of this Warrant may be amended or waived and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Required Holders; provided that no such action may (i) increase the exercise price of any SPA Warrant, (ii) decrease the number of shares or class of stock obtainable upon exercise of any SPA Warrant, (iii) shorten the Expiration Date, or (iv) amend Sections 1(f) or 2 without the written consent of the Holder. No such amendment shall be effective to the extent that it applies to less than all of the holders of the SPA Warrants then outstanding.

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10. **GOVERNING LAW.** This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of New York, without giving effect to any conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York.

11. **CONSTRUCTION; HEADINGS.** This Warrant shall be deemed to be jointly drafted by the Company and all the Purchasers and shall not be construed against any person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant.

12. **DISPUTE RESOLUTION.** In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall submit the disputed determinations or arithmetic calculations via electronic mail within two (2) Business Days of receipt of the Exercise Notice giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation of the Exercise Price or the Warrant Shares within three (3) Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two (2) Business Days submit via electronic mail (a) the disputed determination of the Exercise Price to an independent, reputable investment bank selected by the Company and approved by the Holder or (b) the disputed arithmetic calculation of the Warrant Shares to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than ten (10) Business Days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

13. **REMEDIES, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF.** The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents (as defined in the Securities Purchase Agreement), at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual damages for any failure by the Company to comply with the terms of this Warrant. The Company acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to seek an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

14. **TRANSFER.** This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company subject to compliance with applicable securities laws.

15. **CERTAIN DEFINITIONS.** For purposes of this Warrant, the following terms shall have the following meanings:

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(a) **“\$”** means the lawful money of the United States of America.

(b) **“Bloomberg”** means Bloomberg Financial Markets.

(c) **“Business Day”** means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the state of New York generally are authorized or required by law or other government actions to close.

(d) **“Closing Bid Price”** and **“Closing Sale Price”** means, for any security as of any date, the volume weighted average price at which the applicable security has traded on the TSX Venture Exchange or the Nasdaq Stock Market, LLC, as reported by Bloomberg, for a period of five (5) consecutive trading days, or, if the TSX Venture Exchange or the Nasdaq Stock Market, LLC, is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in a marketplace operated by the OTC Markets Group, Inc. for such security as reported by Bloomberg. If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price, as the case may be, of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved pursuant to Section 12. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

(e) **“Common Stock”** means (i) the Company's shares of Common Stock, par value \$0.001 per share, and (ii) any share capital into which such Common Stock shall have been changed or any share capital resulting from a reclassification of such Common Stock.

(f) **“Convertible Securities”** means any stock or securities (other than Options) directly or indirectly convertible into or exercisable or exchangeable for shares of Common Stock.

(g) **“Eligible Market”** means the New York Stock Exchange, Inc., the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the OTCQX or OTCQB marketplaces operated by the OTC Markets Group, Inc. or the TSX Venture Exchange.

(h) "Expiration Date" means the date that is five (5) years after the Issuance Date (as defined in the Securities Purchase Agreement) or, if such date falls on a day other than a Business Day or on which trading does not take place on the Nasdaq Stock Market, LLC or the New York Stock Exchange, Inc. (a "Holiday"), the next date that is not a Holiday.

(i) "Fundamental Transaction" means that the Company shall, directly or indirectly, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Person, (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company to another Person, (iii) allow another Person to make a purchase, tender or exchange offer that is accepted by the holders of more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the Person or Persons making or party to, or associated or affiliated with the Persons making or party to, such purchase, tender or exchange offer), (iv) consummate a stock purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than the 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock purchase agreement or other business combination), (v) reorganize, recapitalize or reclassify its Common Stock, or (vi) any "person" or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding Common Stock.

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(j) "Options" means any rights, warrants or options to subscribe for or purchase shares of Common Stock or Convertible Securities.

(k) "Parent Entity" of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(l) "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

(m) "Registration Rights Agreement" means that certain registration rights agreement by and among the Company and the Purchasers.

(n) "Required Holders" means (i) any Holder which, together with its Affiliates, beneficially owns at least 9.99% of the SPA Warrants and (ii) the Holders of the SPA Warrants representing at least a majority of shares of Common Stock underlying the SPA Warrants then outstanding.

(o) "Successor Entity" means the Person (or, if so elected by the Required Holders, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Required Holders, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(p) "Trading Day" means a trading day in which trading occurs on the Nasdaq Stock Market, LLC or the New York Stock Exchange, Inc., or the TSX Venture Exchange Inc.

16. **SEVERABILITY.** If any provision of this Warrant is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

[Signature Page Follows]

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IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Common Stock to be duly executed as of the Issuance Date set out above.

THE COMPANY:

ASSURE HOLDINGS CORP.

By: _____

Name:

Title:

EXHIBIT A

EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE COMMON STOCK

The undersigned holder hereby exercises the right to purchase _____ of the shares of Common Stock ("Warrant Shares") of Assure Holdings Corp., a corporation organized under the laws of the State of Nevada (the "Company"), evidenced by the attached Warrant to Purchase Common Stock (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. **Form of Exercise Price.** The Holder intends that payment of the Exercise Price shall be made as:

a "Cash Exercise" with respect to _____ Warrant Shares; and/or

a "Cashless Exercise" with respect to _____ Warrant Shares.

2. Payment of Exercise Price. In the event that the holder has elected a Cash Exercise with respect to some or all of the Warrant Shares to be issued pursuant hereto, the holder shall pay the Aggregate Exercise Price in the sum of \$ _____ to the Company in accordance with the terms of the Warrant.

3. Delivery of Warrant Shares. The Company shall deliver to the holder _____ Warrant Shares in accordance with the terms of the Warrant.

4. Representations and Warranties. The undersigned holder represents and warrants that all of the representations and warranties set forth in Article III of the Securities Purchase Agreement are true and correct with respect to the holder as of the date hereof.

Date: _____, _____

Name of Registered Holder

By: _____

Name:

Title:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CONVERTIBLE DEBENTURE CERTIFICATE SHALL NOT TRADE SUCH SECURITIES BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER ●.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND EXCEPT AS SET FORTH BELOW.

BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) TO ASSURE HOLDINGS CORP., (C) IN COMPLIANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A); OR (ii) RULE 144 UNDER THE U.S. SECURITIES ACT ("RULE 144"), IF AVAILABLE (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE MUST MAKE CERTAIN CERTIFICATIONS TO THE COMPANY OR TRANSFER AGENT TO CONFIRM THAT SUCH TRANSFEREE IS NOT A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT AND PROVIDE CERTAIN OTHER CERTIFICATIONS AND AGREEMENTS THAT SUCH TRANSFERS ARE BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

ADDITIONALLY, FOR ANY TRANSFER REFERRED TO IN CLAUSE (C)(ii) or (E), OR IF REQUESTED BY ASSURE HOLDINGS CORP. OR THE TRANSFER AGENT FOR THE SECURITIES, (D), THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE COMPANY OR TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT.

THE HOLDER HEREOF AGREES THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES EXCEPT AS PERMITTED BY THE SECURITIES ACT.

"RESTRICTION TERMINATION DATE" AS USED HEREIN SHALL MEAN ONE YEAR AFTER THE LATER TO OCCUR OF THE ACQUISITION OF THE SECURITY EVIDENCED HEREBY FROM (X) ASSURE HOLDINGS CORP. OR (Y) ANY AFFILIATE OF ASSURE HOLDINGS CORP."

ISSUE DATE: _____, 2020
(hereinafter referred to as the "Issue Date")

PRINCIPAL AMOUNT OF US\$ _____
(hereinafter referred to as the "Principal Amount")

NUMBER: CD-2020- _____

ASSURE HOLDINGS CORP.
(Existing under the laws of the State of Nevada)

**9% UNSECURED REDEEMABLE CONVERTIBLE DEBENTURE
DUE**

Assure Holdings Corp. (hereinafter referred to as the "Debtor"), for value received, hereby acknowledges itself indebted and promises to pay to _____ of _____ (hereinafter referred to as the "Holder") on _____, or such earlier date as the Principal Amount may become due and payable (subject to and in accordance with the terms, conditions and provisions of Schedule "A" attached hereto and forming a part hereof) (the "Maturity Date"), the Principal Amount then outstanding in lawful money of Canada at the foregoing address of the Holder, or at such other place or places as may be designated by the Holder from time to time by notice in writing to the Debtor (together with any accrued and unpaid interest and all costs and expenses that may become payable to the Holder in accordance with Schedule "A") (the whole being the "Maturity Payment Amount").

The Debtor will pay interest on the Principal Amount outstanding at a rate of 9% per annum, compound annually in arrears (based on a calendar year of 365 days) until maturity (or such earlier date on which this Debenture may be converted or redeemed), payable in cash on the last day of January of each year. Notwithstanding the foregoing, the first interest payment will be made on January 31, 2021 and will consist of interest accrued from and including the date of issuance hereof to January 31, 2021. By its execution of the Subscription Agreement, the Holder acknowledges and agrees to the terms and conditions hereof, including the terms set out in Schedule "A" hereto.

This Debenture issued to the Holder is one in a series of 9% unsecured redeemable convertible debentures ranking *pari-passu* issued by the Debtor on or about the date hereof in connection with a financing (the "Financing") in the principal amount of up to US\$4,000,000, with the option at the sole discretion of the Debtor to increase the Financing by an additional US\$2,000,000. The holders from time to time of a debenture issued by the Debtor pursuant to the Financing are hereinafter collectively called the "Holders" and all of the debentures issued to the Holders are hereinafter collectively called the "Debentures" and rank *pari-passu*.

<<Signature Page Follows>>

IN WITNESS WHEREOF, the Debtor has executed this Debenture as of _____.

ASSURE HOLDINGS CORP.

Per: _____
Authorized Signing Officer

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SCHEDULE "A"

The following terms and conditions are applicable to the 9% unsecured redeemable convertible debenture of Assure Holdings Corp. made in favour of the Holder.

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Whenever used in this Debenture, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the indicated meanings, respectively:

"this Debenture", "the Debenture", "Debenture", "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to the convertible debenture represented hereby and not to any particular Article, Section, Subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto and every debenture issued in replacement hereof;

"Applicable Securities Legislation" means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

"Auditors of the Debtor" means an independent firm of chartered or certified public accountants duly appointed as auditors of the Debtor;

"business day" means a day that is not a Saturday or Sunday or a civic or statutory holiday in the City of Toronto, Ontario;

"Capital Reorganization" has the meaning ascribed thereto in Subsection 2.5(b);

"Change of Control" means: (i) any transaction (whether by purchase, merger or otherwise) whereby any person, or group of persons "acting jointly or in concert" within the meaning of Applicable Securities Legislation, directly or indirectly acquires the right to cast, at a general meeting of the shareholders of the Debtor, more than 50% of the votes attached to the then outstanding Common Shares; (ii) the Debtor's amalgamation, consolidation or merger with or into any other Person, any merger of another Person into the Debtor; or (iii) any conveyance, transfer, sale lease or other disposition of all or substantially all of the Debtor's and the Debtor's subsidiaries' assets and properties, taken as a whole, to another arm's length person. A Change of Control will not include a sale, merger, consolidation, amalgamation, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, consolidated, amalgamated, reorganized or other continuing entity;

"Change of Control Purchase Date" has the meaning ascribed thereto in Section 3.1(a);

"Change of Control Notice" has the meaning ascribed thereto in Section 3.1(a);

"Change of Control Purchase Option" has the meaning ascribed thereto in Section 3.1(a);

"Change of Control Purchase Price" has the meaning ascribed thereto in Section 3.1(a);

"Common Share" or **"Common Shares"** means the common shares in the capital of the Debtor, as constituted on the date hereof;

"Conversion Price" means US\$ per Common Share as adjusted, when necessary, in accordance Section 2.5, in which case such price shall mean the adjusted price in effect at the applicable time;

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"Date of Conversion" has the meaning ascribed thereto in Subsection 2.2(b);

"Debentures" has the meaning ascribed thereto on page 2 of this Debenture;

"Debtor" means Assure Holdings Corp., a corporation existing under the laws of the State of Nevada and includes any successor corporation to or of the Debtor within the meaning of Section 11.1;

"Event of Default" means any event specified in Section 7.1, which has not been waived, cured or remedied;

"Financing" has the meaning ascribed thereto on page 2 of this Debenture;

"Holder" has the meaning ascribed thereto on page 2 of this Debenture;

"Holders" has the meaning ascribed thereto on page 2 of this Debenture;

"Issue Date" means the date on which this Debenture was issued, as set forth on page 2 of this Debenture;

“**Maturity Date**” has the meaning ascribed thereto on page 2 of this Debenture;

“**Officer’s Certificate**” means a certificate signed by a senior officer and/or a director of the Debtor;

“**Person**” includes individuals, partnerships, corporations, companies and other business or legal entities;

“**Principal Amount**” means the principal amount owing by the Debtor to the Holder from time to time pursuant to this Debenture as set forth on page 2 of this Debenture;

“**Redemption Notice**” has the meaning ascribed thereto in Section 4.2;

“**Redemption Date**” has the meaning ascribed thereto in Section 4.2;

“**Redemption Price**” has the meaning ascribed thereto in Section 4.1;

“**Share Reorganization**” has the meaning ascribed thereto in Subsection 2.5(a);

“**Successor Debtor**” has the meaning ascribed thereto in Section 11.1;

“**Time of Expiry**” has the meaning ascribed thereto in Subsection 2.1(a)(i);

“**TSXV**” means the TSX Venture Exchange; and

“**U.S. Securities Act**” has the meaning ascribed thereto in Section 2.11.

1.2 Interpretation

Whenever used in this Debenture, words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the neuter or the feminine gender and vice versa.

1.3 Headings, Etc.

The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

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1.4 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a business day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a business day.

1.5 Currency

All references to currency herein shall be to lawful money of Canada.

ARTICLE 2 CONVERSION OF DEBENTURE

2.1 Conversion and Conversion Price

- (a) Upon and subject to the terms and conditions set out in this Article 2, and for no additional consideration:
 - (i) the Holder shall have the right, at its option at any time beginning on the date that is twelve (12) months after the date of the issuance of this Debenture, but prior to the earlier of the close of business on: (a) the business day prior to the Maturity Date; or (b) the business day prior to any Redemption Date or date of purchase of the Debenture (the “**Time of Expiry**”) to convert, in whole or in part, the Principal Amount into fully paid and non-assessable Common Shares, at the Conversion Price on the Date of Conversion; and
- (b) The Conversion Price, wherever referenced in this Debenture, shall be subject to adjustment as provided in Section 2.5.
- (c) The right of conversion set forth in Subsections 2.1(a)(i) shall extend only to the maximum number of whole Common Shares into which the Principal Amount may be converted in accordance with the foregoing provisions of this Article 2.
- (d) Fractional interests in Common Shares that would otherwise be issuable upon any conversion of the Principal Amount shall be adjusted in the manner provided in Section 2.6.

2.2 Manner of Exercise of Right to Convert

- (a) If the Holder wishes to convert the Principal Amount into Common Shares pursuant to Subsection 2.1(a)(i), the Holder shall, prior to the Time of Expiry, send written notice, substantially in the form of Exhibit 1 hereto, duly executed by the Holder or its legal representative or attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Debtor, exercising its right to convert the Principal Amount into Common Shares.
- (b) For the purposes of Subsection 2.1(a)(i), the Holder shall be deemed to have converted the Principal Amount then outstanding into Common Shares on the date on which the notice contemplated by Subsection 2.2(a) above is actually received by the Debtor (the “**Date of Conversion**”).

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2.3 Certificates

Within seven (7) business days of Date of Conversion pursuant to this Article 2, the Holder or, subject to the payment of all applicable security transfer taxes or other governmental charges by the Holder, its nominee(s) or assignee(s), shall be entered in the books of the Debtor (as of the Date of Conversion) as the holder of the number of Common Shares into which the Principal Amount is so converted and, as soon as practicable thereafter, the Debtor shall deliver to the Holder or, subject as aforesaid, its nominee(s), or assignee(s), a certificate or certificates for such Common Shares and, if applicable, a cheque for any amount payable under Section 2.6.

2.4 Interest and Dividends

Upon conversion pursuant to this Article 2, the Holder shall be entitled to receive accrued and unpaid interest in respect thereof up to the Date of Conversion. Common Shares issued upon conversion of the Principal Amount by the Holder shall only be entitled to receive dividends declared in favour of shareholders of record on or after the Date of Conversion, from which date such Common Shares will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Common Shares.

2.5 Adjustment of Conversion Price

(a) If, and whenever at any time and from time to time the Debtor shall (i) subdivide, redivide or change its then outstanding Common Shares into a greater number of Common Shares, (ii) reduce, combine, consolidate or change its then outstanding Common Shares into a lesser number of Common Shares, or (iii) issue Common Shares (or securities exchangeable or convertible into Common Shares) to the holders of all or substantially all of its then outstanding Common Shares by way of stock dividend or other distribution (other than a dividend in the ordinary course paid in Common Shares or securities exchangeable or convertible into Common Shares) (any of such events being herein called a “**Share Reorganization**”), the Conversion Price shall be adjusted effective immediately after the effective date or record date for the Share Reorganization, by multiplying the Conversion Price in effect immediately prior to such effective date or record date by the quotient obtained when:

(i) the number of Common Shares outstanding on such effective date or record date before giving effect to the Share Reorganization,

is divided by

(ii) the number of Common Shares outstanding immediately after the completion of such Share Reorganization (but before giving effect to the issue of any Common Shares issued after such record date otherwise than as part of such Share Reorganization) including, in the case where securities exchangeable or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date.

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(b) If, and whenever there is a capital reorganization of the Debtor not otherwise provided for in Subsection 2.5(a) or a consolidation, merger, arrangement or amalgamation (statutory or otherwise) of the Debtor with or into another body corporate (any such event being called a “**Capital Reorganization**”), and the Holder has not exercised its right of conversion prior to the effective date or record date for such Capital Reorganization, then the Holder shall be entitled to receive and shall accept, upon any conversion of the Principal Amount after the effective date or record date for such Capital Reorganization, in lieu of the number of Common Shares to which it was theretofore entitled upon conversion, the aggregate number of Common Shares or other securities of the Debtor or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization that the Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date or record date thereof, it had been the registered holder of the number of Common Shares to which it was theretofore entitled upon the conversion of the Principal Amount; provided that no such Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken so that the Holder shall thereafter be entitled to receive such number of Common Shares or other securities of the Debtor or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization. The foregoing provisions of this Subsection 2.5(b) shall apply *mutatis mutandis* in respect of any interest proposed to be paid through the issuance of Common Shares by the Debtor.

2.6 No Requirement to Issue Fractional Common Shares

The Debtor shall not be required to issue fractional Common Shares upon the conversion of the Principal Amount into Common Shares pursuant to this Article 2. If any fractional interest in a Common Share would, except for the provisions of this Section 2.6, be deliverable upon the conversion of the Principal Amount or the payment of any accrued and unpaid interest in Common Shares, the Debtor shall, in lieu of issuing any such fractional interest, satisfy such fractional interest by either, at the Debtor's option, (i) issuing to the Holder one full Common Share and delivering a certificate representing such Common Share to the Holder; or (ii) paying to the Holder an amount of lawful money of Canada equal to the Principal Amount remaining outstanding after so much of the Principal Amount as may be converted into a whole number of Common Shares has been so converted.

2.7 Cancellation of Converted Debenture

Upon conversion of the entire Principal Amount, if applicable, pursuant to this Article 2 and payment of all accrued and unpaid interest (whether in cash or Common Shares), this Debenture shall be cancelled and shall be of no further force or effect.

2.8 Certificate as to Adjustment

The Debtor shall from time to time, immediately after the occurrence of any event that requires an adjustment or readjustment as provided in Section 2.5, deliver an Officer's Certificate to the Holder specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, provided, however, that in the event the Holder does not agree with the adjustment as set forth in the Officer's Certificate, the Debtor shall obtain the certificate or opinion as to the appropriate adjustment from the Auditors of the Debtor, which certificate or opinion shall be conclusive and binding on the Debtor and the Holder.

2.9 Notice of Special Matters

The Debtor covenants with the Holder that, so long as this Debenture remains outstanding, it will give notice to the Holder, in the manner provided in Section 10.4 of its intention to fix a record date or an effective date for any event referred to in Section 2.5 that may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; and, if prepared or available as at the date that such notice is required to be given pursuant to this Section 2.9, such notice shall be accompanied by the material (i.e. proxy circulars, information booklets etc.) sent to the holders of Common Shares in respect of the event in question, provided that the Debtor shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than seven (7) business days in each case prior to such applicable record date or effective date.

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2.10 Resale Restrictions

Any Common Shares issued upon conversion of this Debenture before four (4) months plus one day from the Issue Date, shall bear the following legend:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CONVERTIBLE DEBENTURE CERTIFICATE SHALL NOT TRADE SUCH SECURITIES BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER ●.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.”

provided that at any time subsequent to the date which is four (4) months plus one day after the Issue Date any certificate representing such Common Shares may be exchanged for a certificate bearing no such legend.

In addition to the foregoing, any certificate representing Common Shares issued upon conversion of this Debenture before twelve (12) months from the Issue Date, will bear the following legends:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND EXCEPT AS SET FORTH BELOW.

BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) TO ASSURE HOLDINGS CORP., (C) IN COMPLIANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A); OR (ii) RULE 144 UNDER THE U.S. SECURITIES ACT ("RULE 144"), IF AVAILABLE (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

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FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE MUST MAKE CERTAIN CERTIFICATIONS TO THE COMPANY OR TRANSFER AGENT TO CONFIRM THAT SUCH TRANSFEREE IS NOT A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT AND PROVIDE CERTAIN OTHER CERTIFICATIONS AND AGREEMENTS THAT SUCH TRANSFERS ARE BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

ADDITIONALLY, FOR ANY TRANSFER REFERRED TO IN CLAUSE (C)(ii) or (E), OR IF REQUESTED BY ASSURE HOLDINGS CORP. OR THE TRANSFER AGENT FOR THE SECURITIES, (D), THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE COMPANY OR TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT.

THE HOLDER HEREOF AGREES THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES EXCEPT AS PERMITTED BY THE SECURITIES ACT.

“RESTRICTION TERMINATION DATE” AS USED HEREIN SHALL MEAN ONE YEAR AFTER THE LATER TO OCCUR OF THE ACQUISITION OF THE SECURITY EVIDENCED HEREBY FROM (X) ASSURE HOLDINGS CORP. OR (Y) ANY AFFILIATE OF ASSURE HOLDINGS CORP.”

provided that at any time subsequent to the date which is twelve (12) months after the date of exercise hereof any certificate representing such Common Shares may be exchanged for a certificate bearing no such legends.

2.11 United States Securities Law Matters

This Debenture and the Common Shares issuable upon conversion or at maturity or otherwise in connection with this Debenture have not been registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States. This Debenture may not be converted into Common Shares by or for the account or benefit of a “U.S. person” or a person in the United States, and the Common Shares may not be delivered to an address within the United States, unless the Debenture and the underlying Common Shares have been registered under the U.S. Securities Act and any applicable state securities laws, or an exemption from such registration requirements is available, such as the exemption provided by Section 3(a)(9) of the U.S. Securities Act. “**United States**” and “**U.S. person**” are as defined by Regulation S under the U.S. Securities Act.

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ARTICLE 3 CHANGE OF CONTROL

3.1 Within 30 days following a Change of Control, and subject to the provisions and conditions of this Article 3, the Debtor shall be obligated to offer to purchase this Debenture, subject to the exercise of conversion rights of the Holder in accordance with Article 2. The terms and conditions of such obligation are set forth below:

- (a) Not more than 30 days following the occurrence of a Change of Control, the Debtor shall deliver to the Holder a notice stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control substantially in the form of Exhibit 2 hereto (a "**Change of Control Notice**"). Prior to the Change of Control Purchase Date (as defined below), the Holder shall, in its sole discretion, have the right, by completing and submitting to the Debtor the form attached as Appendix "A" to Exhibit 2 no later than 20 business days after the Change of Control Notice is delivered to the Holder, failing which the Holder shall be irrevocably deemed to have elected to continue to hold the Debenture, to require the Debtor to either: (i) purchase the Debenture in whole or in part (the "**Change of Control Purchase Option**") at 101% of the Principal Amount thereof plus accrued and unpaid interest to, but excluding, the Change of Control Purchase Date (the "**Change of Control Purchase Price**"); or (ii) convert the Debenture at the Conversion Price in accordance with Article 2. The "**Change of Control Purchase Date**" shall be the date that is 30 business days after the date of the Change of Control Notice is delivered to the Holder.
- (b) Unless the Holder has elected to convert the Debenture in whole or in part, the Debtor shall, on or before 5:00 p.m. (Eastern Standard time) on the Change of Control Purchase Date, pay to the Holder the Change of Control Purchase Price for the Debenture to be purchased by the Debtor on the Change of Control Purchase Date (less any tax required by law to be deducted in respect of accrued and unpaid interest), with a cheque or bank draft for such amounts.
- (c) In the event that the Debenture is purchased in part only, upon surrender of such Debenture for payment of the Change of Control Purchase Price, the Debtor shall execute and deliver, without charge to the Holder, a new Debenture for the portion of the Principal Amount of the Debentures not so purchased.
- (d) If the Holder accepts the Change of Control Purchase Option, the Debenture shall become due and payable at the Change of Control Purchase Price on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Debenture, anything therein or herein to the contrary notwithstanding, and, from and after the Change of Control Purchase Date, if the money necessary to purchase or redeem, the Debenture shall have been paid as provided in this Article 3, interest on the Debenture shall cease.
- (e) In case the Holder shall fail on or before the Change of Control Purchase Date to surrender the Debenture or shall not within such time accept payment of the monies payable, or give such receipt therefor, if any, as the Debtor may require, such monies may be set aside in trust, without interest, and such setting aside shall for all purposes be deemed a payment to the Holder of the sum and the Holder shall have no other right except to receive payment of the monies so paid and deposited upon surrender and delivery the Holder's Debenture.

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ARTICLE 4 REDEMPTION AND PURCHASE OF DEBENTURE

- 4.1** Subject to regulatory approval and the right of the Holder to convert the Debenture under Article 2, the Debtor shall have the right, at its option, at any time beginning on the date that is twelve (12) months after the date of the issuance of this Debenture, to redeem all or part of the Debenture, including the entire Principal Amount and any accrued and unpaid interest thereunder, by payment to the Holder, on not more than 60 days' and not less than 30 days' notice, of 100% of the Principal Amount, plus interest accrued up to the Redemption Date (the "**Redemption Price**").
- 4.2** Notice of redemption (the "**Redemption Notice**") of the Debenture shall be given to the Holder not more than 60 days nor less than 30 days prior to the date fixed for redemption (the "**Redemption Date**") substantially in the form of Exhibit 3. Such notice shall specify the aggregate Principal Amount of the Debenture called for redemption, the Redemption Date, the Redemption Price and the place of payment and shall state that interest upon the portion of the Principal Amount of the Debenture called for redemption shall cease to be payable from and after the Redemption Date. In addition, the Redemption Notice shall specify the portion of the Principal Amount to be redeemed.
- 4.3** Notice having been given as aforesaid, the Debenture shall thereupon be and become due and payable at the relevant Redemption Price, together with accrued and unpaid interest up to and including the Redemption Date, on the Redemption Date specified in such notice, in the same manner and with the same effect as if it were the date of maturity specified in the Debenture, anything therein or herein to the contrary notwithstanding, and from and after such Redemption Date, if the monies necessary to redeem such Debentures shall have been paid as herein provided, interest on the Debenture will cease.
- 4.4** The Redemption Price shall be paid by the Debtor on or before 5:00 p.m. (Eastern Standard Time) on the Redemption Date specified in the Redemption Notice, upon surrender of the Debenture.
- 4.5** In case the Holder shall fail on or before the Redemption Date to surrender such the Debenture, or shall not within such time accept payment of the redemption monies payable, or give such receipt therefor, if any, as the Debtor may require, such redemption monies may be set aside in trust, and such setting aside shall for all purposes be deemed a payment to the Holder of the sum so set aside and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the Holder shall have no other right except to receive payment out of the monies so set aside, upon surrender and delivery of the Debenture, plus any accrued but unpaid interest thereon up to and including the Redemption Date.
- 4.6** If the Debenture is redeemed in part it shall be cancelled and the Debtor shall issue a new Debenture to the Holder, on identical terms except for the Principal Amount, in a principal amount equal to the Principal Amount not so redeemed.
- 4.7** The Debtor may, if it is not at the time in default under the Debenture, at any time and from time to time, offer to purchase the Debenture in whole or in part in the market by tender or by contract, at any price.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

- 5.1** The Debtor hereby represents and warrants to the Holder that:
- (a) **Corporate Power and Qualification** – The Debtor:

(i) is organized and validly subsisting under the laws of Nevada,

(ii) has full corporate power and capacity to own or lease its properties and to carry on its business as conducted on the date hereof,

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- (iii) is duly qualified to do business under the laws of each jurisdiction in which it carries on business or holds property to the extent required by such laws, and
 - (iv) holds all licences and authorizations from regulatory and governmental authorities or agencies required in order to permit it to carry on its business as conducted on the date hereof;
- (b) **Corporate Authority** – The Debtor has full power, legal right and corporate authority to enter into this Debenture and any other agreement contemplated hereby to which it is a party and to do all acts and things as are required or contemplated hereunder or thereunder to be done, observed and performed by it;
- (c) **Valid Authorization** – The Debtor has, or will have as of the date hereof, taken all necessary corporate action to authorize the execution, delivery and performance of this Debenture and any other agreement contemplated hereby to which it is a party and the performance by it of all acts and things as are required or contemplated hereunder or thereunder to be done, observed and performed by it; and
- (d) **Enforceability** – Each of this Debenture and any other agreement contemplated hereby to which the Debtor is a party constitutes a valid and legally binding obligation of the Debtor enforceable against it in accordance with the terms thereof, except (i) to the extent that enforceability may be limited by applicable bankruptcy or insolvency or other laws affecting creditors' rights generally and (ii) to the extent that the remedies of specific performance and injunction, being equitable remedies, may only be granted in the discretion of a court.

ARTICLE 6 COVENANTS

The Debtor hereby covenants and agrees with the Holder as follows:

6.1 To Pay Principal and Interest

The Debtor will duly and punctually pay or cause to be paid to the Holder the principal of and interest accrued on this Debenture on the dates, at the places and in the manner mentioned in this Debenture.

6.2 To Carry on Business

Subject to the express provisions hereof, the Debtor will carry on and conduct its business in a proper and efficient manner consistent with past practice and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and rights.

6.3 To Maintain Accurate Books and Records

The Debtor will keep and maintain proper books of account and records accurately covering all material aspects of the business affairs of the Debtor.

6.4 Notice of Event of Default

The Debtor will give notice in writing forthwith to the Holder of the occurrence of any Event of Default or other event that, with the lapse of time and/or giving of notice or otherwise, would be an Event of Default, forthwith upon becoming aware thereof and specifying the nature of such default and/or Event of Default and the steps taken to remedy the same.

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ARTICLE 7 EVENTS OF DEFAULT

7.1 Events of Default

The happening of any one or more of the following events shall be considered an event of default (each an **Event of Default**):

- (a) if the Debtor defaults in the payment of the Principal Amount of this Debenture when the same becomes due and payable under any provision hereof;
- (b) if the Debtor defaults in the payment of any interest or other monies due pursuant to this Debenture and such default continues for a period of sixty (60) business days;
- (c) if any representation or warranty made in this Debenture is proven to have been materially false or misleading on the date when made; or
- (d) if the Debtor neglects to observe or perform any other covenant or condition herein contained on its part to be observed or performed and after notice in writing has been given by the Holder to the Debtor specifying such default and requiring the Debtor to rectify the same, the Debtor fails to make good such default within a period of sixty (60) business days unless the Holder (having regard to the subject matter of the default) shall have agreed to a longer period and in such event within the period agreed to by the Holder.

If any one or more of the foregoing Events of Default shall occur, the Holder may, at its option, declare the principal amount of this Debenture and interest accrued thereon, to be immediately due and payable.

7.2 Waiver

The Holder may waive any breach by the Debtor of any of the provisions contained herein or any other document that the Debtor is a party or a default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor under the terms hereof, provided always that no act or omission of the Holder shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights resulting therefrom.

ARTICLE 8 ENFORCEMENT

8.1 Enforcement

Upon the occurrence and during the continuance of any Event of Default which has not been waived or cured, the Holder will be entitled to enforce its remedies to the full extent permitted by applicable law, this Debenture and for any of such purposes, commence such legal action or proceedings as, in its sole discretion, it may deem expedient

all without any notice, presentation, further demand, protest, notice of protest, entering into possession of any of the undertaking, property or assets of the Debtor or any other action, notice of all of which are hereby expressly waived by the Debtor except to the extent set forth herein.

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**ARTICLE 9
PRESENTMENT**

9.1 Presentment

The Debtor hereby expressly waives demand for payment, presentment, protest and notice of dishonour of this Debenture. Any failure or omission by the Holder to present this Debenture for payment, protest or provide notice of dishonour will not invalidate or adversely affect in any way any demand for payment or any enforcement proceeding taken under this Debenture.

**ARTICLE 10
MISCELLANEOUS**

10.1 Discharge

Upon payment (including by conversion) by the Debtor to the Holder of the Principal Amount, interest thereon and other monies payable by the Debtor under this Debenture, the Holder shall execute and deliver to the Debtor any such deeds and other documents as the Debtor may reasonably require in order to evidence the release and discharge of this Debenture.

10.2 Severability

If any covenant or provision herein is determined to be illegal, unenforceable or prohibited by applicable law such illegality, unenforceability or prohibition shall not affect or impair the validity of any other covenant or provision herein.

10.3 Laws of Ontario

This Debenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Holder hereby irrevocably submits to the jurisdiction of the courts of Ontario in respect of any action, suit or any other proceeding arising out of or relating to this Debenture and any other agreement or instrument mentioned herein and any of the transactions contemplated thereby.

10.4 Notices

All notices, reports or other communications required or permitted by this Debenture must be in writing and either delivered by hand, mail or by any form of electronic communication by means of which a written or typed copy is produced at the address of the recipient and is effective on actual receipt unless sent (i) by mail in which case it shall be deemed to have been received and be effective on the date that is three (3) business days following the date of mailing, or (ii) by electronic means in which case it is effective on the business day, next following the date of transmission, addressed to the relevant party, as follows:

(c) if to the Debtor:

Assure Holdings Corp.
4600 South Ulster Street
Denver, Colorado 80237
Attention: John Farlinger, CEO
Email: john.farlinger@assureiom.com

(f) if to the Holder, at the address specified on page 2 hereof,

or the last address or telecopier number of the addressee, notice of which was given in accordance with this Section 10.4.

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10.5 Enurement

This Debenture and all its provisions shall enure to the benefit of the Holder, its successors and assigns and shall be binding upon the Debtor and its successors and assigns. This Debenture cancels and supersedes any prior agreements or understandings between the Holder and the Debtor concerning the subject matter hereof, other than the Subscription Agreement entered into by the Debtor and the Holder, which survives with the exception of Exhibit "A" thereof which is superseded and more particularly it supersedes the term sheet attached to such Subscription Agreement.

10.6 Time of the Essence

Time shall be of the essence of this Agreement.

10.7 Maximum Rate Permitted by Law

Under no circumstances shall the Holder be entitled to receive nor shall it in fact receive a payment or partial payment of interest, fees or other amounts under or in relation to this Debenture at a rate that is prohibited by applicable law. Accordingly, notwithstanding anything herein or elsewhere contained, if and to the extent that under any circumstances, the effective annual rate of "interest" (as defined in Section 347 of the Criminal Code of Canada) received or to be received by a Holder (determined in accordance with such section) on any amount of "credit advanced" (as defined in that section) pursuant to these presents or any agreement or arrangement collateral hereto entered into in consequence or implementation hereof would, but for this Section 10.7, be a rate that is prohibited by applicable law, then the effective annual rate of interest, as so determined, received or to be received by the Holder on such amount of credit advanced shall be and be deemed to be adjusted to a rate that is one whole percentage point less than the lowest effective annual rate of interest that is so prohibited (the "adjusted rate"); and, if the Holder has received a payment or partial payment which would, but for this Section 10.7, be so prohibited then any amount or amounts so received by the Holder in excess of the lowest effective annual rate that is so prohibited shall and shall be deemed to have comprised a credit to be applied to subsequent payments on account of interest, fees or other amounts due to the Holder at the adjusted rate.

10.8 Transferability

Subject to applicable statutory resale restrictions, this Debenture may be assigned and transferred by the Holder upon providing written notice of such transfer to the Debtor. The Debtor, acting reasonably, may require the Holder to furnish to the Debtor an opinion of counsel, of recognized standing reasonably satisfactory to the Debtor, confirming that any such assignment and transfer is permissible under applicable securities laws.

ARTICLE 11 SUCCESSOR CORPORATION

11.1 Certain Requirements

The Debtor shall not, directly or indirectly, sell, lease, transfer or otherwise dispose of all or substantially all of its property and assets as an entirety to any other corporation or entity (any such other corporation or entity being herein referred to as a "Successor Debtor") or consummate a Change of Control transaction that results in a Successor Debtor succeeding to all or substantially all of the property and assets of the Debtor unless, in each case, such Successor Debtor shall execute, prior to or contemporaneously with the consummation of any such transaction, an agreement together with such other instruments as are, in the opinion of counsel, necessary or advisable to evidence the assumption by the Successor Debtor of the due and punctual payment of this Debenture and the interest thereon and all other moneys payable hereunder and its agreement to observe and perform all the covenants and obligations of the Debtor under this Debenture on a basis that is economically equivalent to the Debenture.

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EXHIBIT 1 OPTIONAL CONVERSION NOTICE

To: Assure Holdings Corp. (the "Debtor")

The undersigned registered Holder of a 9% Unsecured Redeemable Convertible Debenture due issued on the ____ of _____, 2020 (the "Issue Date") by the Debtor (the "Debenture") hereby irrevocably elects to convert US\$_____ of principal amount of the Debenture into common shares in the capital of the Debtor (the "Common Shares") in accordance with the terms of the Debenture and directs that the Common Shares issuable and deliverable upon such conversion be issued and delivered to the Holder (or person indicated below)*.

In the event that the conversion described above represents the entire Principal Amount (as defined in the Debenture) owing and outstanding to the Holder, such undersigned Holder shall execute and deliver to the Debtor any such deeds and other documents as the Debtor may reasonably require in order to evidence the release and discharge of the Debenture, without recourse.

By executing this conversion notice, the undersigned hereby acknowledges, represents and warrants:

- (1) That the following legends will be placed on the certificates representing the Common Shares being acquired if the Debenture is converted prior to four months plus one day from the Issue Date:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CONVERTIBLE DEBENTURE CERTIFICATE SHALL NOT TRADE SUCH SECURITIES BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER ●."

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●."

and in addition to the foregoing legends, the following legends will be placed on the certificates representing the Common Shares if the Debenture is converted prior to twelve months from the Issue Date:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND EXCEPT AS SET FORTH BELOW.

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BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) TO ASSURE HOLDINGS CORP., (C) IN COMPLIANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A); OR (ii) RULE 144 UNDER THE U.S. SECURITIES ACT ("RULE 144"), IF AVAILABLE (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE MUST MAKE CERTAIN CERTIFICATIONS TO THE COMPANY OR TRANSFER AGENT TO CONFIRM THAT SUCH TRANSFEREE IS NOT A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT AND PROVIDE CERTAIN OTHER CERTIFICATIONS AND AGREEMENTS THAT SUCH TRANSFERS ARE BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

ADDITIONALLY, FOR ANY TRANSFER REFERRED TO IN CLAUSE (C)(ii) or (E), OR IF REQUESTED BY ASSURE HOLDINGS CORP. OR THE TRANSFER AGENT FOR THE SECURITIES, (D), THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE COMPANY OR TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT.

THE HOLDER HEREOF AGREES THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES EXCEPT AS PERMITTED BY THE SECURITIES ACT.

“RESTRICTION TERMINATION DATE” AS USED HEREIN SHALL MEAN ONE YEAR AFTER THE LATER TO OCCUR OF THE ACQUISITION OF THE SECURITY EVIDENCED HEREBY FROM (X) ASSURE HOLDINGS CORP. OR (Y) ANY AFFILIATE OF ASSURE HOLDINGS CORP.”

- (2) That the undersigned is not a U.S. Person, or a Person in the United States, and is not acquiring any of the Common Shares issuable upon the conversion of the Debentures for the account or benefit of, a U.S. Person or Person in the United States and none of the persons listed above is a U.S. Person or a Person in the United States. For purposes hereof, (a) "United States" means the United States of America, its territories or possessions, any state thereof or the District of Columbia and (b) a "U.S. Person" means any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States, any estate of which any executor or administrator is a U.S. Person, any trust of which any trustee is a U.S. Person, any agency or branch of a foreign entity located in the United States, any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person, any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized or incorporated, or, if an individual, resident, in the United States or any partnership or corporation organized or incorporated under the laws of a country other than the United States if formed by a U.S. Person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended.

<<Signature page to follow>>

DATED _____, 20__.

(Signature of Registered Holder)

Name: _____

(Address) _____

(City and State/Province) _____

(Zip/Postal Code) _____

* The signature of the registered holder must be guaranteed by a Canadian chartered bank, Medallion Guarantee or other entity acceptable to Assure Holdings Corp., if this form is in the name of anyone other than the registered holder of the Debenture.

EXHIBIT 2
CHANGE OF CONTROL NOTICE

•, 20__

To: _____(the "Holder")

Assure Holdings Corp. (the "Debtor") hereby notifies the Holder of the 9% Unsecured Redeemable Convertible Debenture due (the "Debenture") issued on the _____ of _____, 2020 (the "Issue Date") by the Debtor that a "Change of Control" (as defined in the Debenture) occurred in respect of the Debtor on _____, 20__.

Details of the Change of Control are set forth below:

In accordance with the terms and conditions of the Debenture, you have the right, at your option, to require the Debtor to either: (i) purchase the Debenture at a price equal to 101% of the Principal Amount then outstanding plus accrued and unpaid interest, to but excluding the Change of Control Purchase Date; or (ii) convert the Debenture at the Conversion Price in accordance with Article 2 of the Debenture.

In order to make the election, you must complete and submit to the Debtor the form attached to this Exhibit 2 as Appendix "A" no later than 20 business days after this Change of Control Notice is delivered to you, failing which you shall be irrevocably deemed to have elected to continue to hold the Debenture.

By electing to convert the Debenture at the Conversion Price in accordance with Article 2 of the Debenture, you acknowledge that the following legends will be placed on the certificates representing the Common Shares being acquired if the Debenture is converted prior to four months plus one day from the Issue Date:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CONVERTIBLE DEBENTURE CERTIFICATE SHALL NOT TRADE SUCH SECURITIES BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER ●.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES

LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.”

and in addition to the foregoing legends, the following legends will be placed on the certificates representing the Common Shares if the Debenture is converted prior to twelve months from the Issue Date:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND EXCEPT AS SET FORTH BELOW.

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BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) TO ASSURE HOLDINGS CORP., (C) IN COMPLIANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A); OR (ii) RULE 144 UNDER THE U.S. SECURITIES ACT ("RULE 144"), IF AVAILABLE (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE MUST MAKE CERTAIN CERTIFICATIONS TO THE COMPANY OR TRANSFER AGENT TO CONFIRM THAT SUCH TRANSFEREE IS NOT A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT AND PROVIDE CERTAIN OTHER CERTIFICATIONS AND AGREEMENTS THAT SUCH TRANSFERS ARE BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

ADDITIONALLY, FOR ANY TRANSFER REFERRED TO IN CLAUSE (C)(ii) OR (E), OR IF REQUESTED BY ASSURE HOLDINGS CORP. OR THE TRANSFER AGENT FOR THE SECURITIES, (D), THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE COMPANY OR TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT.

THE HOLDER HEREOF AGREES THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES EXCEPT AS PERMITTED BY THE SECURITIES ACT.

“RESTRICTION TERMINATION DATE” AS USED HEREIN SHALL MEAN ONE YEAR AFTER THE LATER TO OCCUR OF THE ACQUISITION OF THE SECURITY EVIDENCED HEREBY FROM (X) ASSURE HOLDINGS CORP. OR (Y) ANY AFFILIATE OF ASSURE HOLDINGS CORP.”

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ASSURE HOLDINGS CORP.

Per: _____

Name:

Title:

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APPENDIX "A"

CHANGE OF CONTROL EXERCISE NOTICE

To: Assure Holdings Corp. (the "Debtor")

The undersigned holder (the "Holder") of a 9% Unsecured Redeemable Convertible Debenture due issued by the Debtor (the "Debenture") acknowledges receipt of the Change of Control Notice of the Debtor dated _____, 20__ and hereby elects, in accordance with the terms and conditions of the Debenture, as follows:

- **To require the Debtor to purchase the Debenture**
- **To require conversion of the Debenture**

(please place an "X" in the applicable box)

(Insert Date)

(Name of Holder – please print)

(Signature of the Holder)

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EXHIBIT 3

REDEMPTION NOTICE

•, 20____

To: _____ (the “Holder”)

Assure Holdings Corp. (the “Debtor”) hereby notifies the Holder pursuant to the terms and conditions of a 9% Unsecured Redeemable Convertible Debenture due • issued by the Debtor (the “Debenture”) that it intends to redeem US\$_____ of the Principal Amount of such Debenture on _____, 20__ (the “Redemption Date”) at Denver, Colorado at a price of _____% of the Principal Amount then outstanding. Interest on such redeemed Principal Amount shall cease to be payable from and after the Redemption Date. The Holder must surrender its Debenture to the Debtor at the following address in order to receive the redemption proceeds:

Assure Holdings Corp.
4600 South Ulster Street
Denver, Colorado 80237

Attention:
Email:

Capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the Debenture.

ASSURE HOLDINGS CORP.

Per: _____
Name:
Title:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS WARRANT CERTIFICATE SHALL NOT TRADE SUCH SECURITIES BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER ●.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND EXCEPT AS SET FORTH BELOW.

BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) TO ASSURE HOLDINGS CORP., (C) IN COMPLIANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A); OR (ii) RULE 144 UNDER THE U.S. SECURITIES ACT ("RULE 144"), IF AVAILABLE (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE MUST MAKE CERTAIN CERTIFICATIONS TO THE COMPANY OR TRANSFER AGENT TO CONFIRM THAT SUCH TRANSFEREE IS NOT A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT AND PROVIDE CERTAIN OTHER CERTIFICATIONS AND AGREEMENTS THAT SUCH TRANSFERS ARE BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

ADDITIONALLY, FOR ANY TRANSFER REFERRED TO IN CLAUSE (C)(ii) or (E), OR IF REQUESTED BY ASSURE HOLDINGS CORP. OR THE TRANSFER AGENT FOR THE SECURITIES, (D), THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE COMPANY OR TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT.

THE HOLDER HEREOF AGREES THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES EXCEPT AS PERMITTED BY THE SECURITIES ACT.

"RESTRICTION TERMINATION DATE" AS USED HEREIN SHALL MEAN ONE YEAR AFTER THE LATER TO OCCUR OF THE ACQUISITION OF THE SECURITY EVIDENCED HEREBY FROM (X) ASSURE HOLDINGS CORP. OR (Y) ANY AFFILIATE OF ASSURE HOLDINGS CORP.

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

EXERCISABLE ONLY PRIOR TO 5:00 P.M. EST ON THE EXPIRY TIME (AS HEREINAFTER DEFINED), AFTER WHICH TIME THESE WARRANTS SHALL BE NULL AND VOID.

**WARRANTS TO PURCHASE
COMMON SHARES OF ASSURE HOLDINGS CORP.**

Warrant Certificate Number:

WC-US-2020-00●

Number of Warrants:

●

THIS IS TO CERTIFY THAT for value received ● (the "Warrantholder"), at ● has the right to purchase in respect of each warrant ("Warrants") represented by this certificate or by a replacement certificate (in either case this "Warrant Certificate"), at any time up to 5:00 p.m. (Eastern Standard Time), on the ____ day of ● (the "Expiry Time") one fully paid and non-assessable common share ("Common Shares" and which term shall include any shares or other securities to be issued in addition thereto or in substitution or replacement therefor as provided herein) of Assure Holdings Corp. (the "Corporation"), a corporation existing under the laws of the State of Nevada, as constituted on the date hereof at a purchase price (the purchase price in effect from time to time being called the "Exercise Price") of US\$● per Common Share, subject to adjustment as provided herein.

The Corporation agrees that the Common Shares purchased pursuant to the exercise of the Warrants shall be and be deemed to be issued to the Warrantholder as of the close of business on the date on which this Warrant Certificate shall have been surrendered and payment made for such Common Shares as aforesaid.

Nothing contained herein shall confer any right upon the Warrantholder to subscribe for or purchase any Common Shares at any time after the Expiry Time and, from and after the Expiry Time, the Warrants and all rights under this Warrant Certificate shall be null and void and of no value.

The above provisions are subject to the following:

1. **Exercise:**

- (1) **Cash Exercise:** In the event that the Warrantholder desires to exercise the right to purchase Common Shares conferred hereby, the Warrantholder shall (a) complete to the extent possible in the manner indicated and execute a subscription form in the form attached as Schedule A to this Warrant Certificate, (b) surrender this Warrant Certificate to the Corporation in accordance with section 9 hereof, and (c) pay the amount payable on the exercise of such Warrants in respect of the Common Shares subscribed for by certified cheque, bank draft or money order in lawful money of the United States of America payable to the Corporation or by transmitting same day funds in lawful money of the United States of America by wire to such account as the Corporation shall direct the Warrantholder. Upon such surrender and payment as aforesaid, the Warrantholder shall be deemed for all purposes to be the holder of record of the number of Common Shares to be so issued and the Warrantholder shall be entitled to delivery of a certificate or certificates representing such Common Shares and the Corporation shall cause such certificate or certificates to be delivered to the Warrantholder at the address specified in the subscription form within ten business days after such surrender and payment as aforesaid. No fractional Common Shares will be issuable upon any exercise of the Warrants and the Warrantholder will not be entitled to any cash payment or compensation in lieu of a fractional Common Share.

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- (2) **US Persons:** Notwithstanding any provision in sections 1, 2 or 3 hereof, the Warrants may not be exercised, in whole or in part, by a U.S. Person or person within the United States (or on behalf of a U.S. Person or person within the United States) unless registered under the United States *Securities Act of 1933*, as amended (the "**1933 Act**") and applicable state securities laws or unless an exemption from such registration is available. As used herein, the terms "United States" and "U.S. Person" have the meaning assigned to them in Regulation S under the 1933 Act.
2. **Partial Exercise:** The Warrantholder may from time to time subscribe for and purchase any lesser number of Common Shares than the number of Common Shares expressed in this Warrant Certificate. In the event that the Warrantholder subscribes for and purchases any such lesser number of Common Shares prior to the Expiry Time, the Warrantholder shall be entitled to receive a replacement certificate representing the unexercised balance of the Warrants.
3. **Not a Shareholder:** The holding of the Warrants shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as expressly provided in this Warrant Certificate.
4. **Covenants, Representations and Warranties:** The Corporation hereby represents and warrants that it is authorized to create and issue the Warrants and covenants and agrees that it will cause the Common Shares from time to time subscribed for and purchased in the manner provided in this Warrant Certificate and the certificate or certificates representing such Common Shares to be issued and that, at all times prior to the Expiry Time, it will reserve and there will remain unissued a sufficient number of Common Shares to satisfy the right of purchase provided for in this Warrant Certificate. The Corporation hereby further covenants and agrees that it will at its expense expeditiously use its best efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Common Shares may be listed from time to time. All Common Shares which are issued upon the exercise of the right of purchase provided in this Warrant Certificate, upon payment therefor of the amount at which such Common Shares may be purchased pursuant to the provisions of this Warrant Certificate, shall be and be deemed to be fully paid and non-assessable shares and free from all taxes, liens and charges with respect to the issue thereof. The Corporation hereby represents and warrants that this Warrant Certificate is a valid and enforceable obligation of the Corporation, enforceable in accordance with the provisions of this Warrant Certificate.

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5. **Anti-Dilution Protection:**

- (1) **Definitions:** For the purposes of this section 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 5(1):
- (a) "Adjustment Period" means the period commencing on the date of issue of the Warrants and ending at the Expiry Time;
- (b) "Current Market Price" of the Common Shares at any date means the price per share equal to the volume weighted average price at which the Common Shares have traded on the TSX Venture Exchange (the "**TSXV**") or, if the Common Shares are not then listed on the TSXV, on such other Canadian stock exchange as may be selected by the directors of the Corporation for such purpose or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any twenty (20) consecutive trading days ending not more than five (5) trading days before such date; provided that the volume weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during such twenty (20) consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the-counter market, then the Current Market Price shall be determined by a firm of independent chartered accountants selected by the directors of the Corporation;
- (c) "director" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and
- (d) "trading day" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.
- (2) **Adjustments:** The Exercise Price and the number of Common Shares issuable to the Warrantholder upon the exercise of the Warrants shall be subject to adjustment from time to time in the events and in the manner provided as follows:
- (a) If at any time during the Adjustment Period the Corporation shall:
- (i) fix a record date for the issue of, or issue, Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend;
- (ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the outstanding Common Shares payable in Common Shares or securities exchangeable for or convertible into Common Shares;
- (iii) subdivide the outstanding Common Shares into a greater number of Common Shares; or

- (iv) consolidate the outstanding Common Shares into a lesser number of Common Shares,

(any of such events in subclauses 5(2)(a)(i), 5(2)(a)(ii), 5(2)(a)(iii) and 5(2)(a)(iv) above being herein called a "**Common Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Common Shares are determined for the purposes of the Common Share Reorganization and the effective date of the Common Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

- A. the numerator of which shall be the number of Common Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Common Share Reorganization; and
- B. the denominator of which shall be the number of Common Shares which will be outstanding immediately after giving effect to such Common Share Reorganization (including in the case of a distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 5(2)(a) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. Any Warrantholder who has not exercised his right to subscribe for and purchase Common Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Common Shares then subscribed for and purchased by such Warrantholder, at the Exercise Price determined in accordance with this clause 5(2)(a) the aggregate number of Common Shares that such Warrantholder would have been entitled to receive as a result of such Common Share Reorganization, if, on such record date or effective date, as the case may be, such Warrantholder had been the holder of record of the number of Common Shares so subscribed for and purchased.

- (b) If at any time during the Adjustment Period the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Common Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Common Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which shall be the aggregate of
- A. the number of Common Shares outstanding on the record date for the Rights Offering, and
- B. the quotient determined by dividing
- (1) either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by
- (2) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and
- (ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this clause 5(2)(b), there is more than one purchase, conversion or exchange price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 5(2)(b) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this clause 5(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

- (c) If at any time during the Adjustment Period the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares of:
- (i) shares of the Corporation of any class other than Common Shares;
- (ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 45 days after the record date for such issue, to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share (or in the case of securities exchangeable for or convertible into Common Shares at an exchange or conversion price per share) at the date of issue of such securities to the holder of at least 95% of the Current Market Price of the Common Shares on such record date);

- (iii) evidences of indebtedness of the Corporation; or
- (iv) any property or assets of the Corporation;

and if such issue or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

- A. the numerator of which shall be the difference between
 - (1) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and
 - (2) the fair value, as determined by the directors of the Corporation, to the holders of Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and
- B. the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 5(2)(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this clause 5(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect based upon the number of Common Shares issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

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- (d) If at any time during the Adjustment Period there shall occur:
 - (i) a reclassification or redesignation of the Common Shares, a change of the Common Shares into other shares or securities or any other capital reorganization involving the Common Shares other than a Common Share Reorganization;
 - (ii) a consolidation, amalgamation or merger of the Corporation with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities;
 - (iii) the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder had been the registered holder of the number of Common Shares which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any such Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interests thereafter of the Warrantholder to the end that the provisions shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants.

- (e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of clause 5(2)(a), 5(2)(b) or 5(2)(c) of this Warrant Certificate, then the number of Common Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Common Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

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- (3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to subsection 5(2) hereof:
 - (a) Subject to the following clauses of this subsection 5(3), any adjustment made pursuant to subsection 5(2) hereof shall be made successively whenever an event referred to therein shall occur.
 - (b) No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least one per cent in the then Exercise Price and no adjustment shall be made in the number of Common Shares purchasable or issuable on the exercise of the Warrants unless it would result in a change of at least one one-hundredth of a Common Share; provided, however, that any adjustments which except for the provision of this clause 5(3)(b) would otherwise have been required to be made shall be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of subsection 5(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Common Shares issuable upon the exercise of the Warrants (except in respect of the Common Share Reorganization described in subclause 5(2)(a)(iv) hereof or a Capital Reorganization described in subclause 5(2)(d)(ii) hereof).
 - (c) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 5 hereof if the Warrantholder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event.
 - (d) No adjustment in the Exercise Price or in the number of Common Shares purchasable upon the exercise of the Warrants shall be made pursuant to subsection 5(2) hereof in respect of the issue from time to time of Common Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Corporation and/or any subsidiary of the Corporation and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Common Share Reorganization, a Rights Offering nor any other event described in subsection 5(2) hereof.

- (e) If at any time during the Adjustment Period the Corporation shall take any action affecting the Common Shares, other than an action described in subsection 5(2) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of Warranholders, either or both the Exercise Price and the number of Common Shares purchasable upon exercise of Warrants shall be adjusted in such manner and at such time by action by the directors, in their sole discretion, as may be equitable in the circumstances. Failure of the taking of action by the directors so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the Common Shares shall be deemed to be conclusive evidence that the directors have determined that it is equitable to make no adjustment in the circumstances.

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- (f) If the Corporation shall set a record date to determine holders of Common Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Common Shares purchasable upon exercise of the Warrant shall be required by reason of the setting of such record date.
- (g) In any case in which this Warrant Certificate shall require that an adjustment shall become effective immediately after a record date for an event referred to in subsection 5(2) hereof, the Corporation may defer, until the occurrence of such event:
- (i) issuing to the Warranholder, to the extent that the Warrants are exercised after such record date and before the occurrence of such event, the additional Common Shares or other securities issuable upon such exercise by reason of the adjustment required by such event; and
- (ii) delivering to the Warranholder any distribution declared with respect to such additional Common Shares or other securities after such record date and before such event;
- provided, however, that the Corporation shall deliver to the Warranholder an appropriate instrument evidencing the right of the Warranholder upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants and to such distribution declared with respect to any such additional Common Shares issuable on the exercise of the Warrants.
- (h) In the absence of a resolution of the directors fixing a record date for a Rights Offering, the Corporation shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.
- (i) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants, such disputes shall be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to subsection 5(2) hereof and shall be binding upon the Corporation and the Warranholder.
- (j) As a condition precedent to the taking of any action which would require an adjustment pursuant to subsection 5(2) hereof, including the Exercise Price and the number or class of Common Shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of counsel to the Corporation, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable shares all of the Common Shares or other securities which the Warranholder is entitled to receive in accordance with the provisions of this Warrant Certificate.

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- (4) **Notice:** At least 21 days prior to the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Warranholder under this Warrant Certificate, including the Exercise Price or the number of Common Shares which may be purchased under this Warrant Certificate, the Corporation shall deliver to the Warranholder a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 5(4) has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable deliver to the Warranholder a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Common Shares will be open, and that the Corporation will not take any action which might deprive the Warranholder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such 21 day period.
6. **Further Assurances:** The Corporation hereby covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such other act, deed and assurance as the Warranholder shall reasonably require for the better accomplishing and effectuating of the intentions and provisions of this Warrant Certificate.
7. **Time of Essence:** Time shall be of the essence of this Warrant Certificate.
8. **Governing Laws:** This Warrant Certificate shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
9. **Notices:** All notices or other communications to be given under this Warrant Certificate shall be delivered by hand or by recorded electronic communication and, if delivered by hand, shall be deemed to have been given on the delivery date and, if sent by recorded electronic communication, on the date of transmission if sent before 5:00 p.m. on a business day or, if such day is not a business day, on the first business day following the date of transmission.

Notices to the Corporation shall be addressed to:

Assure Holdings Corp.
4600 South Ulster Street
Denver, Colorado 80237 Attention: John Farlinger, CEO
Email: john.farlinger@assureiom.com

Notices to the Warranholder shall be addressed to the address of the Warranholder set out on page 2 of this Warrant Certificate.

The Corporation and the Warranholder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant Certificate.

10. **Legend on Common Shares:**

Any certificate representing Common Shares issued upon the exercise of the Warrants prior to the date which is four months and one day after the date hereof will bear the following legends:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE SHALL NOT TRADE THE SECURITIES BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER ●, 2020.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●."

provided that at any time subsequent to the date which is four months and one day after the date hereof any certificate representing such Common Shares may be exchanged for a certificate bearing no such legend. The Corporation shall use the best efforts thereof to cause the registrar and transfer agent to deliver the certificate representing such Common Shares within ten (10) business days after receipt of the legended certificate or certificates.

In addition to the foregoing, any certificate representing Common Shares issued upon exercise of the Warrants will bear the following legends for the one-year distribution compliance period, for non-U.S. Subscribers, or the restricted period, for U.S. Subscribers:

"THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●.

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND EXCEPT AS SET FORTH BELOW.

BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) TO ASSURE HOLDINGS CORP., (C) IN COMPLIANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A); OR (ii) RULE 144 UNDER THE U.S. SECURITIES ACT ("RULE 144"), IF AVAILABLE (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE MUST MAKE CERTAIN CERTIFICATIONS TO THE COMPANY OR TRANSFER AGENT TO CONFIRM THAT SUCH TRANSFEREE IS NOT A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT AND PROVIDE CERTAIN OTHER CERTIFICATIONS AND AGREEMENTS THAT SUCH TRANSFERS ARE BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

ADDITIONALLY, FOR ANY TRANSFER REFERRED TO IN CLAUSE (C)(ii) or (E), OR IF REQUESTED BY ASSURE HOLDINGS CORP. OR THE TRANSFER AGENT FOR THE SECURITIES, (D), THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE COMPANY OR TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT.

THE HOLDER HEREOF AGREES THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES EXCEPT AS PERMITTED BY THE SECURITIES ACT.

"RESTRICTION TERMINATION DATE" AS USED HEREIN SHALL MEAN ONE YEAR AFTER THE LATER TO OCCUR OF THE ACQUISITION OF THE SECURITY EVIDENCED HEREBY FROM (X) ASSURE HOLDINGS CORP. OR (Y) ANY AFFILIATE OF ASSURE HOLDINGS CORP."

11. **Lost Certificate:** If this Warrant Certificate or any replacement hereof becomes stolen, lost, mutilated or destroyed, the Corporation shall, on such terms as it may in its discretion impose, acting reasonably, issue and deliver a new certificate, in form identical hereto but with appropriate changes, representing any unexercised portion of the subscription rights represented hereby to replace the certificate so stolen, lost, mutilated or destroyed.
12. **Language:** The parties hereto acknowledge and confirm that they have requested that this Warrant Certificate as well as all notices and other documents contemplated hereby be drawn up in the English language. Les parties aux présentes reconnaissent et confirment qu'elles ont exigé que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés en langue anglaise.

13. **Transfer:** The Warrants are transferable in accordance with the restrictions contained herein including any restrictive legends on this Warrant Certificate, and the term "Warrantholder" shall mean and include any successor, transferee or assignee of the current or any future Warrantholder. The Warrants may be transferred by the Warrantholder completing and delivering to the Corporation the transfer form attached hereto as Schedule B.

14. **Successors and Assigns:** This Warrant Certificate shall enure to the benefit of the Warranholder and the successors and assignees thereof and shall be binding upon the Corporation and the successors thereof.

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IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by an authorized officer as of the ____ day of _____, 20____.

ASSURE HOLDINGS CORP.

Per: _____
Authorized Signing Officer

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SCHEDULE A

SUBSCRIPTION FORM

TO: ASSURE HOLDINGS CORP.

The undersigned hereby:

1. subscribes for _____ common shares ("**Common Shares**") of Assure Holdings Corp. (the "**Corporation**") (or such other number of common shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto pursuant to the provisions of the warrant certificate (the "**Warrant Certificate**") dated the ____ day of _____, 2020 (the "**Issuance Date**") issued by the Corporation) at the purchase price of US\$1.00 per Common Share (or at such other purchase price as may be in effect under the provisions of the Warrant Certificate) and on and subject to the other terms and conditions specified in the Warrant Certificate and hereunder and encloses herewith a certified cheque, bank draft or money order in lawful money of the United States of America payable to the Corporation or has transmitted same day funds in lawful money of the United States of America by wire to such account as the Corporation directed the undersigned in payment of the subscription price.

By executing this subscription form, the undersigned hereby acknowledges, represents and warrants:

- (1) That the following legends will be placed on the certificates representing the Common Shares being acquired if the Warrants are exercised prior to four months plus one day from the Issuance Date:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE SHALL NOT TRADE THE SECURITIES BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER ●, 2020.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●."

and, in addition to the foregoing legends, the following legends will be placed on the certificates representing the Common Shares irrespective of the date of exercise:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, PLEDGED, ENCUMBERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT, AND EXCEPT AS SET FORTH BELOW.

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BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT OFFER, RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) TO ASSURE HOLDINGS CORP., (C) IN COMPLIANCE WITH (i) RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A); OR (ii) RULE 144 UNDER THE U.S. SECURITIES ACT ("RULE 144"), IF AVAILABLE (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

FOR ANY TRANSFER PURSUANT TO REGULATION S UNDER THE SECURITIES ACT OF THE SECURITY EVIDENCED HEREBY PRIOR TO THE RESTRICTION TERMINATION DATE, THE TRANSFEREE MUST MAKE CERTAIN CERTIFICATIONS TO THE COMPANY OR TRANSFER AGENT TO CONFIRM THAT SUCH TRANSFEREE IS NOT A U.S. PERSON UNDER REGULATION S UNDER THE SECURITIES ACT AND PROVIDE CERTAIN OTHER CERTIFICATIONS AND AGREEMENTS THAT SUCH TRANSFERS ARE BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

ADDITIONALLY, FOR ANY TRANSFER REFERRED TO IN CLAUSE (C)(ii) or (E), OR IF REQUESTED BY ASSURE HOLDINGS CORP. OR THE TRANSFER AGENT FOR THE SECURITIES, (D), THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE COMPANY OR TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY OR THE TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT.

THE HOLDER HEREOF AGREES THAT IT WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES EXCEPT AS PERMITTED BY THE SECURITIES ACT.

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“RESTRICTION TERMINATION DATE” AS USED HEREIN SHALL MEAN ONE YEAR AFTER THE LATER TO OCCUR OF THE ACQUISITION OF THE SECURITY EVIDENCED HEREBY FROM (X) ASSURE HOLDINGS CORP. OR (Y) ANY AFFILIATE OF ASSURE HOLDINGS CORP.”

- (2) That the undersigned is not a U.S. Person, or a Person in the United States, and is not acquiring any of the Common Shares issuable upon the exercise of the Warrants for the account or benefit of, a U.S. Person or Person in the United States and none of the persons listed above is a U.S. Person or a Person in the United States. For purposes hereof, (a) "United States" means the United States of America, its territories or possessions, any state thereof or the District of Columbia and (b) a "U.S. Person" means any natural person resident in the United States, any partnership or corporation organized or incorporated under the laws of the United States, any estate of which any executor or administrator is a U.S. Person, any trust of which any trustee is a U.S. Person, any agency or branch of a foreign entity located in the United States, any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person, any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized or incorporated, or, if an individual, resident, in the United States or any partnership or corporation organized or incorporated under the laws of a country other than the United States if formed by a U.S. Person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended.

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The undersigned hereby directs that the Common Shares subscribed for pursuant to the exercise of the Warrant be registered in the name of and delivered as follows:

<u>Name in Full</u>	<u>Address</u>	<u>Number of Warrants Hereby Exercised</u>

DATED this ___ day of _____, 20__.

(Print Name)

By: _____
(Signature)

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SCHEDULE B

FORM OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (include name and address of the transferee) Warrants exercisable for common shares of Assure Holdings Corp. (the "**Corporation**") registered in the name of the undersigned on the register of the Corporation maintained therefore, and hereby irrevocably appoints the attorney of the undersigned to transfer the said securities on the books maintained by the Corporation with full power of substitution.

DATED this _____ day of _____, 20__.

Signature of Transferor guaranteed by:

Name of Bank or Trust Company:

Signature of Transferor

Address of Transferor

Notes:

1. The signature to this transfer must correspond with the name written upon the face of this Warrant Certificate in every particular without any changes whatsoever.
 2. If the Transfer Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the Warrant Certificate, the signature on this Transfer Form must be guaranteed by a Schedule I chartered bank or licensed trust company, or a member of an acceptable medallion guarantee program. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches or credit unions unless they are members of the Stamp Medallion Program.
-

[Letterhead of Dorsey & Whitney LLP]

December 30, 2020

Assure Holdings Corp.
4600 South Ulster Street, Suite 1225
Denver, Colorado 80237

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to Assure Holdings Corp., a Nevada corporation (the “**Company**”), in connection with a Registration Statement on Form S-1 (the “**Registration Statement**”) filed by the Company with the United States Securities and Exchange Commission (the “**Commission**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”), relating to the offer and sale by certain selling stockholders of up to 32,715,406 shares of common stock, par value \$0.001 per share, of the Company, consisting of: (1) 16,357,703 shares of common stock of the Company (the “**Unit Shares**”) issued to the selling stockholders in connection with the Company’s brokered private placement offering of units that closed on December 1, 2020 (the “**Unit Financing**”); and (2) 16,357,703 shares of common stock of the Company (the “**Unit Warrant Shares**”) issuable upon the exercise of outstanding warrants issued to the selling stockholders in the Unit Financing (the “**Unit Warrants**”). The Unit Shares and the Unit Warrant Shares are collectively referred to herein as the “**Shares**”.

We have also examined such other documents and reviewed such questions of law as we have considered necessary and appropriate for the purposes of our opinions set forth below. In rendering our opinions, we have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures and the conformity to authentic originals of all documents submitted to us as copies. We have also assumed the legal capacity for all purposes relevant hereto of all natural persons and, with respect to all parties to agreements or instruments relevant hereto other than the Company, that such parties had the requisite power and authority (corporate or otherwise) to execute, deliver and perform such agreements or instruments, that such agreements or instruments have been duly authorized by all requisite action (corporate or otherwise), executed and delivered by such parties and that such agreements or instruments are the valid, binding and enforceable obligations of such parties. As to questions of fact material to our opinions, we have relied upon certificates of officers of the Company and of public officials. We have assumed that the Shares will be sold as described in the Registration Statement.

Based on the foregoing, we are of the opinion that (i) the Unit Shares have been validly issued and are fully paid and non-assessable and (ii) the Unit Warrant Shares issuable upon the exercise of the Unit Warrants, upon issuance, delivery and payment therefor in accordance with the terms of the Unit Warrants will be validly issued, fully paid and nonassessable.

Our opinions expressed above are limited to Nevada general corporation law.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement, and to the reference to our firm under the heading “Legal Matters” in the prospectus constituting part of the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,

DORSEY & WHITNEY LLP

SHARE EXCHANGE AGREEMENT

AMONG:

MONTREUX CAPITAL CORP.

-and -

The Persons Listed on

SCHEDULE A

-and -

ASSURE HOLDINGS INC.

May 16, 2017

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SHARES EXCHANGE AGREEMENT

THIS AGREEMENT made as of the 16th day of May, 2017,

AMONG:

ASSURE HOLDINGS, INC.,
a corporation incorporated under the laws of the State of Colorado

("Assure")

AND

The Persons Listed on **SCHEDULE A**,

(Each, an "Assure Shareholder" and collectively, the "Assure Shareholders")

AND

MONTREUX CAPITAL CORP.,
a corporation incorporated under the laws of the Province of British Columbia

("Montreux")

WHEREAS the Assure Shareholders are the registered and beneficial owners of all of the issued and outstanding common shares in the capital of Assure (each, an "Assure Share" and collectively, the "Assure Shares");

AND WHEREAS Montreux is a reporting issuer in the provinces of British Columbia and Alberta whose common shares are listed on the TSX Venture Exchange (the "TSXV");

AND WHEREAS Montreux and Assure and the Assure Shareholders wish to exchange securities on the terms and conditions herein contained;

AND WHEREAS immediately following such transactions, Montreux and Assure will effect a share transfer such that Montreux will directly own all of the Assure Shares, and the Assure Shareholders will in the aggregate own approximately 69.5% of the aggregate number of common shares of Montreux (the "Montreux Shares");

AND WHEREAS on March 2, 2017, Assure issued 6,392,060 subscription receipts (each a

"Subscription Receipt" and together, the "Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$3,196,030 (the "Financing");

AND WHEREAS the Acquisition (as defined below) is intended to serve as Montreux's "Qualifying Transaction" pursuant to TSXV Policy 2.4 – *Capital Pool Companies*;

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby covenant and agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

For all purposes of this Agreement the following capitalized terms shall have the meanings set forth in this Article 1:

"**Acquisition**" means the acquisition by Montreux of all of the issued and outstanding Assure Shares in exchange for the issuance of Montreux Shares to the Assure Shareholders for the purposes of effecting a "Qualifying Transaction" within the meaning of the CPC Policy.

"**Affiliate**" of an entity means any Person directly or indirectly controlling, controlled by or under direct or indirect common control with such entity.

"**Agent**" means Leede Jones Gable Inc.

"**Articles**" means the certificate and articles of incorporation (as amended), certificate and articles of organization (as amended), constitution, by-laws, operating agreement, joint venture or partnership agreement or articles or other constituting document of any Person other than an individual, each as from time to time amended or modified.

"**Assure Assets**" means all assets owned by Assure, including the shares of Assure Neuromonitoring and Assure Networks.

"**Assure Convertible Securities**" means collectively the 3,200,000 Assure Options, the 459,600 Assure Broker Warrants and the 6,000,000 Assure Performance Shares.

"**Assure Financial Statements**" has the meaning set forth in Section 3.6.

"**Assure Networks**" means Assure Networks, LLC, a limited liability company formed under the laws of the State of Colorado on November 2, 2016; being a wholly owned subsidiary of Assure.

"**Assure Neuromonitoring**" means Assure Neuromonitoring, LLC, a limited liability company formed under the laws of the State of Colorado on August 25, 2015, being a wholly owned subsidiary of Assure.

"**Assure Broker Warrants**" means the Broker Warrants of Assure to purchase 459,600 Assure Shares, the whole as set forth in Schedule "B", at a price of C\$0.50 per Assure Share until March 2, 2019, to be exchanged for 459,600 Montreux Broker Warrants on the same terms and conditions as the Assure Broker Warrants.

“**Assure Options**” means the 3,200,000 options to purchase Assure Shares, the whole as set forth in

Schedule “B”, to be exchanged for 3,200,000 options to purchase Montreux Shares, on the same terms and conditions as the Assure Options.

“**Assure Performance Shares**” means the 6,000,000 performance shares, as set forth in Schedule “B”, to be exchanged for 6,000,000 Montreux Performance Shares.

“**Assure Shareholders**” means, collectively, the Persons identified in Schedule A to this Agreement as the registered and beneficial holders of all the Assure Shares.

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“**Assure Shares**” means, collectively, all of the common shares of Assure as issued and outstanding from time to time.

“**Business Day**” means a day, excluding Saturday and Sunday, on which banking institutions are open for business in Toronto, Ontario and Vancouver, British Columbia.

“**Change of Control**” means the acquisition, directly or indirectly, of beneficial ownership of voting securities that results in a holding of more than 20% of the issued and outstanding voting securities of Assure by a third party, other than in connection with this Agreement or an internal corporate reorganization.

“**Claim**” has the meaning set forth in Section 11.4.

“**Closing**” means the closing of the Acquisition pursuant to the terms of this Agreement.

“**Closing Date**” means such date as Assure and Montreux shall determine for Closing but in any event no later than May 31, 2017.

“**Closing Time**” means 8:00 a.m. (Vancouver time) on the Closing Date.

“**Control**” in respect of a Person (including the terms “**controlled by**” and “**under common control with**”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or by other arrangement.

“**CPC Policy**” means policy 2.4 Capital Pool Companies of the TSXV.

“**Direct Claim**” has the meaning set forth in Section 11.4.

“**Distribution**” means: (a) the declaration or payment of any dividend in cash, securities or property on or in respect of any class of securities of the Person or its Subsidiaries; (b) the purchase, redemption or other retirement of any securities of the Person or its Subsidiaries, directly or indirectly; or (c) any other distribution on or in respect of any class of securities of the Person or its Subsidiaries.

“**Dollars**” and “**\$**” means Canadian dollars, unless otherwise specified.

“**Escrowed Proceeds**” means the cash amount of \$3,196,030, being the gross proceeds of the Financing, delivered to the Subscription Receipt Agent and held in escrow on the terms and subject to the conditions of the Subscription Receipt Agreement entered into among Assure, the Subscription Receipt Agent and the Agent, dated March 2, 2017, as confirmed in writing by Assure.

“**Financing**” has the meaning given to it in the recitals of this Agreement.

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“**Income Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

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“**Indebtedness**” means all obligations, contingent (to the extent required to be reflected in financial statements prepared in accordance with IFRS) and otherwise, which in accordance with IFRS should be classified on the obligor’s balance sheet as liabilities, including without limitation, in any event and whether or not so classified: (a) all debt and similar monetary obligations, whether direct or indirect; (b) all liabilities secured by any mortgage, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all agreements of guarantee, support, indemnification, assumption or endorsement and other contingent obligations whether direct or indirect in respect of Indebtedness or performance of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase Indebtedness, or to assure the owner of Indebtedness against loss, through an agreement to purchase goods, supplies or services for the purpose of enabling the debtor to make payment of the Indebtedness held by such owner or otherwise; (d) obligations to reimburse issuers of any letters of credit; and (e) capital leases.

“**Indemnified Party**” has the meaning set forth in Section 11.4.

“**Insider**” has the meaning given to such term in Policy 1.1 of the TSXV Corporate Finance Manual.

“**Laws**” mean all federal, provincial, state, municipal or local laws, rules, regulations, statutes, by-laws, ordinances, policies or orders of any federal, provincial, state, regional or local government or any subdivision thereof or any arbitrator, court, administrative or regulatory agency, commission, department, board or bureau or body or other government or authority or instrumentality or any entity or Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“**Lien**” means: (a) any encumbrance, mortgage, pledge, hypothec, prior claim, lien, charge or other security interest of any kind upon any property or assets of any character, or upon the income or profits therefrom; (b) any acquisition of or agreement to have an option to acquire any property or assets upon conditional sale or other title retention agreement, device or arrangement (including a capitalized lease); or (c) any sale, assignment, pledge or other transfer for security of any accounts, general intangibles or chattel paper, with or without recourse.

“**Losses**”, in respect of any matter, means all claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including, without limitation, all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly as a consequence of such matter.

“**Material Adverse Effect**” in respect of a Person means any change, effect, event, occurrence, condition or development that has or could reasonably be expected to have, individually or in the aggregate, a material and adverse impact on the business, operations, results of operations, assets, capitalization or financial condition of such Person,

other than any change, effect, event, occurrence or state of facts relating to the global economy or securities markets in general.

“**Montreux Assets**” means all assets owned by Montreux, including but not limited to cash.

“**Montreux Filing Statement**” means the filing statement to be prepared by Montreux in accordance with Form 3B2 in respect of a qualifying transaction.

“**Montreux Financial Statements**” has the meaning set forth in Section 5.8(a).

“**Montreux Options**” means options to acquire Montreux Shares to be issued to the holders of Assure Options in replacement of the Assure Options, as set forth in Schedule “B” hereto.

“**Montreux Plan**” means the stock option plan of Montreux.

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“**Montreux Performance Shares**” means the performance shares of Montreux to be issued to certain Assure Shareholders in replacement of the Assure Performance Shares, as set forth in Schedule “B” hereto.

“**Montreux Shareholders**” means, collectively, the registered and beneficial holders of all the Montreux Shares.

“**Montreux Shares**” means the common shares in the capital of Montreux, on a pre-Share Consolidation or post-Share Consolidation basis, as applicable in the context.

“**Montreux Warrants**” mean the warrants outstanding in the capital of Montreux, each such warrant entitling the holder thereof to acquire one Montreux Share at \$0.05 until September 29, 2018.

“**Permitted Liens**” means:

- (a) undetermined or inchoate Liens and charges incidental to construction, maintenance or operations or otherwise relating to the ordinary course of business which have not at the time been filed pursuant to law;
- (b) Liens for taxes and assessments for the then current year, Liens for taxes and assessments not at the time overdue, Liens securing worker’s compensation assessments and Liens for specified taxes and assessments which are overdue (and which have been disclosed to the other parties to this Agreement) but the validity of which is being contested at the time in good faith, if the Person shall have made on its books provision reasonably deemed by it to be adequate therefor;
- (c) cash or governmental obligations deposited in the ordinary course of business in connection with contracts, bids, tenders or to secure worker’s compensation, unemployment insurance, surety or appeal bonds, costs of litigation, when required by law, public and statutory obligations, Liens or claims incidental to current construction, and mechanics’, warehousemen’s, carriers’ and other similar Liens;
- (d) all rights reserved to or vested in any governmental body by the terms of any lease, licence, franchise, grant or permit held by it or by any statutory provision to terminate any such lease, licence, franchise, grant or permit or to require annual or periodic payments as a condition of the continuance thereof or to distrain against or to obtain a Lien on any of its property or assets in the event of failure to make such annual or other periodic payments; and
- (e) Purchase Money Obligations.

“**Person**” means an individual, partnership, corporation, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof.

“**Purchase Money Obligations**” means Indebtedness of a debtor, reflected in the debtor’s financial statements, and incurred or assumed to finance the purchase or acquisition, in whole or in part, of any tangible real or personal property or incurred to finance the cost, in whole or in part, of the construction or installation of any tangible personal property, provided, however, that such Indebtedness is incurred or assumed at the time of or within 30 days after the purchase of such property or the completion of such construction or installation, as the case may be, and include any extension, renewal or refinancing of any such Indebtedness so long as the principal amount thereof outstanding at the date of such extension, renewal or refinancing is not increased.

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“**Release Condition**” means collectively, the following conditions:

- (a) other than the release of the Escrowed Proceeds plus all interest and income, if any, earned thereon, all of the conditions to the completion of this Agreement having been satisfied or waived in a manner satisfactory to the Corporation and the Agent and as further set forth in the Agency Agreement; and
- (b) the Corporation and the Agent having delivered the release notice to the Subscription Receipt Agent pursuant to the Subscription Release Agreement;

“**Share Consolidation**” has the meaning set forth in Section 2.1(b).

“**Share Exchange**” means the exchange of Assure Shares for Montreux Shares, all as provided for herein, pursuant to which Montreux will directly and indirectly own all of the Assure Shares and the Assure Shareholders will in the aggregate own approximately 69.5% of the aggregate number of Montreux Shares, prior to giving effect to the Financing.

“**Subscription Receipt Agent**” means Computershare Trust Company of Canada.

“**Subsidiary**” shall have the same meaning as the term “subsidiary” in the *Securities Act* (British Columbia).

“**Tax**” or “**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative net worth, transfer, profits, withholding, payroll, employer health, employer safety, workers compensation, excise, immovable property and moveable property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan, Social Security and provincial plan contributions and workers compensation premiums, together with any interest, fines and penalties imposed by any governmental authority (including federal, provincial, municipal and foreign governmental authorities), and whether disputed or not.

“**Tax Returns**” has the meaning set forth in Section 3.11.

“Third Party Claim” has the meaning set forth in Section 11.4.

1.2 Hereof, Herein, etc.

The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified herein, the term “or” has the inclusive meaning represented by the term “and/or” and the term “including” is not limiting. All references as to “Sections”, “Subsections”, “Articles”, “Schedules” and “Exhibits” shall be to Sections, Subsections, Articles, Schedules and Exhibits, respectively, of this Agreement unless otherwise specifically provided.

1.3 Computation of Time Periods

In the computation of periods of time from a specified date to a later specified date, unless otherwise specified herein, the words “commencing on” mean “commencing on and including”, the word “from” means “from and including” and the words “to” and “until” each means “to and including”.

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1.4 Knowledge

Whenever used in this Agreement, a statement qualified by the phrase “to the knowledge of” or similar statement is intended to be a statement of the knowledge of the Person or senior officers of the Person regarding the facts or circumstances to which the phrase relates, after having made due inquiries and investigations with respect to such facts or circumstances.

1.5 Schedules

The following Schedules are attached hereto and form part of this Agreement:

Schedule A	-	Assure Shareholders
Schedule B	-	Assure Convertible Security Holders
Schedule 3.14	-	Assure Material Contracts
Schedule 5.18	-	Montreux Material Contracts

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ARTICLE 2 AGREEMENT TO EXCHANGE

2.1 Share Exchange

- (a) Subject to all of the terms and conditions hereof and in reliance on the representations and warranties set forth or referred to herein, at the Closing Time each of the Assure Shareholders separately agrees to exchange, transfer and assign all of the Assure Shares he or it owns or will own at the Closing Time (being the number set out opposite his or its name in the attached Schedule A) to Montreux in consideration of Montreux’s issuance to such Assure Shareholder of that number of Montreux Shares set out opposite his or its name in the said Schedule A.
- (b) Immediately prior to Closing, Montreux shall effect a share consolidation of the Montreux Shares on the basis of one (1) “new” Montreux Share for every three (3) “old” Montreux Shares (the “Share Consolidation”).
- (c) The exchange, transfer and assignment of Assure Shares for Montreux Shares shall proceed on the basis of one (1) Montreux Share (post-Share Consolidation) for each one (1) Assure Share.
- (d) Fractional Montreux Shares shall not be issued or otherwise provided for.

2.2 Deemed Value of Montreux Shares

The parties acknowledge and agree that the Montreux Shares will be issued at a deemed value of \$0.50 per Montreux Share.

2.3 Closing and Delivery of Certificates

- (a) The Closing shall take place at the Toronto office of Minden Gross LLP, at the Closing Time on the Closing Date, or as Assure and Montreux may otherwise agree in writing.
- (b) Subject to the satisfaction of the conditions to the obligation to close the transactions contemplated herein set forth in Article 7 each Assure Shareholder shall transfer and deliver to Montreux at the Closing Time certificates representing the Assure Shares set out opposite their name in the attached Schedule A duly endorsed in blank for transfer or accompanied by a duly executed power of attorney for transfer in blank.
- (c) Subject to compliance with Section 2.3(b), Montreux shall deliver to the Assure Shareholders at the Closing Time certificates representing the number of Montreux Shares set out opposite their respective names in the attached Schedule A, and shall enter the Assure Shareholders on the books of Montreux as the holders of such Montreux Shares.
- (d) Each Assure Shareholder hereby agrees that Assure shall have the authority to act on their behalf at Closing and to deliver, on behalf of the Assure Shareholders, all documents contemplated in section 2.3(b), any notice, direction, consent, waiver, extension or other communication and Montreux shall be entitled to and shall act on any such notice, direction, consent, waiver, extension or other communication.
- (e) Subject to compliance with Section 2.3 (b), Montreux shall deliver to the holders of Assure Options, Assure Performance Shares and Assure Broker Warrants at the Closing Time certificates representing that number of Assure Options, Assure Performance Shares and Assure Broker Warrants set out opposite their respective names in the attached Schedule B, and shall enter each of the holders of Assure Options, Assure Performance Shares and Assure Broker Warrants on the books of Montreux as the holders of such securities.

2.4 Intentionally deleted**2.5 Escrow**

The Assure Shareholders acknowledge that Montreux Shares acquired by them pursuant to this Agreement may be escrowed pursuant to the policies of the TSXV. In circumstances where Persons other than Insiders of Montreux after the Closing Date are to have Montreux Shares escrowed, Montreux and Assure will use reasonable commercial efforts to inform such affected Persons in advance of the Closing Date.

2.6 Effective Date

The exchange of Assure Shares for Montreux Shares shall take effect at and from the Closing Time.

2.7 Share Capital

For greater certainty, the parties acknowledge that 34,528,393 Montreux Shares will be issued and outstanding after the Closing of which (i) an aggregate of approximately 24,000,000 Montreux Shares shall be held by Assure Shareholders, (ii) an aggregate of 6,392,060 Montreux Shares shall be held by holders of the Subscription Receipts; and (iii) an aggregate of 4,136,333 Montreux Shares shall be held by the current shareholders of Montreux.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF ASSURE**

In order to induce Montreux to enter into this Agreement and to consummate the transactions contemplated by this Agreement, Assure hereby represents and warrants as follows to and in favour of Montreux and acknowledge that Montreux is relying upon such representations and warranties in connection with the Share Exchange. All references to "Assure" in this Article 3 includes the Subsidiaries of Assure unless the context otherwise requires:

3.1 Organization and Existence

Assure is a corporation duly incorporated and each of Assure Neuromonitoring and Assure Networks is a limited liability company duly organized and validly existing under the laws of its jurisdiction of organization and has the corporate power to own its properties and to carry on its business as now conducted and has made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which it is subject, except where the failure to make such filing would not have a Material Adverse Effect on Assure. Assure does not have any Subsidiaries other than Assure Neuromonitoring and Assure Networks. No proceedings have been instituted or are pending for the dissolution or liquidation of Assure, Assure Neuromonitoring or Assure Networks.

3.2 Subsidiaries

Assure does not beneficially own, or exercise control or direction over, 10% or more of the outstanding voting shares of any company other than Assure Neuromonitoring and Assure Networks and Assure beneficially owns, directly or indirectly, all of the issued and outstanding shares in the capital of each of Assure Neuromonitoring and Assure Networks free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands of any kind whatsoever, all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from Assure of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of either Assure Neuromonitoring or Assure Networks or any other security convertible into or exchangeable for any such shares.

3.3 Authorization

The execution, delivery and performance by Assure of this Agreement and the Share Exchange: (i) are within its corporate power and authority; (ii) have been, or will be duly authorized by all necessary corporate proceedings; and (iii) do not and will not conflict with or result in any breach of any provision of, or the creation of any Lien upon any of the property of Assure or result in any Material Adverse Effect on Assure or any of its property pursuant to the Articles of Assure, any Laws, order, judgment, injunction, license or permit applicable to Assure or any indenture, lease, agreement, contract, instrument or Lien, to which Assure is a party or by which the property of Assure may be bound or affected.

3.4 Authorized Capital

- (a) The authorized capital of Assure consists of 100,000,000 Assure Shares of which 24,000,000 Assure Shares are issued and outstanding as at the date hereof. Assure may issue up to an additional 3,200,000 Assure Shares upon exercise of the Assure Options, 6,000,000 Assure Shares pursuant to the terms of the Assure Performance Shares and 459,600 Assure Shares upon exercise of the Assure Broker Warrants.
- (b) The Assure Shares issued and outstanding as at the Closing Time have been, or will at the Closing Time be, duly authorized and validly issued and outstanding as fully paid and non-assessable shares.
- (c) The Subscription Receipts issued pursuant to the Financing have been, or will at the Closing Time, upon receipt by the Subscription Receipt Agent of the release notice executed by Assure and the Agent confirming that the Release Condition has been satisfied, be deemed automatically converted into the corresponding number of Assure Shares issuable upon the conversion of such Subscription Receipts. For clarity, the holders of Subscription Receipts shall not be considered Assure Shareholders for the purpose of this Agreement.

3.5 Information

All data and information provided by Assure at the request of Montreux and its agents and representatives, to Montreux and its agents and representatives in connection with the Share Exchange was and is complete and true and correct in all material respects as of the date thereof.

3.6 Assure Financial Statements

- (a) Assure has delivered to Montreux true and complete copies of the audited consolidated financial statements for the period ended December 31, 2016 (the **Assure Financial Statements**”).
- (b) The Assure Financial Statements were prepared in accordance with IFRS; the balance sheet included in such Assure Financial Statements fairly presents the financial condition of Assure as at the close of business on the date thereof, and the statement of operations and deficit included in the Assure Financial Statements fairly presents the results of operations of Assure for the fiscal period then ended.

3.7 No Other Agreement to Purchase

Other than as contemplated in Schedule “B”, there are no agreements, options, warrants, rights of conversion or other rights binding upon or which at any time in the future may become binding upon Assure to issue any equity securities or any securities convertible or exchangeable, directly or indirectly, into any equity securities of Assure. There are no shareholders’ agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of the Assure Shares, or any of them.

3.8 Absence of Certain Changes

Since December 31, 2016, Assure has not:

- (a) except for in connection with the Financing, issued, sold, or agreed to issue, sell, pledge, hypothecate, lease, dispose of or encumber any Assure Shares or other corporate securities or any right, option or warrant with respect thereto;
- (b) amended or proposed to amend its Articles;
- (c) split, combined or reclassified any of its securities or declared or made any Distribution;
- (d) suffered any material loss relating to litigation or, to the knowledge of Assure, been threatened with litigation;
- (e) entered into or amended any employment contracts with any director, officer or senior management employee, created or amended any employee benefit plan, made any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors or officers;
- (f) suffered damage, destruction or other casualty, loss, or forfeiture of, any property or assets, whether or not covered by insurance;
- (g) made any capital expenditures, additions or improvements or commitments for the same, except those which do not exceed \$20,000 per month;
- (h) other than in the ordinary course of business: (i) entered into any contract, commitment or agreement under which it has outstanding Indebtedness for borrowed money or for the deferred purchase price of property; or (ii) made any loan or advance to any Person;

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- (i) acquired or agreed to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, corporation, partnership, joint venture or other business organization or division or acquired or agreed to acquire any material assets;
- (j) except for in connection with the Financing, entered into any material contracts regarding its business operations, including joint ventures, partnerships or other arrangements;
- (k) created any stock option or bonus plan, paid any bonuses, deferred or otherwise, or deferred any compensation to any of its directors or officers other than such payments made in the ordinary course of business;
- (l) made any material change in accounting procedures or practices;
- (m) mortgaged, hypothecated or pledged any of the Assure Assets, or subjected them to any Lien other than a Permitted Lien;
- (n) except for in connection with the Financing, entered into any other material transaction, or any amendment of any contract, lease, agreement or license which is material to its business;
- (o) sold, leased, subleased, assigned or transferred any of the Assure Assets;
- (p) cancelled, waived or compromised any debts or claims, including accounts payable to and receivable from its Affiliates;
- (q) failed to pay or satisfy when due any liability of Assure where the failure to do so would have a Material Adverse Effect on Assure; or
- (r) entered into any agreement or understanding to do any of the foregoing.

3.9 Indebtedness to Directors, Officers and Others

Assure is not indebted to any director, officer, employee or consultant of Assure, except for amounts due as normal compensation or reimbursement of ordinary business expenses.

3.10 Rights of Directors, Officers and Others

No director, officer, Insider or other non-arm’s length party to Assure (or any Affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on Assure’s business.

3.11 Taxes

All returns, declarations, reports, estimates, statements, schedules or other information or documents with respect to Taxes (collectively, **“Tax Returns”**) required to be filed by or with respect to Assure have been filed within the prescribed time, with the appropriate tax authorities and all such Tax Returns are true, correct, and complete in all material respects. No Tax Return of Assure is being audited by the relevant taxing authority, and there are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that have been given or made by Assure (including the time for filing of Tax Returns or paying Taxes) and Assure has no pending requests for any such waivers, extensions, or comparable consents. Assure has not received a ruling from any taxing authority or signed an agreement with any taxing authority that could reasonably be expected to have a Material Adverse Effect on Assure. Assure does not

3.12 Joint Ventures

Assure has not entered into any joint ventures with any third party.

3.13 Restrictive Covenants

Assure is not a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, transfer or move any of its assets or operations.

3.14 Material Contracts

- (a) Attached hereto as Schedule 3.14 is a true, complete and accurate list of all material contracts, agreements and commitments entered into by Assure which are in writing or have been orally agreed to by Assure; and
- (b) All contracts, agreements, benefit plans, leases and commitments required to be disclosed to Montreux pursuant to this Section 3.14 are valid, binding and in full force and effect as to Assure, and Assure is not in breach or violation of, or default under, the terms of any such contract, agreement, plan, lease or commitment, except where such breach, violation or default would not have a Material Adverse Effect on Assure, and no event has occurred which constitutes or, with the lapse of time or the giving of notice, or both, would constitute, such a breach, violation or default by Assure.

3.15 Necessary Licenses and Permits

Assure and its Subsidiaries have all necessary and required licenses, permits, consents, concessions and other authorizations of governmental, regulatory or administrative agencies or authorities, whether foreign, federal, provincial, or local, required to own and lease their respective properties and assets and to conduct their business as now conducted, except where the failure to hold the foregoing would not have a Material Adverse Effect on Assure. Neither Assure nor any of its subsidiaries is in default, nor have any of them received any notice of any claim or default with respect to any such license, permit, consent, concession or authorization. No registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any license, permit, consent, concession or other authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any law applicable thereto, or (b) to enable Assure to hold and enjoy the same immediately after the Closing Date in the conduct of its business as conducted prior to the Closing Date.

3.16 Compliance with Law

Assure is not in default under, or in violation of, and has not violated (and failed to cure) any Law including, without limitation, laws relating to the issuance or sale of securities, privacy and intellectual property, or any licenses, franchises, permits, authorizations or concessions granted by, or any judgment, decree, writ, injunction or order of, any governmental or regulatory authority, applicable to its business or any of its properties or assets, except where such default or violation would not have a Material Adverse Effect on Assure. Assure has not received any notification alleging any violations of any of the foregoing with respect to which adequate corrective action has not been taken.

3.17 Employees

Neither Assure nor its Subsidiaries are subject to any current, pending, threatened, or to the knowledge of Assure, contemplated litigation relating to employment or termination of employment of its employees and there are no agreements, written or oral, between Assure and any other party relating to payment relating to a Change of Control in respect of Assure.

3.18 Employee Benefit Plans

Assure [REDACTED - confidential information].

3.19 Litigation

There is no suit, claim, action, proceeding or, to the knowledge of Assure, investigation pending or threatened against or affecting Assure, or any of its assets or properties, or any of its assets or properties, or any officer or director thereof in his capacity as an officer or director thereof.

3.20 No Material Adverse Change

Since December 31, 2016, no change has occurred in the business, operations, results of operations, assets, capitalization or condition (financial or otherwise) of Assure, whether or not in the ordinary course of business, whether separately or in the aggregate with other occurrences or developments, and whether insured against or not, which could reasonably be expected to have a Material Adverse Effect on Assure.

3.21 Corporate Documents, Books and Records

Complete and correct copies of the Articles, and of all amendments thereto, of Assure have been previously delivered to Montreux. The minute book of Assure contains complete and accurate records in all material respects of all meetings and consents in lieu of meetings of the board of directors (and its committees) and shareholders of Assure since incorporation. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or its committees) or of the shareholders of Assure.

3.22 No Limitations

There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which Assure is a party or is otherwise bound that would now or hereafter, in any way limit the business, use of assets or operations of Assure.

3.23 Reporting Issuer Status

Assure is not a "reporting issuer" (or the equivalent status) in any province or territory of Canada. No order has been issued ceasing or suspending trading or prohibiting the

3.24 Regulatory Compliance

Assure is in compliance with all regulatory orders, directives and decisions that have application to Assure except where such non-compliance would not have a Material Adverse Effect on Assure and Assure has not received notice from any governmental or regulatory authority that Assure is not in compliance with any such regulatory orders, directives or decisions.

3.25 Non-Arm's Length Transactions

- (a) Except as disclosed in the Assure Financial Statements, Assure has not made any payment or loan to, or has borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any other Person with whom Assure is not dealing at arm's length (within the meaning of the Income Tax Act) or any Affiliate of any of the foregoing; and
- (b) Except as disclosed in this Agreement, Assure is not a party to any contract or agreement with any officer, director, employee, shareholder or any other Person with whom Assure is not dealing at arm's length (within the meaning of the Income Tax Act) or any Affiliate of any of the foregoing.

3.26 Enforceability

The execution and delivery by Assure of this Agreement and any other agreement contemplated by this Agreement will result in legally binding obligations of Assure enforceable against Assure in accordance with the respective terms and provisions hereof and thereof subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

3.27 Information Supplied

None of the information supplied or to be supplied by Assure, Assure Neuromonitoring or Assure Networks specifically for inclusion or incorporation by reference into the Montreux Filing Statement, was, at the date of the Montreux Filing Statement, or at the time of any amendment or supplement thereof, as amended or supplemented at such date or time, contain any misrepresentation or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF ASSURE SHAREHOLDERS

Each of the Assure Shareholders severally (and not jointly or jointly and severally) represents and warrants, but only as to himself, herself or itself, to Montreux as follows:

4.1 Capacity

If an Assure Shareholder is an individual, such Assure Shareholder has the capacity to own the Assure Shares owned by him or her, and to enter into this Agreement and to perform his or her obligations under this Agreement. If an Assure Shareholder is not an individual, such Assure Shareholder has the power and authority to own or hold its Assure Shares, and to enter into this Agreement and to perform its obligations under this Agreement.

4.2 Execution and Delivery

This Agreement and any other agreement contemplated by this Agreement has been duly executed and delivered by each Assure Shareholder and will result in legally binding obligations of such Assure Shareholder enforceable against such Assure Shareholder in accordance with the respective terms and provisions hereof and thereof subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

4.3 No Violation

The execution and delivery of this Agreement, the transfer of the Assure Shares, as applicable, and the performance, observance or compliance with the terms of this Agreement by such Assure Shareholder will not violate, constitute a default under, conflict with, or give rise to any requirement for a waiver or consent under:

- (a) any provision of law or any order of any court or other governmental agency applicable to such Assure Shareholder;
- (b) with respect to an Assure Shareholder that is not an individual, the Articles of such Assure Shareholder;
- (c) any provision of any agreement, instrument or other obligation to which such Assure Shareholder is a party or by which such Assure Shareholder is bound; or
- (d) any applicable judgment, writ, decree, order or Laws applicable to such Assure Shareholder.

4.4 Ownership

Each Assure Shareholder is the registered and beneficial owner of the Assure Shares set out beside his, her or its name in Schedule A, free and clear of any Liens and all information disclosed in Schedule A with respect to such Assure Shareholder is true and accurate as of the date hereof and will be true and accurate as of the Closing. Upon the completion of the Closing, except for the rights of Montreux pursuant to this Agreement with respect to the Assure Shares, there will be no outstanding options, calls or rights of any kind binding on any Assure Shareholder relating to or providing for the purchase, delivery or transfer of any of his, her or its Assure Shares.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF MONTREUX

In order to induce Assure to enter into this Agreement and to consummate the transactions contemplated by this Agreement, Montreux hereby represents and warrants as follows to and in favour of Assure, and acknowledge that the foregoing are relying upon such representations and warranties in connection with the Share Exchange:

5.1 Organization and Existence

Montreux is a corporation duly incorporated, organized and validly existing under the laws of the province of British Columbia and has the corporate power to own its properties and to carry on its business as now conducted and has made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which Montreux is subject, except where the failure to make such filing would not have a Material Adverse Effect on Montreux. Montreux does not have any Subsidiaries. No proceedings have been instituted or are pending for the dissolution or liquidation of Montreux. Other than with respect to the proposed change in Montreux's corporate name, no articles of amendment have been or will be filed or authorized by the shareholders of Montreux and no amendments to the Articles of Montreux have been enacted since Montreux's incorporation and organization.

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5.2 Authorization

- (a) The execution, delivery and performance by Montreux of this Agreement and the Share Exchange: (i) are within its corporate power and authority; (ii) have been, or will be duly authorized by all necessary corporate proceedings; and (iii) do not and will not conflict with or result in any breach of any provision of, or the creation of any Lien upon any of the property of Montreux pursuant to the Articles of Montreux, any Laws, order, judgment, injunction, license or permit applicable to Montreux or any indenture, lease, agreement, contract, instrument or Lien, to which Montreux is a party or by which the property of Montreux may be bound or affected.
- (b) The Montreux Shares, when delivered to the Montreux Shareholders in accordance with the terms of this Agreement, will be validly issued and outstanding as fully paid and non-assessable Montreux Shares.

5.3 Consents

The execution, delivery and performance by Montreux of this Agreement does not and will not require the authorization, approval or consent of, or any filing with, any governmental authority or agency or any other Person, except those required by applicable securities laws and the rules and policies of the TSXV.

5.4 Authorized Capital

- (a) The authorized capital of Montreux consists of an unlimited number of Montreux Shares, of which (prior to the Share Consolidation) 12,409,000 Montreux Shares are issued and outstanding as at the date hereof. Montreux may issue up to an additional 519,330 Montreux Shares (before accounting for the Share Consolidation) pursuant to the exercise of existing Montreux Warrants. There are no Montreux Options outstanding. In addition, Montreux may issue additional Montreux Shares and securities convertible into Montreux Shares pursuant to the Share Exchange and the Financing as contemplated hereunder.
- (b) Following the Share Consolidation and assuming there are no additional exercise of Montreux Warrants, there will be 4,136,333 Montreux Shares issued and outstanding.
- (c) The Montreux Shares issued and outstanding as at the Closing Time have been, or will at the Closing Time be, duly authorized and validly issued and outstanding as fully paid and non-assessable shares. None of the Montreux Shares or Montreux Warrants have been issued in violation of any Laws, the policies of the TSXV, Montreux's Articles or any agreement to which Montreux is a party or by which it is bound.

5.5 No Material Adverse Change

Since December 31, 2016, except as disclosed by Montreux on SEDAR, no change has occurred in the business, operations, results of operations, assets, capitalization or condition (financial or otherwise) of Montreux, whether or not in the ordinary course of business, whether separately or in the aggregate with other occurrences or developments, and whether insured against or not, which could reasonably be expected to have a Material Adverse Effect on Montreux.

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5.6 Reporting Issuer Status

Montreux is a reporting issuer under the securities legislation of the provinces of British Columbia and Alberta and is not listed as a defaulting issuer under the legislation or any regulation of any such jurisdiction. No order has been issued ceasing or suspending trading or prohibiting the issue of the Montreux Shares and no proceedings for such are pending or, to the knowledge of Montreux, threatened; save and except for the current halt trading of the Montreux Shares pending Closing.

5.7 TSXV Listing

The Montreux Shares are listed on the NEX board of the TSXV.

5.8 Reports and Montreux Financial Statements

- (a) Montreux has filed on SEDAR true and complete copies of its audited financial statements for the period ended December 31, 2016 (the **Montreux Financial Statements**”).
- (b) The Montreux Financial Statements were prepared in accordance with IFRS; the balance sheet included in such Montreux Financial Statements fairly presents the financial condition of Montreux as at the close of business on the date thereof, and the statement of operations and deficit included in the Montreux Financial Statements fairly presents the results of operations of Montreux for the fiscal period then ended.
- (c) There were no liabilities, contingent, contractual or otherwise, of Montreux as of December 31, 2016, other than those disclosed in the Montreux Financial Statements and the notes thereto.

5.9 Absence of Certain Changes

Since December 31, 2016, Montreux has not (except as disclosed by Montreux on SEDAR or as disclosed in this Agreement):

- (a) issued, sold, or agreed to issue, sell, pledge, hypothecate, lease, dispose of or encumber any Montreux Shares or other corporate securities or any right, option or warrant with respect thereto;

- (b) amended or proposed to amend its Articles;
 - (c) split, combined or reclassified any of its securities or declared or made any Distribution;
 - (d) suffered any material loss relating to litigation or, to the knowledge of Montreux, been threatened with litigation;
 - (e) entered into or amended any employment contracts with any director, officer or senior management employee, created or amended any employee benefit plan, made any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors or officers other than the adoption of the Montreux Plan;
 - (f) suffered damage, destruction or other casualty, loss, or forfeiture of, any property or assets, whether or not covered by insurance;
 - (g) made any capital expenditures, additions or improvements or commitments for the same, except those which do not exceed \$5,000 per month;
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- (h) other than in the ordinary course of business: (i) entered into any contract, commitment or agreement under which it has outstanding Indebtedness for borrowed money or for the deferred purchase price of property; or (ii) made any loan or advance to any Person;
- (i) acquired or agreed to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, corporation, partnership, joint venture or other business organization or division or acquired or agreed to acquire any material assets;
- (j) entered into any material contracts regarding its business operations, including joint ventures, partnerships or other arrangements;
- (k) except for the adoption of the Montreux Plan, Montreux has not created any stock option or bonus plan, paid any bonuses, deferred or otherwise, or deferred any compensation to any of its directors or officers other than such payments made in the ordinary course of business;
- (l) made any material change in accounting procedures or practices;
- (m) mortgaged, hypothecated or pledged any of the Montreux Assets, or subjected them to any Lien;
- (n) entered into any other material transaction, or any amendment of any contract, lease, agreement or license which is material to its business;
- (o) sold, leased, subleased, assigned or transferred any of the Montreux Assets;
- (p) cancelled, waived or compromised any debts or claims, including accounts payable to and receivable from its Affiliates;
- (q) failed to pay or satisfy when due any liability of Montreux where such failure would have a Material Adverse Effect on Montreux; or
- (r) other than the Share Consolidation, entered into any agreement or understanding to do any of the foregoing.

5.10 Corporate Documents, Books and Records

Complete and correct copies of the Articles and of all amendments thereto, of Montreux have been previously delivered to Assure. The minute book of Montreux contains complete and accurate records in all material respects of all meetings and consents in lieu of meetings of the board of directors (and its committees) and shareholders of Montreux since incorporation. Except as reflected in such minute books, there are no minutes of meetings or consents in lieu of meetings of the board of directors (or its committees) or of the shareholders of Montreux.

5.11 Information

All data and information provided by Montreux at the request of Assure and its agents and representatives, to Assure and its agents and representatives in connection with the Share Exchange was and is complete and true and correct in all material respects.

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5.12 No Other Agreement to Purchase

Other than as set out herein and other than the Montreux Warrants, there are no agreements, options, warrants, rights of conversion or other rights binding upon or which at any time in the future may become binding upon Montreux to issue any shares or any securities convertible or exchangeable, directly or indirectly, into any Montreux Shares. There are no shareholders' agreements, pooling agreements, voting trusts or other agreements or understandings with respect to the voting of Montreux Shares, or any of them.

5.13 Shareholder Loans

There are no loans or other liabilities of Montreux to any shareholder or to any previous shareholder of Montreux.

5.14 Indebtedness and Liens

Other than in the ordinary course of business or in connection with the transactions contemplated hereby, since December 31, 2016, Montreux has not incurred any: (i) Indebtedness (other than in connection with this Agreement and the Financing); or (ii) Liens upon any of the Montreux Assets.

5.15 Indebtedness to Officers, Directors and Others

Montreux is not indebted to any director, officer, employee or consultant of Montreux, except for amounts due as normal compensation or reimbursement of ordinary business expenses and only as permitted pursuant to the CPC Policy.

5.16 Taxes

All Tax Returns required to be filed by or with respect to Montreux have been filed within the prescribed time, with the appropriate tax authorities and all such Tax Returns are true, correct, and complete in all material respects. No Tax Return of Montreux is being audited by the relevant taxing authority, and there are no outstanding waivers, objections, extensions, or comparable consents regarding the application of the statute of limitations or period of reassessment with respect to any Taxes or Tax Returns that

have been given or made by Montreux (including the time for filing of Tax Returns or paying Taxes) and Montreux has no pending requests for any such waivers, extensions, or comparable consents. Montreux has not received a ruling from any taxing authority or signed an agreement with any taxing authority that could reasonably be expected to have a Material Adverse Effect on Montreux. Montreux does not owe any Taxes to the federal government, a provincial government, a municipal government or any other governmental authority.

5.17 Title to Assets

Montreux has good title to all Montreux Assets, free of all Liens except for Permitted Liens.

5.18 Material Contracts

- (a) Attached hereto as Schedule 5.18 is a true, complete and accurate list of all material contracts, agreements and commitments entered into by Montreux which are in writing or have been orally agreed to by Montreux; and
- (b) All contracts, agreements, benefit plans, leases and commitments required to be disclosed to Assure pursuant to this Section 5.18 are valid, binding and in full force and effect as to Montreux, and Montreux is not in breach or violation of, or default under, the terms of any such contract, agreement, plan, lease or commitment, except where such breach, violation or default would not have a Material Adverse Effect on Montreux, and no event has occurred which constitutes or, with the lapse of time or the giving of notice, or both, would constitute, such a breach, violation or default by Montreux.

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5.19 Title to Property

- (a) Montreux does not own any real property.
- (b) The Montreux Assets are owned legally and beneficially by Montreux with good and marketable title thereto, free and clear of all Liens whether contingent or absolute, except as disclosed in the Montreux Financial Statements or as provided for herein. Montreux is the sole and unconditional owner of, and has good and marketable title to, the Montreux Assets.

5.20 Necessary Licenses and Permits

Montreux has all necessary and required licenses, permits, consents, concessions and other authorizations of governmental, regulatory or administrative agencies or authorities, whether foreign, federal, provincial, or local, required to own and lease its properties and assets and to conduct its business as now conducted, except where the failure to hold the foregoing would not have a Material Adverse Effect on Montreux. Montreux is not in default, nor has it received any notice of any claim or default with respect to any such license, permit, consent, concession or authorization. No registrations, filings, applications, notices, transfers, consents, approvals, audits, qualifications, waivers or other action of any kind is required by virtue of the execution and delivery of this Agreement, or of the consummation of the transactions contemplated hereby: (a) to avoid the loss of any license, permit, consent, concession or other authorization or any asset, property or right pursuant to the terms thereof, or the violation or breach of any law applicable thereto, or (b) to enable Montreux to hold and enjoy the same immediately after the Closing Date in the conduct of its business as conducted prior to the Closing Date.

5.21 Compliance with Law

Montreux is not in default under, or in violation of, and has not violated (and failed to cure) any Law including, without limitation, laws relating to the issuance or sale of securities, privacy and intellectual property, or any licenses, franchises, permits, authorizations or concessions granted by, or any judgment, decree, writ, injunction or order of, any governmental or regulatory authority, applicable to its business or any of its properties or assets, except where such default or violation would not have a Material Adverse Effect on Montreux. Montreux has not received any notification alleging any material violations of any of the foregoing with respect to which adequate corrective action has not been taken.

5.22 Employees

Montreux does not have any employees or independent contractors (other than professional advisors engaged by Montreux in connection with the Share Exchange) and there are no agreements, written or oral, between Montreux and any other party relating to payment, remuneration or compensation for work performed or services provided (other than professional advisors engaged by Montreux in connection with the Share Exchange) or payment relating to a Change of Control or other event in respect of Montreux.

5.23 Litigation

There is no suit, claim, action, proceeding or, to the knowledge of Montreux, investigation pending or threatened against or affecting Montreux, or any of its assets or properties, or any officer or director thereof in his capacity as an officer or director thereof.

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5.24 Employee Benefit Plans

Except for the Montreux Plan, Montreux does not have any employee benefit plans (or any plan which may be in any way regarded as an employee benefit plan) of any nature whatsoever nor has it ever had any such plans.

5.25 Inventory

Montreux does not have (nor has it ever had) any inventory of any nature whatsoever.

5.26 Insurance

Montreux does not have (nor has it ever had) any insurance of any nature whatsoever relating to it or its directors or officers.

5.27 No Limitations

There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which Montreux is a party or is otherwise bound that would now or hereafter, in any way limit the business, use of assets or operations of Montreux.

5.28 Regulatory Compliance

Montreux is in compliance with all regulatory orders, directives and decisions that have application to Montreux except where such non-compliance would not have a Material Adverse Effect on Montreux and Montreux has not received notice from any governmental or regulatory authority that Montreux is not in compliance with any such regulatory orders, directives or decisions.

5.29 Non-Arm's Length Transactions

- (a) Montreux has not made any payment or loan to, or has borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any other Person with whom Montreux is not dealing at arm's length (within the meaning of the Income Tax Act) or any Affiliate of any of the foregoing; and
- (b) Montreux is not a party to any contract or agreement with any officer, director, employee, shareholder or any other Person with whom Montreux is not dealing at arm's length (within the meaning of the Income Tax Act) or any Affiliate of any of the foregoing, other than as disclosed in the Montreux Financial Statements.

5.30 Enforceability

The execution and delivery by Montreux of this Agreement and any other agreement contemplated by this Agreement will result in legally binding obligations of Montreux enforceable against Montreux in accordance with the respective terms and provisions hereof and thereof subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

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5.31 Information Supplied

None of the information supplied or to be supplied by Montreux specifically for inclusion or incorporation by reference into the Montreux Filing Statement, was, at the date of the Montreux Filing Statement, or at the time of any amendment or supplement thereof, as amended or supplemented at such date or time, contain any misrepresentation or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they are made.

ARTICLE 6 COVENANTS

6.1 Filings

Montreux and Assure shall prepare and file, or cause to be filed, any filings required under any applicable laws or rules and policies of the TSXV or other regulatory bodies relating to the Share Exchange. Montreux covenants and agrees to take, in a timely manner, all commercially reasonable actions and steps necessary in order that effective as at the Closing Date: (i) the Montreux Shares, including for greater certainty, the Montreux Shares issuable pursuant to the Share Exchange and the conversion of the Subscription Receipts pursuant to the Financing be listed and posted for trading on the TSXV; (ii) when received, Montreux shall provide Assure with copies of the conditional and final approval of the TSXV respecting the Share Exchange and the Financing and, the listing and posting for trading of the additional Montreux Shares; and (iii) the distribution of Montreux Shares to the Assure Shareholders is exempt from the prospectus and registration requirements of applicable securities laws.

6.2 Additional Agreements

Each of the parties hereto agrees to use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts to:

- (a) obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements;
- (b) obtain all necessary consents, approvals, and authorizations as are required to be obtained under any federal, provincial or foreign law or regulations;
- (c) defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby;
- (d) cause to be lifted or rescinded any injunction or restraining order or other remedy adversely affecting the ability of the parties to consummate the transactions contemplated hereby;
- (e) effect all necessary registrations and other filings and submissions of information requested by governmental authorities;
- (f) comply with all provisions of this Agreement; and
- (g) provide such officers' certificates as may be reasonably requested by the other parties hereto in respect of the representations, warranties and covenants of a party hereto.

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6.3 Access to Information

- (a) Upon reasonable notice, Assure shall afford to Montreux's directors, officers, counsel, accountants and other authorized representatives and advisers complete access (or, where necessary, the provision of the information requested), during normal business hours and at such other time or times as the parties may reasonably request, from the date hereof and until the earlier of the Closing Date and the termination of this Agreement, to its properties, books, contracts and records as well as to management personnel of Assure as Montreux may require or may reasonably request.
- (b) Upon reasonable notice, Montreux shall afford to Assure's directors, officers, counsel, accountants and other authorized representatives and advisers complete access (or, where necessary, the provision of the information requested), during normal business hours and at such other time or times as the parties may reasonably request, from the date hereof and until the earlier of the Closing Date and the termination of this Agreement, to its properties, books, contracts and records as well as to management personnel of Montreux as Assure may require or may reasonably request.

6.4 Conduct of Business of Assure

Assure, Assure Networks and Assure Neuromonitoring covenants and agrees that, during the period from the date of this Agreement until the earlier of the Closing Date and the

date this Agreement is terminated in accordance with its terms, unless Montreux shall otherwise consent in writing (such consents not to be unreasonably withheld or delayed), except as required by law or as otherwise expressly permitted or specifically contemplated by this Agreement:

- (a) Assure shall use all commercially reasonable efforts to maintain and preserve its business, the Assure Assets and business relationships;
- (b) Assure shall notify Montreux of any Material Adverse Effect on its business; and
- (c) Assure shall not directly or indirectly:
 - (i) take any action which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein or take any action or fail to take any action which may result in a condition precedent to the transactions described herein not being satisfied;
 - (ii) issue, sell, pledge, hypothecate, lease, dispose of or encumber any Assure Shares or other securities or any right, option or warrant with respect thereto;
 - (iii) amend or propose to amend its Articles, except for a change of its name as agreed to by Montreux and Assure;
 - (iv) split, combine or reclassify any of its securities or declare or make any Distribution or distribute any of its properties or assets to any Person;
 - (v) other than in the ordinary course of business, enter into or amend any employment contracts with any director, officer or senior management employee, create or amend any employee benefit plan, make any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors, officers, employees or consultants;

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- (vi) acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, partnership, joint venture or other business organization or division or acquire or agree to acquire any material assets;
- (vii) create any option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors, officers or employees;
- (viii) make any material change in accounting procedures or practices;
- (ix) mortgage, pledge or hypothecate any of the Assure Assets, or subject them to any Lien, except Permitted Liens;
- (x) except in the ordinary course of business, enter into any agreement or arrangement granting any rights to purchase or lease any of the Assure Assets or requiring the consent of any Person to the transfer, assignment or lease of any of the Assure Assets;
- (xi) except in the ordinary course of business, sell, lease, sublease, assign or transfer (by tender offer, exchange offer, merger, amalgamation, sale of shares or assets or otherwise) any of the Assure Assets, or cancel, waive or compromise any debts or claims, including accounts payable to and receivable from Affiliates;
- (xii) enter into any other material transaction or any amendment of any contract, lease, agreement, license or sublicense which is material to its business;
- (xiii) settle any outstanding claim, dispute, litigation matter, or tax dispute;
- (xiv) transfer any assets to the Assure Shareholders or any of their Subsidiaries or Affiliates or assume any Indebtedness from the Assure Shareholders or any of their Subsidiaries or Affiliates or enter into any other related party transactions; or
- (xv) enter into any agreement or understanding to do any of the foregoing.

6.5 Conduct of Business of Montreux

Montreux covenants and agrees that during the period from the date of this Agreement until the earlier of the Closing Date and the date this Agreement is terminated in accordance with its terms, unless Assure, otherwise consents in writing (such consent not to be unreasonably withheld or delayed):

- (a) the business of Montreux shall be conducted in the ordinary course;
- (b) Montreux shall notify Assure of any Material Adverse Effect on its business;
- (c) Montreux shall at all times comply with all applicable policies of the TSXV, including but not limited to the CPC Policy, and all applicable securities laws, rules, regulations, policies and instruments;
- (d) Montreux shall not directly or indirectly:

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- (i) take any action which may interfere with or be inconsistent with the successful completion of the transactions contemplated herein or take any action or fail to take any action which may result in a condition precedent to the transactions described herein not being satisfied;
- (ii) issue, sell, pledge, hypothecate, lease, dispose of or encumber any Montreux Shares or other securities of Montreux or any right, option or warrant with respect thereto, except for the issuance of Montreux Shares issued pursuant to the exercise of previously issued Montreux options or warrants;
- (iii) amend or propose to amend its Articles except as contemplated in this Agreement;
- (iv) split, combine or reclassify any of its securities or declare or make any Distribution, or distribute any of its property or assets to any Person, except for the Share Consolidation;
- (v) enter into or amend any employment contracts with any director, officer or senior management employee, create or amend any employee benefit plan, make any increases in the base compensation, bonuses, paid vacation time allowed or fringe benefits for its directors, officers, employees or consultants;

- (vi) other than as contemplated herein, acquire or agree to acquire (by tender offer, exchange offer, merger, amalgamation, acquisition of shares or assets or otherwise) any Person, partnership, joint venture or other business organization or division or acquire or agree to acquire any material assets;
- (vii) create any stock option or bonus plan, pay any bonuses, deferred or otherwise, or defer any compensation to any of its directors or officers;
- (viii) make any material change in accounting procedures or practices;
- (ix) engage in any business that is outside of the business that is being currently conducted by Montreux, whether as a partner, joint venture participant or otherwise;
- (x) settle any outstanding claim, dispute, litigation matter, or tax dispute; or
- (xi) enter into any agreement or understanding to do any of the foregoing.

**ARTICLE 7
CONDITIONS TO OBLIGATION TO CLOSE**

7.1 Montreux's Closing Conditions

Montreux's obligation to issue Montreux Shares in exchange for the Assure Shares on the Closing Date pursuant to Article 2 is subject to compliance by Assure and the Assure Shareholders with their agreements herein contained and to the satisfaction, on or prior to the Closing Date, of the following conditions:

- (a) **Constating Documents and Certificate of Corporate Existence.** Montreux shall have received from Assure: (i) a copy, certified by one duly authorized officer of Assure to be true and complete as of the Closing Date, of the Articles of Assure; and (ii) a certificate or the equivalent, dated not more than three days prior to the Closing Date, of the State of Colorado as to Assure's corporate good standing.

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- (b) **TSXV Issuer.** Following the Closing of the Share Exchange (concurrently with the Financing), Montreux satisfying the minimum listing requirements of the TSXV for a Tier 1 or Tier 2 Issuer, as evidenced before Closing by a conditional listing letter issued by the TSXV.
- (c) **Compliance with Sponsorship Requirement.** Montreux shall have complied with the sponsorship requirements set out in TSXV Policy 2.2 *Sponsorship and Sponsorship Requirements* and shall have engaged a sponsor in accordance therewith, and the TSXV shall have accepted the sponsor's report in respect of the Acquisition, or Montreux shall have obtained an exemption or waiver from the TSXV in respect of compliance with such obligations.
- (d) **Required Approvals.** Assure shall have obtained the approval of the board of directors of Assure, of the shareholders of Assure and any other necessary approvals for this Agreement and the Acquisition.
- (e) **Proof of Corporate Action.** Montreux shall have received from Assure a copy, certified by a duly authorized officer thereof to be true and complete as of the Closing Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement.
- (f) **Incumbency Certificates.** Montreux shall have received from Assure an incumbency certificate, dated the Closing Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of respectively, Assure and each Assure Shareholder who is not an individual, this Agreement and any other ancillary documents.
- (g) **Legal Opinion.** Montreux shall have received from the counsel of Assure a favourable opinion covering such matters with respect to the transactions contemplated by this Agreement as Montreux and its counsel may reasonably request.
- (h) **Representations and Warranties.** The representations and warranties of Assure contained herein shall be true and correct in all material respects, on and as of the Closing Date with the same force and effect as if such representations and warranties were made at such time, and Montreux shall have received on the Closing Date certificates to this effect, signed by one authorized officer of Assure, and if applicable, Assure shall include with such certificates a description of each material contract (as described in Section 3.14 herein) entered into by Assure between the date of this Agreement and the Closing Date and a representation substantially equivalent to Section 3.15(b) in respect of each such material contract, provided that each such material contract entered into between the date of this Agreement and the Closing Date shall not breach, be in conflict with or otherwise contravene Section 6.4.
- (i) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by Assure at or before the Closing Date shall have been complied with or performed and Montreux shall have received on the Closing Date certificates to this effect signed by authorized officers of Assure.
- (j) **Changes in Directors and Officers; Employment Agreements.** At the Closing Time, Montreux shall enter into employment agreements with the senior executive officers of Assure, containing, among other things, standard non-compete provisions, such employment agreements to be in form and substance acceptable to Assure and Montreux. Upon completion of the Acquisition, the board of directors of Montreux will include at least two directors who shall be independent directors (as defined in section 1.4 of Multilateral Instrument 52-110 Audit Committees).

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- (k) **Regulatory and Other Consents.** There shall have been obtained from all appropriate federal, provincial, municipal or other governmental or administrative bodies such licences, permits, consents, approvals, certificates, registrations and authorizations as are required to be obtained by each Assure Shareholder to permit the transfer of the Assure Shares in each case and the exchange of the Assure Shares for Montreux Shares. Additionally, all required approvals, consents, authorizations and waivers relating to the consummation of the transactions contemplated by this Agreement shall have been obtained from the TSXV and the securities regulatory authorities in British Columbia and Alberta, including the acceptance, by the TSXV of the transactions contemplated in this Agreement and the Acquisition.
- (l) **No Action or Proceeding.** No bona fide legal or regulatory action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the exchange by the Assure Shareholders of the Assure Shares for Montreux Shares or the right of Assure or Montreux from and after the Closing Time to conduct, expand and develop the business of Assure.
- (m) **Execution.** Holders of 100% of the outstanding Assure Shares shall have executed this Agreement.
- (n) **Due Diligence.** Montreux, and its agents or representatives, shall have conducted and completed to its satisfaction, acting reasonably, a legal and financial due diligence investigation of Assure.

- (o) **No Material Adverse Change.** No change shall have occurred in the business, affairs, financial condition or operations of Assure between the date hereof and the Closing Date which would have a Material Adverse Effect.
- (p) **Financing.** Assure shall have completed the Financing.
- (q) **TSXV Approval.** The TSXV shall have approved the Acquisition and agreed to list the Montreux Shares issued in connection with this Agreement and the Financing.
- (r) **General.** All instruments and corporate proceedings in connection with the transactions contemplated by this agreement (including the Acquisition) shall be satisfactory in form and substance to Montreux and its counsel, acting reasonably, and Montreux shall have received copies of all documents, including, without limitation, all documentation required to be delivered to Montreux at or before the Closing Time in accordance with this Agreement, records of corporate or other proceedings, opinions of counsel and consents which Montreux may have reasonably requested in connection therewith.

The agreements, certificates, documents, other evidence of compliance and opinions described in this Section 7.1 shall be in form and substance satisfactory to Montreux, acting reasonably, and shall, except as otherwise provided, be delivered to Montreux at the Closing; provided, however, any one or more of the foregoing conditions may be waived in writing by Montreux.

7.2 Assure's Closing Conditions

The obligation of Assure to complete the Acquisition is subject to compliance by Montreux with its agreements herein contained and to the satisfaction, on or before the Closing Date of the following conditions:

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- (a) **Constituting Documents and Certificate of Corporate Existence.** Assure shall have received from Montreux: (i) a copy, certified by a duly authorized officer of Montreux, to be true and complete as of the Closing Date, of the Articles of Montreux; (ii) a certificate dated not more than three days prior to the Closing Date, of the government of British Columbia as to Montreux's corporate good standing.
- (b) **Share Consolidation and Continuance.** Montreux shall have effected the Share Consolidation and shall have affected the continuance into the State of Nevada or equivalent jurisdiction and shall have delivered to Assure satisfactory evidence of same.
- (c) **TSXV Issuer.** Following the Closing of the Share Exchange (concurrently with the Financing), Montreux satisfying the minimum listing requirements of the TSXV for a Tier 1 or Tier 2 Issuer, as evidenced before Closing by a conditional listing letter issued by the TSXV.
- (d) **Compliance with Sponsorship Requirement.** Montreux shall have complied with the sponsorship requirements set out in TSXV Policy 2.2 Sponsorship and Sponsorship Requirements and shall have engaged a sponsor in accordance therewith, and the TSXV shall have accepted the sponsor's report in respect of the Acquisition, or Montreux shall have obtained an exemption or waiver from the TSXV in respect of compliance with such obligations.
- (e) **Required Approvals.** Montreux shall have obtained the approval of the board of directors of Montreux and of the shareholders of Montreux (if required) and any other necessary approvals for this Agreement and the Acquisition.
- (f) **Due Diligence.** Assure, and its agents or representatives, shall have conducted and completed to its satisfaction, acting reasonably, a legal and financial due diligence investigation of Montreux.
- (g) **Proof of Corporate Action.** Assure shall have received from Montreux copies, certified by a duly authorized officer thereof to be true and complete as of the Closing Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement.
- (h) **Incumbency Certificate.** Assure shall have received from Montreux an incumbency certificate, dated the Closing Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of Montreux, this Agreement and any other ancillary documents.
- (i) **Representations and Warranties.** The representations and warranties of Montreux contained herein shall be true and correct in all material respects on and as of the Closing Date with the same force and effect, as if such representations and warranties were made at such time, and Assure shall have received on the Closing Date certificates to this effect signed by one authorized officer of Montreux.
- (j) **Covenants.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by Montreux at or before the Closing Date shall have been complied with or performed and Assure shall have received on the Closing Date certificates to this effect signed by an authorized officer of Montreux.
- (k) **Changes in Directors and Officers; Employment Agreements.** At the Closing Time, Montreux shall enter into employment agreements with the senior executive officers of Assure, containing, among other things, standard non-compete provisions, such employment agreements to be in form and substance acceptable to Assure and Montreux. Upon completion of the Acquisition, the board of directors of Montreux will include at least two directors who shall be independent directors (as defined in section 1.4 of Multilateral Instrument 52-110 Audit Committees).

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- (l) **Regulatory Consents.** All required approvals, consents, authorizations and waivers relating to the consummation of the transactions contemplated by this Agreement shall have been obtained from the TSXV and the securities regulatory authorities in British Columbia and Alberta, including (i) the issuance of all necessary receipts, approvals, and acceptances of the Financing; and (ii) the acceptance by the TSXV of the transactions contemplated in this Agreement and the Acquisition.
- (m) **No Action or Proceeding.** No bona fide legal or regulatory action or proceeding shall be pending or threatened by any person to enjoin, restrict or prohibit the exchange by the Assure Shareholders of the Assure Shares for Montreux Shares.
- (n) **TSXV Approval.** The TSXV shall have approved this Agreement and the Acquisition and agreed to list the Montreux Shares issued in connection with this Agreement and the Acquisition and the Montreux Shares to be issued in connection with the Financing.
- (o) **Other Certificates.** Assure shall have received: (i) certificates addressed to Assure and the Assure Shareholders, dated the Closing Date, signed by one executive officer of Montreux in his personal capacity, certifying that such individual is not aware of any facts or any facts or matters that are inconsistent with the representations and warranties being given by Montreux pursuant to this Agreement; and (ii) a list of Montreux Assets and liabilities, certified by an executive officer of Montreux, in form and substance satisfactory to Assure in its sole discretion, acting reasonably.

- (p) **General.** All instruments and corporate proceedings in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Assure and its counsel, acting reasonably, and Assure shall have received copies of all documents as provided for herein, including, without limitation, records of corporate or other proceedings and consents which Assure may have reasonably requested in connection therewith.

The agreements, certificates, documents and other evidence of compliance described in this Section 7.2 shall be in form and substance satisfactory to Assure, acting reasonably, and shall, except as otherwise provided, be delivered to Assure at the Closing; provided, however, any one or more of the foregoing conditions may be waived in writing by Assure.

ARTICLE 8 TERMINATION

8.1 Termination

This Agreement may be terminated by written notice given by the terminating party to the other party hereto, at any time prior to the Closing:

- (a) by mutual written consent;
- (b) by either Assure or Montreux, if there has been a misrepresentation, breach or non-performance by the breaching party of any representation, warranty, covenant or obligation contained in this Agreement, which could reasonably be expected to have a Material Adverse Effect on the terminating party, provided the breaching party has been given notice of and thirty (30) days to cure any such misrepresentation, breach or non-performance;

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- (c) by either Assure or Montreux, if a condition for the terminating party's benefit has not been satisfied or waived; or
- (d) by either Assure or Montreux, if the Closing has not occurred on or before the date prior to the date that is 90 days following the date of this Agreement, or such later date as may be agreed to by Assure and Montreux (provided, that the right to terminate this Agreement under this Section 8.1(d) shall not be available to any party whose failure to fulfill any of its obligations under this Agreement has been the cause of or resulted in the failure to consummate the transactions contemplated hereby by such date).

8.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 8.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the parties hereunder except with respect to (i) Section 9.1 and Article 11, which will survive such termination, and (ii) a breach arising from the fraud or wilful misconduct of any party.

8.3 Waivers and Extensions

At any time prior to the Closing Time, each of the parties hereto may (a) extend the time for the performance of any of the obligations or other acts of another party hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party to be bound thereby.

ARTICLE 9 TRANSACTION COSTS

9.1 Transaction Costs

In the event of the termination of this Agreement pursuant to Section 8.1 hereof, all costs of the Share Exchange incurred by Assure, the Assure Shareholders and Montreux, as the case may be, in connection with this Agreement, including legal fees, financial advisor fees and all disbursements by such parties and their advisors shall be borne and paid by the party incurring the costs. Notwithstanding the foregoing, and for greater certainty, Assure shall be responsible for all costs associated with the Financing as well as all costs associated with obtaining any necessary regulatory approvals for any of the transactions contemplated hereunder from the applicable securities commissions and the TSXV.

ARTICLE 10 NOTICES

10.1 Notices

Any demand, notice or communication to be made or given under or pursuant to this Agreement is to be in writing, except as otherwise expressly permitted or required under this Agreement, and may be made or given by personal delivery, by registered mail or by transmittal by facsimile machine or electronic mail addressed to the respective parties as follows:

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If to Montreux, then to the following address:

Suite 545 - 999 Canada Place
Vancouver, British Columbia V6C 3E1
Attention: CEO
Facsimile: 604 684-6242
E-mail: mcgrath@iocorporate.com

or at such other address as Montreux shall have specified by notice actually received by the addressor; with a copy to:

Owen Bird Law Corporation
Suite 2900 – 595 Burrard Street,
Vancouver, British Columbia V7X 1J5
Attention: Jeffrey B. Lightfoot
Facsimile: 604-632-4487

E-mail: jlightfoot@owenbird.com

If to Assure then to the following address:

Assure Holdings, Inc.
10233 S. Parker Road, Suite 105 Parker, CO 80134 USA
Attention: Preston Parsons, Chief Executive Officer and Director
Email: [REDACTED, privacy of personal information]

and, if to the Assure Shareholders, then to each Assure Shareholder's respective address listed on the relevant execution page of this Agreement, or at such other address as Assure or the Assure Shareholders shall have specified by notice actually received by the addressor;

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

Minden Gross LLP
145 King Street West, Suite 2200
Toronto, Ontario M5H 4G2 Attention: Andrew Elbaz
Facsimile: 416-864-9223
E-mail: aelbaz@mindengross.com

or to such other mailing or facsimile machine address as any party may from time to time notify the others of in accordance with this paragraph. Any demand, notice or communication made or given by personal delivery is conclusively deemed to have been given on the day of actual delivery thereof, or, if made or given by registered mail, on the fifth business day following the deposit thereof in the mail or, if made or given by facsimile transmission, on the first business day following the transmittal thereof and receipt of the appropriate answer back. If the party making or giving such demand, notice or communication knows or ought reasonably to know, of difficulties with the postal system which might affect the delivery of mail, any such demand, notice or communication is not to be mailed but is to be made or given by personal delivery or by facsimile transmission.

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ARTICLE 11 INDEMNIFICATION

11.1 Survival of Covenants, Agreements, Etc.

All covenants, agreements, indemnities, representations and warranties made herein to Montreux or Assure or in any other document referred to herein or delivered to Montreux or Assure pursuant hereto shall be deemed to have been relied on by Montreux or Assure, as the case may be, notwithstanding any investigation made by Montreux or Assure and shall survive the execution and delivery of this Agreement and the deliveries described in Section 2.1; provided that any claim for a breach of the representations and warranties made by Montreux or Assure is made before (a) the expiration of the later of (i) two years from the Closing Date, and (ii) the latest date under the applicable Canadian securities laws, or if the applicable Canadian securities laws do not specify such date, the latest date under the *Limitation Act* (British Columbia) that such party may be entitled to commence an action for breach of a representation or warranty under this Agreement, or (b) if applicable, the date this Agreement is terminated per Section 8.1(c), except for the representations and warranties contained in Sections 3.1 (Organization and Existence), 3.3 (Authorization), 3.11 (Taxes), 3.27 (Information Supplied), 5.1 (Organization and Existence), 5.2 (Authorization), 5.16 (Taxes) and 5.31 (Information Supplied) which shall survive indefinitely until the expiry of the applicable limitation period.

11.2 Indemnification by Assure

- (a) Assure agrees to indemnify and save harmless Montreux and its shareholders, directors, officers, agents and representatives (the **Montreux Indemnified Persons**) from all Losses suffered or incurred by the Montreux Indemnified Persons as a result of or arising directly or indirectly out of or in connection with:
- (i) any breach by Assure of or any inaccuracy of any representation or warranty of Assure contained in ARTICLE 3 of this Agreement or in any agreement, certificate or other document delivered pursuant hereto, provided that Assure shall not be required to indemnify or save harmless the Montreux Indemnified Persons in respect of any breach or inaccuracy of any representation or warranty unless Montreux shall have provided notice to Assure in accordance with Section 11.4 within six months of the expiration of the applicable time period related to such representation and warranty set out in Section 11.1; and
 - (ii) any breach or non-performance by Assure of any covenant to be performed by them which is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.
- (b) Each Assure Shareholder agrees to severally indemnify and save harmless the Montreux Indemnified Persons from all Losses suffered or incurred by the Montreux Indemnified Persons as a result of or arising directly or indirectly out of or in connection with:
- (i) any breach by the Assure Shareholders of or any inaccuracy of any representation or warranty of the Assure Shareholder contained in ARTICLE 4 of this Agreement or in any agreement, certificate or other document delivered pursuant thereto, provided that a Assure Shareholder shall not be required to indemnify or save harmless the Montreux Indemnified Persons in respect of any breach or inaccuracy of any representation or warranty unless Montreux shall have provided notice to the Assure Shareholder in accordance with Section 11.4 within six months of the expiration of the applicable time period relating to such representation and warranty set out in Section 11.1; and
 - (ii) any failure of such Assure Shareholder to transfer good and valid title to the Assure Shares to Montreux, free and clear of all Liens, for which a notice of claim under Section 11.4 has been provided to the Assure Shareholder.

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11.3 Indemnification by Montreux

Montreux agrees to indemnify and save harmless Assure and the Assure Shareholders from all Losses suffered or incurred by Assure or the Assure Shareholders as a result of or arising directly or indirectly out of or in connection with:

- (a) any breach by Montreux of or any inaccuracy of any representation or warranty contained in Article 5 of this Agreement or in any agreement, instrument, certificate or other document delivered pursuant hereto, provided that Montreux shall not be required to indemnify or save harmless Assure and the Assure Shareholders in respect of any breach or inaccuracy of any representation or warranty unless Assure or the Assure Shareholders shall have provided notice to Montreux in accordance with Section 11.4 within six months of the expiration of the applicable time period relating to such representation and warranty set out in Section 11.1; and
- (b) any breach or non-performance by Montreux of any covenant to be performed by it which is contained in this Agreement or in any agreement, certificate or other document delivered pursuant hereto.

11.4 Notice of Claim

- (a) In the event that a party (the “**Indemnified Party**”) shall become aware of any claim, proceeding or other matter (a “**Claim**”) in respect of which another party (the “**Indemnifying Party**”) agreed to indemnify the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party. Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available) the factual basis for the Claim and the amount of the Claim, if known.
- (b) If, through the fault of the Indemnified Party, the Indemnifying Party does not receive notice of any Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying Party shall be entitled to set off against the amount claimed by the Indemnified Party the amount of any Losses incurred by the Indemnifying Party resulting from the Indemnified Party’s failure to give such notice on a timely basis.

11.5 Direct Claims

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have 60 days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or prior to the expiration of such 60-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the claim, failing which the matter shall be referred to binding arbitration in such manner as the parties may agree or shall be determined by a court of competent jurisdiction.

11.6 Third Party Claims

With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party’s out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and the representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences). If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

11.7 Settlement of Third Party Claims

If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent is not obtained for any reason.

11.8 Co-operation

The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it become available).

11.9 Exclusivity

The provision of this Article 11 shall apply to any Claim for breach of any covenant, representation, warranty or other provision of this Agreement or any agreement, certificate or other document delivered pursuant hereto (other than a claim for specific performance or injunctive relief) with the intent that all such Claims shall be subject to the limitations and other provisions contained in this Article 11.

ARTICLE 12 MISCELLANEOUS

12.1 Amendments and Waivers

Except as otherwise expressly provided herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each of Assure and Montreux, or in the case of a waiver, by the party against whom the waiver is to be effective. Any amendment or waiver effected in accordance with this Section 12.1 shall be binding upon the Assure Shareholders, Assure and Montreux pursuant to this Agreement.

12.2 Consent to Jurisdiction

Each of the Assure Shareholders, Assure and Montreux hereby agrees to submit to the non-exclusive jurisdiction of the courts in and of the Province of British Columbia and to the courts to which an appeal of the decisions of such courts may be taken, and consents that service of process with respect to all courts in and of the Province of British Columbia may be made by registered mail to it at the address set forth in Article 10.

12.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction, and shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

12.4 Further Assurances

Assure, the Assure Shareholders and Montreux, upon the request of any other party hereto, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the Share Exchange and the Acquisition.

12.5 Time

Time is of the essence of this Agreement.

12.6 Assignment

This Agreement may not be assigned by any of the parties hereto without the prior written consent of the other parties hereto, such consents not to be unreasonably withheld or delayed.

12.7 Public Announcement; Disclosure

Assure and the Assure Shareholders shall not make any public announcement concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between the parties relating to the matters contemplated herein without the prior consent of Montreux, which consent shall not be unreasonably withheld, and Montreux shall not make any public announcement concerning this Agreement or the matters contemplated herein, its discussions or any other memoranda, letters or agreements between the parties relating to the matters contemplated herein without the prior consent of Assure, which consent shall not be unreasonably withheld, provided that no party shall be prevented from making any disclosure which is required to be made by law or any rules of a stock exchange or similar organization to which it is bound.

12.8 Entire Agreement, Counterparts, Section Headings

This Agreement, and the Schedules hereto, sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby and supersedes any prior written or oral understandings with respect thereto. This Agreement may be executed by facsimile or electronic mail and in one or more counterparts thereof, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The headings in this Agreement are for convenience of reference only and shall not alter or otherwise affect the meaning hereof.

12.9 Regulatory Approval

This Agreement is subject to regulatory approval, including, without limitation, that of the TSXV.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MONTREUX CAPITAL CORP.

Per: _____
(signed)
Authorized Signing Officer

ASSURE HOLDINGS INC.

Per: _____
(signed)
Authorized Signing Officer

Counterpart Execution Page for Assure Shareholders

This page constitutes the counterpart execution page of this Agreement dated as of the 16th day of May, 2017 among Montreux, Assure and the shareholders of Assure and, upon execution hereof, the undersigned is bound by and is a party to this Agreement as an Assure Shareholder.

[All names and personal information REDACTED for privacy purposes]

Name of Assure Shareholder (please print)

Registration Instructions:

By: _____
(signed)
Authorized Signatory

Register the Montreux Shares issuable to the Assure Shareholder in the name and at the address of the Assure Shareholder set forth herein or as follows:

Official Capacity or title (please print)

Address of Assure Shareholder

Name for Registration Purposes

Address for Registration Purposes

Please print name of individual whose signature appears above if different than the name of the Assure Shareholder printed above.

Assure Shareholder's Telephone Number

Assure Shareholder's Facsimile Number

Note: Montreux Shares may only be registered in a name other than the Assure Shareholder with the approval of Montreux and Assure

Assure Shareholder's E-mail Address

Social Insurance Number or Corporate Tax Identification Number

Number of Assure Shares held or to be held by the Assure Shareholder

SCHEDULE A

ASSURE

SHAREHOLDERS

Name of Shareholders	Shares	Ownership Percentage
Preston Parsons	20,664,933	86.10%
Matthew Willer	2,296,104	9.57%
Urs Kuederli	432,901	1.80%
Alex Rasmussen	432,901	1.80%
Kathleen Parsons	173,161	0.72%
TOTAL	24,000,000	100%

Schedule B

Assure Options

Registration	Amount	Date Issued	Exercise Price	Expiry Time
Preston Parsons	2,500,000	August 25, 2015	USD\$0.05	August 25, 2025
Matthew Willer	500,000	August 25, 2015	USD\$0.05	August 25, 2025
Sequoia Capital Partners Inc.	150,000	March 2, 2017	C\$0.50	March 2, 2022
Martin Burian	25,000	May 11, 2017	C\$0.50	May 11, 2022
John Farlinger	25,000	May 11, 2017	C\$0.50	May 11, 2022
TOTAL	3,200,000			

Assure Performance Shares

Registration	Amount	Date Issued
Preston Parsons	5,000,000	July 15, 2016
Matthew Willer	1,000,000	July 15, 2016
TOTAL	6,000,000	

On July 15, 2016, Assure Neuromonitoring reserved an additional 6,000,000 Assure Shares

(the "Assure Performance Shares"), with the approval of Montreux. Pursuant to stock grant agreements dated July 15, 2016 (the "Stock Grant Agreements"), 5,000,000

shares of Assure Neuromonitoring are to be issued to Mr. Parsons and 1,000,000 shares of Assure Neuromonitoring are to be issued to Mr. Willer if the Resulting Issuer achieves C\$7,500,000 in EBITDA prior to the end of December 31, 2017 (the “**Threshold EBITDA**”). The Threshold EBITDA will be determined by the results of the audited consolidated financial statements of the Resulting Issuer. Should the Threshold EBITDA be achieved, Mr. Parsons will be awarded 5,000,000 Resulting Issuer Shares and Mr. Willer will be awarded 1,000,000 Resulting Issuer Shares on May 1, 2018.

Assure Broker Warrants

[List REDACTED for confidentiality purposes]

SCHEDULE 3.14

**ASSURE MATERIAL
CONTRACTS**

[List REDACTED for confidentiality purposes]

SCHEDULE 5.18

MONTREUX MATERIAL CONTRACTS

1. Transfer Agency and Registrarship Agreement, dated October 31, 2007 between Montreux and Olympia Trust Company (as it then was).
 2. CPC Escrow Agreement dated November 7, 2007 among Montreux, Olympia Trust Company (as it then was) and certain shareholders of Montreux.
-

STOCK GRANT AGREEMENT

November 8, 2016

THIS STOCK GRANT AGREEMENT (the "Grant Agreement") is made and entered into by and between Assure Holdings, Inc., a Colorado corporation (the "Company"), and the following individual:

Name: Preston Parsons (the "Grantee")
 Address: _____

The Grantee is granted, as of the Grant Date, as defined below, the number of shares (the "Shares") of the Company's Common Stock as set forth below, subject in all events to the terms and conditions of the bylaws of the Company (the "Bylaws") and the terms and conditions set forth in this Grant Agreement.

- A. DATE OF GRANT:** May 1, 2018 ("Grant Date")
- B. GRANT CONDITIONS:** Provided that, based on the Company's fiscal year 2017 audited financials, the Company generates not less than \$7,500,000 (CAD) EBITDA, Grantee shall receive the Granted Stock on the Grant Date.
- C. TOTAL SHARES OF COMMON STOCK COVERED BY GRANT:**
- 5,000,000 Shares ("Granted Stock")
- D. GRANT PRICE OF STOCK;** Share value on the Grant Dale (the "Grant Price") as listed on.
- E. TAX CONSEQUENCES OF GRANT.** Some of the federal income tax consequences relating to the grant of Shares are set forth below.

a. THE FOLLOWING DESCRIPTION OF FEDERAL INCOME TAX CONSEQUENCES IS NECESSARILY INCOMPLETE (AS THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE), AND ASSUMES THAT THE GRANT PRICE OF THIS GRANT IS NO LESS THAN THE FAIR MARKET VALUE OF THE COMMON STOCK UNDERLYING THE GRANT ON THE DATE OF GRANT, MOREOVER, THIS SUMMARY ONLY ADDRESSES THE FEDERAL INCOME TAX CONSEQUENCES UNDER THE LAWS OF THE UNITED STATES, AND DOES NOT ADDRESS WHETHER AND HOW THE TAX LAWS OF ANY OTHER JURISDICTION MAY APPLY TO THIS GRANT OR TO THE GRANTEE. ACCORDINGLY, THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE ACCEPTING THIS GRANT OR DISPOSING OF ANY EXERCISED SHARES.

b. Withholding Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for federal income tax purposes with respect to the Granted Stock, the Grantee shall pay to the Company or make arrangements satisfactory to the Company's Board of Directors (the "Board") regarding the payment of any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Grant Agreement shall be conditional on such payment, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

Circular 230 Disclaimer: Nothing contained in this discussion of certain federal income tax considerations is intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transactions or tax-related matters addressed herein.

- F. NON-TRANSFERABILITY OF GRANTED STOCK.** Unless otherwise consented to in advance in writing by the Board (or if designated by the Board pursuant to Section 2 of the Plan, the Committee), this Granted Stock may not be transferred in any manner without the written approval of the Board. The terms of this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Grantee.
- G. SECURITIES MATTERS.** All Granted Stock shall be subject to the restrictions on sale, encumbrance and other disposition provided by federal nr state law. The Company shall not be obligated to sell or issue any Granted Stock granted pursuant to this Grant Agreement unless, on the dale of sale and issuance thereof, such Granted Stock are either registered under the Securities Act of 1933, as amended, and all applicable state securities laws, or are exempt from registration thereunder.
- H. OTHER PLANS.** No amounts of income received by the Grantee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise provided in such plan.
- I. NO GUARANTEE OK CONTINUED SERVICE. THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE GRANTING OF SHARES PURSUANT TO THIS GRANT AGREEMENT IS EARNED ONLY AS SET FORTH IN THIS GRANT AGREEMENT, OR SUCH OTHER COLLATERAL AGREEMENT BETWEEN THE GRANTEE AND COMPANY WHICH REQUIRES CERTAIN PERFORMANCES OF THE GRANTEE. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS GRANT AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREUNDER DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED EMPLOYMENT OR ENGAGEMENT FOR ANY PERIOD, OR AT ALL., AND SHALL NOT INTERFERE WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE EMPLOYMENT RELATIONSHIP AS PROVIDED IN SUCH OTHER AGREEMENTS, IF SPECIFIED, OR OTHERWISE, AT-WILL.**
- J. SECTION 409A.** Section 409A of the Code ("Section 409A") imposes certain restrictions on deferred compensation arrangements. Under regulations issued by the Internal Revenue Service (the "IRS") to implement the provisions of Section 409A, stock grants may be treated as deferred compensation for purposes of Section 409A if the value of the stock at the time of grant is less than the fair market value of the stock at the time of grant. Under Section 409A, the recipient of a stock grant that fails to comply with Section 409A may recognize ordinary income attributable to such right at the time the grant is no longer subject to a substantial risk of forfeiture, and may be subject to a 20% penalty tax and a special interest penalty on such income. If the value of the stock at the time of grant is determined to be less than the fair market value of the stock on the date of grant, it is likely that the grant would not comply with Section 409A. Accordingly, the Company intends to set the Grant Price at no less than the fair market value of a the Shares on the date of grant. However, the value of Shares is uncertain and speculative. While the Board intends to value the Shares using a valuation method that is reasonable and consistent with valuation methods permitted by IRS regulations under Section 409A, the Company can provide no assurance that the IRS will agree with the Company's determination of value. Thus, any tax obligations arising under Section 409A will be solely the responsibility of Grantee.

K. ENTIRE AGREEMENT; GOVERNING LAW. This Grant Agreement, along with the Bylaws, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and Grantee. This Grant Agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of Colorado.

[Signature page follows.]

By your signature and the signature of the Company's representative below, you and the Company agree that the Granted Stock is granted under and governed by the terms and conditions of the Bylaws and this Grant Agreement. The Grantee has reviewed the Bylaws and this Grant Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Bylaws and this Grant Agreement.

GRANTEE

By: /s/ Preston parsons
Name: Preston parsons
Date: 11/8/16

COMPANY

Assure Holdings, Inc.

By: /s/ Preston Parsons
Name: Preston Parsons
Its: President
Date: November 8, 2016

STOCK GRANT AGREEMENT

November 8, 2016

THIS STOCK GRANT AGREEMENT (the "Grant Agreement") is made and entered into by and between Assure Holdings, Inc., a Colorado corporation (the "Company"), and the following individual:

Name: Matthew Willer (the "Grantee")
 Address: _____

The Grantee is granted, as of the Grant Date, as defined below, the number of shares (the "Shares") of the Company's Common Stock as set forth below, subject in all events to the terms and conditions of the bylaws of the Company (the "Bylaws") and the terms and conditions set forth in this Grant Agreement.

A. DATE OF GRANT: May 1, 2018 ("Grant Date")

B. GRANT CONDITIONS: Provided that, based on the Company's fiscal year 2017 audited financials, the Company generates not less than \$7,500,000 (CAD) EBITDA, Grantee shall receive the Granted Stock on the Grant Date.

C. TOTAL SHARES OF COMMON STOCK COVERED BY GRANT:

1,000,000 Shares ("Granted Stock")

D. GRANT PRICE OF STOCK: Share value on the Grant Date (the "Grant Price").

E. TAX CONSEQUENCES OF GRANT. Some of the federal income tax consequences relating to the grant of Shares are set forth below.

a. THE FOLLOWING DESCRIPTION OF FEDERAL INCOME TAX CONSEQUENCES IS NECESSARILY INCOMPLETE (AS THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE), AND ASSUMES THAT THE GRANT PRICE OF THIS GRANT IS NO LESS THAN THE FAIR MARKET VALUE OF THE COMMON STOCK UNDERLYING THE GRANT ON THE DATE OF GRANT. MOREOVER, THIS SUMMARY ONLY ADDRESSES THE FEDERAL INCOME TAX CONSEQUENCES UNDER THE LAWS OF THE UNITED STATES, AND DOES NOT ADDRESS WHETHER AND HOW THE TAX LAWS OF ANY OTHER JURISDICTION MAY APPLY TO THIS GRANT OR TO THE GRANTEE. ACCORDINGLY, THE GRANTEE SHOULD CONSULT A TAX ADVISER BEFORE ACCEPTING THIS GRANT OR DISPOSING OF ANY EXERCISED SHARES.

b. Withholding Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for federal income tax purposes with respect to the Granted Stock, the Grantee shall pay to the Company or make arrangements satisfactory to the Company's Board of Directors (the "Board") regarding the payment of any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. The obligations of the Company under this Grant Agreement shall be conditional on such payment, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

Circular 230 Disclaimer: Nothing contained in this discussion of certain federal income tax considerations is intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transactions or tax-related matters addressed herein.

F. NON-TRANSFERABILITY OF GRANTED STOCK. Unless otherwise consented to in advance in writing by the Board (or if designated by the Board pursuant to Section 2 of the Plan, the Committee), this Granted Stock may not be transferred in any manner without the written approval of the Board. The terms of this Grant Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Grantee.

G. SECURITIES MATTERS. All Granted Stock shall be subject to the restrictions on sale, encumbrance and other disposition provided by Federal or state law. The Company shall not be obligated to sell or issue any Granted Stock granted pursuant to this Grant Agreement unless, on the date of sale and issuance thereof, such Granted Stock are either registered under the Securities Act of 1933, as amended, and all applicable state securities laws, or are exempt from registration thereunder.

H. OTHER PLANS. No amounts of income received by the Grantee pursuant to this Grant Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise provided in such plan.

L. NO GUARANTEE OF CONTINUED SERVICE. THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE GRANTING OF SHARES PURSUANT TO THIS GRANT AGREEMENT IS EARNED ONLY AS SET FORTH IN THIS GRANT AGREEMENT, OR SUCH OTHER COLLATERAL AGREEMENT BETWEEN THE GRANTEE AND COMPANY WHICH REQUIRES CERTAIN PERFORMANCES OF THE GRANTEE. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS GRANT AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREUNDER DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED EMPLOYMENT OR ENGAGEMENT FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE WITH THE GRANTEE'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE EMPLOYMENT RELATIONSHIP AS PROVIDED IN SUCH OTHER AGREEMENTS. IF SPECIFIED, OR OTHERWISE, AT-WILL.

J. SECTION 409A. Section 409A of the Code ("Section 409A") imposes certain restrictions on deferred compensation arrangements. Under regulations issued by the Internal Revenue Service (the "IRS") to implement the provisions of Section 409A, stock grants may be treated as deferred compensation for purposes of Section 409A if the value of the stock at the time of grant is less than the fair market value of the stock at the time of grant. Under Section 409A, the recipient of a stock grant that fails to comply with Section 409A may recognize ordinary income attributable to such right at the time the grant is no longer subject to a substantial risk of forfeiture, and may be subject to a 20% penalty tax and a special interest penalty on such income, if the value of the stock at the time of grant is determined to be less than the fair market value of the stock on the date of grant, it is likely that the grant would not comply with Section 409A. Accordingly, the Company intends to set the Grant Price at no less than the fair market value of the Shares on the date of grant. However, the value of Shares is uncertain and speculative. While the Board intends to value the Shares using a valuation method that is reasonable and consistent with valuation methods permitted by IRS regulations under Section 409A, the Company can provide no assurance that the IRS will agree with the Company's determination of value. Thus, any tax obligations arising under Section 409A will be solely the responsibility of Grantee.

K. ENTIRE AGREEMENT; GOVERNING LAW. This Grant Agreement, along with the Bylaws, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may

not be modified adversely to the Grantee's interest except by means of a writing signed by the Company and Grantee. This Grant Agreement is governed by the internal substantive laws, but not the choice of law rules, of the State of Colorado.

[Signature page follows.]

By your signature and the signature of the Company's representative below, you and the Company agree that the Granted Stock is granted under and governed by the terms and conditions of the Bylaws and this Grant Agreement. The Grantee has reviewed the Bylaws and this Grant Agreement in their entirety, has had an Opportunity to obtain the advice of counsel prior to executing this Grant Agreement and fully understands all provisions of the Bylaws and this Grant Agreement.

GRANTEE

By: /s/ Matthew Willer
Name: Matthew Willer
Date: 11/08/2016

COMPANY

Assure Holdings, Inc.

By: /s/ Preston Parsons
Name: Preston Parsons
Its: President
Date: November 8, 2016

EMPLOYMENT CONTRACT

This Employment Contract (this "Contract") is made effective as of November 7, 2016, by and between Assure Holdings, Inc. of 10233 S Parker Road, STE 105, Parker, Colorado, 80134 and Preston Parsons of 9900 Sara Gulch Circle, Parker, Colorado, 80138.

- A. Assure Holdings, Inc. is engaged in the business of Medical Neuromonitoring Services Preston Parsons will primarily perform the job duties at the following location: 10233 S Parker Road, STE 105, Parker, Colorado.
- B. Assure Holdings, Inc. desires to have the services of Preston Parsons.
- C. Preston Parsons is an at will employee of Assure Holdings, Inc. Either party is able to terminate the employment agreement at any time.

Therefore, the parties agree as follows:

1. EMPLOYMENT. Assure Holdings, Inc. shall employ Preston Parsons as CEO. Preston Parsons shall provide to Assure Holdings, Inc. the following services: Corporate Management, Financial Strategy, Capital Market Advisory, Business Expansion, Compliance and Advisory, Corporate Communications, General Operational Responsibilities. Preston Parsons accepts and agrees to such employment, and agrees to be subject to the general supervision, advice and direction of Assure Holdings, Inc. and Assure Holdings, Inc.'s supervisory personnel. Preston Parsons shall also perform (i) such other duties as are customarily performed by an employee in a similar position, and (ii) such other and unrelated services and duties as may be assigned to Preston Parsons from time to time by Assure Holdings, Inc.

2. BEST EFFORTS OF EMPLOYEE. Preston Parsons agrees to perform faithfully, industriously, and to the best of Preston Parsons's ability, experience, and talents, all of the duties that may be required by the express and implicit terms of this Contract, to the reasonable satisfaction of Assure Holdings, Inc. Such duties shall be provided at such place(s) as the needs, business, or opportunities of Assure Holdings, Inc. may require from time to time.

3. OWNERSHIP OF SOCIAL MEDIA CONTACTS. Any social media contacts, including "followers" or "friends," that are acquired through accounts (including, but not limited to email addresses, blogs, Twitter, Facebook, YouTube, or other social media networks) used or created on behalf of Assure Holdings, Inc. are the property of Assure Holdings, Inc.

4. COMPENSATION OF EMPLOYEE. As compensation for the services provided by Preston Parsons under this Contract, Assure Holdings, Inc. will pay Preston Parsons an annual salary of \$120,000.00 payable on Friday of every other week and subject to applicable federal, state, and local withholding. Upon termination of this Contract, payments under this paragraph shall cease; provided, however, that Preston Parsons shall be entitled to payments for periods or partial periods that occurred prior to the date of termination and for which Preston Parsons has not yet been paid, and for any commission earned in accordance with Assure Holdings, Inc.'s customary procedures, if applicable. Accrued vacation will be paid in accordance with state law and Assure Holdings, Inc.'s customary procedures. This section of the Contract is included only for accounting and payroll purposes and should not be construed as establishing a minimum or definite term of employment.

5. EXPENSE REIMBURSEMENT. Assure Holdings, Inc. will reimburse Preston Parsons for "out-of-pocket" expenses incurred by Preston Parsons in accordance with Assure Holdings, Inc.'s policies in effect from time to time.

6. RECOMMENDATIONS FOR IMPROVING OPERATIONS. Preston Parsons shall provide Assure Holdings, Inc. with all information, suggestions, and recommendations regarding Assure Holdings, Inc.'s business, of which Preston Parsons has knowledge, that will be of benefit to Assure Holdings, Inc.

7. CONFIDENTIALITY. Preston Parsons recognizes that Assure Holdings, Inc. has and will have information regarding the following:

- technical matters
- trade secrets
- customer lists
- costs
- business affairs

and other vital information items (collectively, "Information") which are valuable, special and unique assets of Assure Holdings, Inc. Preston Parsons agrees that Preston Parsons will not at any time or in any manner, either directly or indirectly, divulge, disclose, or communicate any Information to any third party without the prior written consent of Assure Holdings, Inc. Preston Parsons will protect the Information and treat it as strictly confidential. A violation by Preston Parsons of this paragraph shall be a material violation of this Contract and will justify legal and/or equitable relief.

8. CONFIDENTIALITY AFTER TERMINATION OF EMPLOYMENT. The confidentiality provisions of this Contract shall remain in full force and effect for a 6 months period after the voluntary or involuntary termination of Preston Parsons's employment. During such 6 months period, neither party shall make or permit the making of any public announcement or statement of any kind that Preston Parsons was formerly employed by or connected with Assure Holdings, Inc.

9. NON-COMPETE AGREEMENT. Preston Parsons recognizes that the various items of Information are special and unique assets of the company and need to be protected from improper disclosure. In consideration of the disclosure of the Information to Preston Parsons, Preston Parsons agrees and covenants that during his or her employment by Assure Holdings, Inc. and for a period of 1 year following the termination of Preston Parsons's employment, whether such termination is voluntary or involuntary, Preston Parsons will not directly or indirectly engage in any business competitive with Assure Holdings, Inc.

Directly or indirectly engaging in any competitive business includes, but is not limited to: (i) engaging in a business as owner, partner, or agent, (ii) becoming an employee of any third party that is engaged in such business, (iii) becoming interested directly or indirectly in any such business, or (iv) soliciting any customer of Assure Holdings, Inc. for the benefit of a third party that is engaged in such business. Preston Parsons agrees that this non-compete provision will not adversely affect Preston Parsons's livelihood.

10. VACATION. Preston Parsons shall be entitled to 4 Weeks per year with 1 additional week for every year of employment completed of paid vacation for each completed year of employment. Such vacation must be taken at a time mutually convenient to Assure Holdings, Inc. and Preston Parsons, and must be approved by Assure Holdings, Inc. Requests for vacation shall be submitted to Preston Parsons's immediate supervisor 7 days in advance of the requested beginning date.

The provisions of this Vacation section are subject to change in accordance with Assure Holdings, Inc. policies in effect from time to time.

11. SICK LEAVE. Preston Parsons shall be entitled to 7 days per year day(s) paid time, due to illness or for personal business, for each calendar year beginning January 1, 2017. Unused sick leave benefits as of December 31 of each year may be converted into cash compensation at a rate of \$480.00 per day. Sick leave may be accumulated from year to year up to a total of 7 days; excess amounts shall be forfeited.

If Preston Parsons is unable to work for more than 60 days because of sickness or total disability, and if Preston Parsons's unused sick leave is insufficient for such period, a maximum of all of Preston Parsons's unused vacation time shall be applied to such absence.

All requests for sick days off shall be made by Preston Parsons in accordance with Assure Holdings, Inc. policies in effect from time to time.

The provisions of this Sick Leave section are subject to change in accordance with Assure Holdings, Inc. policies in effect from time to time.

12. PERSONAL LEAVE. After completion of 60 days of employment, Preston Parsons shall be entitled to 7 day(s) paid time, for personal business or due to illness, for each calendar year beginning January 1, 2017. Unused personal leave benefits as of December 31 of each year may be converted into cash compensation at a rate of \$480.00 per day. Personal leave may be accumulated from year to year up to a total of 7 Days; excess amounts shall be forfeited.

If Preston Parsons is unable to work for more than 60 days because of personal business, and if Preston Parsons's unused personal leave is insufficient for such period, a maximum of all of Preston Parsons's unused vacation time shall be applied to such absence.

All requests for personal days off shall be made by Preston Parsons in accordance with Assure Holdings, Inc. policies in effect from time to time.

The provisions of this Personal Leave section are subject to change in accordance with Assure Holdings, Inc. policies in effect from time to time.

13. HOLIDAYS. Preston Parsons shall be entitled to the following holidays with pay during each calendar year:

- New Year's Day
- Martin Luther King, Jr. Day
- President's Day
- Memorial Day
- 4th of July/Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day
- New Year's Eve

The provisions of this Holidays section are subject to change in accordance with Assure Holdings, Inc. policies in effect from time to time.

14. INSURANCE BENEFITS. Preston Parsons shall be entitled to insurance benefits, in accordance with Assure Holdings, Inc.'s applicable insurance contract(s) and policies, and applicable state law. These benefits shall include:

- health insurance: Inclusive of medical, dental, and vision
- disability insurance
- life insurance: Up to \$3 million in 10 year term coverage

The provisions of this Insurance Benefits section are subject to change in accordance with Assure Holdings, Inc. policies in effect from time to time.

15. BENEFITS. Preston Parsons shall be entitled to the following benefits:

- Car Allowance: Up to \$2500.00 per month with no loan or lease obligations to the Company longer than 60 months
- 401k: 6% Company matching up to the statutory limit
- Annual Bonus: At least 75% of annual salary with additional performance based bonuses allocated at the discretion of the Board of Directors.
- Phone & Home Office Allowance: Up to \$1500 per month
- Stock Options: Pursuant to the Company stock option plan

as such benefits are provided in accordance with Assure Holdings, Inc. policies in effect from time to time.

Preston Parsons shall be able to participate in Assure Holdings, Inc.'s pension plan in accordance with the plan's terms and the requirements of law.

16. TERM/TERMINATION. Preston Parsons's employment under this Contract shall be for 5 years, beginning on November 7, 2016. This Contract may be terminated by Assure Holdings, Inc. upon 30 days written notice, and by Preston Parsons upon 30 days written notice. If Assure Holdings, Inc. shall so terminate this Contract, Preston Parsons shall be entitled to compensation for 3 months of annualized compensation for every 1 year of employment beyond the termination date of such termination, unless Preston Parsons is in violation of this Contract. If Preston Parsons is in violation of this Contract, Assure Holdings, Inc. may terminate employment without notice and with compensation to Preston Parsons only to the date of such termination. The compensation paid under this Contract shall be Preston Parsons's exclusive remedy.

17. COMPLIANCE WITH EMPLOYER'S RULES. Preston Parsons agrees to comply with all of the rules and regulations of Assure Holdings, Inc.

18. NOTICES. All notices required or permitted under this Contract shall be in writing and shall be deemed delivered when delivered in person or on the third day after being

deposited in the United States mail, postage paid, addressed as follows:

Employer:

Assure Holdings, Inc.
Preston Parsons
Chairman of the Board
10233 S Parker Road, STE 105
Parker, Colorado 80134

Employee:

Preston Parsons
9900 Sara Gulch Circle
Parker, Colorado 80138

Such addresses may be changed from time to time by either party by providing written notice in the manner set forth above.

19. ENTIRE AGREEMENT. This Contract contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Contract supersedes any prior written or oral agreements between the parties.

20. AMENDMENT. This Contract may be modified or amended, if the amendment is made in writing and is signed by both parties.

21. SEVERABILITY. If any provisions of this Contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

22. WAIVER OF CONTRACTUAL RIGHT. The failure of either party to enforce any provision of this Contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Contract.

23. APPLICABLE LAW. This Contract shall be governed by the laws of the State of Colorado.

24. SIGNATORIES. This Contract shall be signed by Preston Parsons, Chairman of the Board on behalf of Assure Holdings, inc. and by Preston Parsons in an individual capacity. This Contract is effective as of the date first above written.

/s/ Preston Parsons
Preston Parsons, Chairman of the Board Assure Holdings, Inc.

Date: 11/7/16

/s/ Preston Parsons
Preston Parsons

Date: 11/7/16

Employment Agreement

This Employment Agreement (this “**Agreement**”) is made and entered into as of June 1, 2018, by and between John Farlinger, an individual citizen of Canada (the “**Employee**”), and Assure Holdings Corp., a Nevada Corporation (the “**Company**”).

WHEREAS, the Company desires to employ the Employee on the terms and conditions set forth herein;

WHEREAS, the Employee desires to be employed by the Company on such terms and conditions; and

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1. Term.

1 . 1 The Employee’s employment hereunder shall be effective as of June 1, 2018 (the “**Effective Date**”) and shall continue until March 31, 2019 unless terminated earlier pursuant to Section 5 of this Agreement; provided that, after March 31, 2019 and the last day of each month thereafter (such date and each monthly anniversary thereof, a “**Renewal Date**”), the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one month, unless either party provides written notice of its intention not to extend the term of the Agreement at least 30 days’ prior to the applicable Renewal Date; and provided further that there shall be no more than twelve (12) months of said automatic monthly extensions. The period during which the Employee is employed by the Company hereunder is hereinafter referred to as the “**Employment Term.**”

2. Position and Duties.

2.1 Position. During the Employment Term, the Employee shall serve as the Company’s Interim Chief Executive Officer, reporting to the Company’s Board of Directors (the “**Board**”). In such position, the Employee shall have such duties, authority, and responsibility as shall be determined from time to time by the Board.

2 . 2 Duties. During the Employment Term, the Employee shall devote substantially all of his full business time and attention to the performance of the Employee’s duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise, including, without limitation, those which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board. The Employee is expected to devote approximately 150 hours per month to his position with the Company, it being recognized however that said approximate hours per month devoted by the Employee to the Company may vary up or down, based on circumstances applicable to Employee and/or Company during the Employment Term.

3. Place of Performance. The Employee will perform his duties remotely from his residence in Vancouver, British Columbia, Canada and will travel as reasonably required to the Company’s Colorado office located at 4600 South Ulster Street, Suite 1225, Denver, Colorado 80237. The Company will provide a corporate apartment in Denver, Colorado for Employee’s use as needed during travel to Colorado in the course of the Employee’s employment duties.

4. Compensation.

4 . 1 Base Salary. The Company shall pay the Employee an annual rate of base salary of \$275,000 USD payable in accordance with the Company’s standard payroll practices and subject to applicable federal, state, and local withholding. The Employee’s annual base salary, as in effect from time to time, is hereinafter referred to as “**Base Salary**”. The Base Salary shall be subject to deferral by the Board based on the Company’s financial circumstances, consistent with the principles in Section 5.1(c)(i).

4.2 Bonuses. The Employee shall have bonus opportunities as set forth on **Schedule 1 (“Bonus Schedule”)**, attached.

4.3 Car Allowance. The Company shall pay the Employee an automobile allowance of \$1,200.00 USD on a monthly basis, which shall be used and applied to satisfy a substantial part of the Company’s current lease obligation for an automobile that was used by a former Company officer and director. The Employee shall be responsible for maintaining appropriate insurance coverage on the automobile, as well as for maintenance and repair expenses.

4.4 Employee Benefits. During the Employment Term, the Employee shall be entitled to the following benefits, if applicable and then offered by the Company:

- Participation in Company 401(k) plan or, in the alternative, contribution to the Employee’s Canadian RRSP or TFSA, with 6% Base Salary matching contributions by the Company, up to an annual maximum of \$25,000.00 USD.
- Equity opportunities as set forth on **Schedule 2 (“Equity Schedule”)**, in all cases, subject to the terms and conditions governing the Company’s shareholder’s rights and obligations.
- Ability and option to participate in Company’s applicable health, disability, and life insurance benefits offered to similarly situated employees, in accordance with Company’s applicable insurance contract(s) and policies, and applicable state, federal, and Canadian law.
- Entitled to the following holidays off with pay during each calendar year:
 - o New Year’s Day
 - o Martin Luther King, Jr. Day
 - o President’s Day
 - o Memorial Day
 - o 4th of July/Independence Day

- o Labor Day
- o Columbus Day
- o Veteran’s Day
- o Thanksgiving Day
- o Day after Thanksgiving
- o Christmas Eve

- o Christmas Day
- o New Year's Eve

4.5 Vacation. The Employee shall be entitled to four (4) weeks of paid vacation per calendar year. Such vacation must be taken at a time mutually convenient to the Company, and the Employee, and must be approved by the Company in writing. Requests for vacation shall be submitted to the Board at least seven (7) days in advance of the requested beginning date. The provisions of this vacation section are subject to change in accordance with the Company's policies in effect from time to time. Unused vacation will expire at the end of the calendar year and will not roll forward.

4.6 Sick Leave. The Employee shall be entitled to seven (7) days of paid time, due to illness or for personal business per calendar year. Unused sick days shall be forfeited.

If the Employee is unable to work for more than sixty (60) days because of illness or total Disability, as defined below, and if Employee's unused sick leave is insufficient for such period, a maximum of all of the Employee's unused vacation time shall be applied to such absence. All requests for sick days off shall be made by the Employee in accordance with Company policies in effect from time to time. The provisions of this Sick Leave section are subject to change in accordance with Company policies in effect from time to time.

4.7 Business Expenses. The Employee shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Employee in connection with the performance of the Employee's duties hereunder in accordance with the Company's business expense reimbursement policies and procedures; provided however, that the Employee shall require prior written approval from the Company prior to incurring any expense in excess of \$2,500 USD. The Company will reimburse Employee for the reasonable cost of economy flights, lodging, board and related expenses incurred as a result of reasonable and necessary travel by Employee between Vancouver, BC, Canada and Denver, Colorado. The Company will not reimburse Employee for minor incidentals incurred as a result of working remotely, such as long-distance telephone calls, office supplies, or mail / courier.

4.8 Tax and Immigration Advice. The Company acknowledges that the Employee is a Canadian citizen and resident and, as such, will require professional tax and immigration advice (the "**Professional Advice**") regarding and as a result of entering into this Agreement. Accordingly, the Company will pay Employee's reasonable fees incurred in obtaining Professional Advice not to exceed a total of \$10,000 USD. The specific terms of any employment arrangements, compensation, withholdings, RRSP/TFSA/401(k) contributions, health insurance, or similar otherwise provided for in this Agreement are subject to Professional Advice.

5. Termination of Employment. The Employment Term and the Employee's employment hereunder may be terminated by either the Company or the Employee at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least four weeks' advance written notice of any termination of the Employee's employment. Upon termination of the Employee's employment during the Employment Term, the Employee shall be entitled to the compensation and benefits described in this Section 5 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

5.1 For Cause or Without Good Reason.

(a) In the event the Employee's employment hereunder is terminated by (1) the Company for Cause, as defined below, or (2) the Employee without Good Reason, as defined below, the Employee shall be entitled to receive:

- (i) any accrued but unpaid Base Salary and accrued but unused vacation up to and including the Termination Date, as defined below;
- (ii) reimbursement for unreimbursed business expenses properly incurred by the Employee, which shall be subject to and paid in accordance with the Company's business expense reimbursement policy; and
- (iii) such employee benefits, if any, to which the Employee may be entitled under the Company's employee benefit plans as of the Termination Date; provided that, in no event shall the Employee be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

Items 5.1(a)(i) through 5.1(a)(iii) are referred to herein collectively as the "**Accrued Amounts**".

(b) For purposes of this Agreement, "**Cause**" shall mean:

- (i) the Employee's failure to perform his duties (other than any such failure resulting from incapacity due to physical or mental illness), and such failure remains uncured for a period of thirty (30) days following the Employee's receipt of written notice detailing the facts and circumstances related to the performance failure;
- (ii) the Employee's willful failure to comply with any valid and legal directive of the Board and such failure remains uncured for a period of thirty (30) days following the Employee's receipt of written notice detailing the facts and circumstances related to the failure;
- (iii) the Employee's engagement in dishonesty, illegal conduct, gross negligence or willful misconduct;

- (iv) the Employee's embezzlement, misappropriation, or fraud, whether or not related to the Employee's employment with the Company;
- (v) the Employee's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving dishonesty, fraud or moral turpitude;
- (vi) the Employee's violation of any material written policy or rules of the Company governing employee conduct;
- (vii) the Employee's willful unauthorized disclosure of Confidential Information, as defined below;
- (viii) the Employee's material breach of any material obligation under this Agreement or any other written agreement between the Employee and the Company;
- (ix) any material failure by the Employee to comply with the Company's written policies or rules, as they may be in effect from time to time

during the Employment Term.

(c) For purposes of this Agreement, “**Good Reason**” shall mean the occurrence of any of the following, in each case during the Employment Term without the Employee’s written consent:

- (i) a material reduction in the Employee’s Base Salary other than a general reduction in Base Salary that affects all similarly situated Employees in substantially the same proportions;
- (ii) any material breach by the Company of any material provision of this Agreement or any material provision of any other agreement between the Employee and the Company;
- (iii) the Company’s failure to obtain an agreement from any legal successor in interest to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law;
- (iv) the Employee’s election, in his sole discretion following any change of control of the Company, not to continue as the Employee pursuant to the terms and conditions of this Agreement;
- (v) a material, adverse change in the Employee’s authority, duties, or responsibilities (other than temporarily while the Employee is physically or mentally incapacitated or as required by applicable law).

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The Employee cannot terminate his employment for Good Reason unless he has provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within 30 days of the initial existence of such grounds and the Company has had at least 30 days from the date on which such notice is provided to cure such circumstances. If the Employee does not terminate his employment for Good Reason within 30 days after the first occurrence of the applicable grounds, then the Employee will be deemed to have waived his right to terminate for Good Reason with respect to such grounds.

5.2 Termination by the Company Without Cause; Termination by the Employee for Good Reason. The Employment Term and the Employee’s employment hereunder may be terminated by the Employee for Good Reason or by the Company without Cause. Unless the parties mutually agree otherwise, if the Company provides written notice to Employee of its intention not to extend the term of the Agreement for any month after March 31, 2019, in accordance with Section 1 and thus terminates this Agreement on that basis, such termination shall be deemed a termination by the Company without Cause. In the event of such termination, the Employee shall be entitled to receive the Accrued Amounts and the Employee shall be entitled to receive the following:

- (a) a lump sum payment equal to:
 - (i) seven months of the Base Salary, if the Employee’s employment hereunder is terminated on or prior to December 31, 2018; or
 - (ii) twelve months of the Base Salary, plus one (1) additional month of Employee’s then current Base Salary for each year of employment with the Company, if the Employee’s employment hereunder is terminated after December 31, 2018;

provided however, that the Company may first require the Employee to execute a release in a form acceptable to Company in its sole discretion;

(b) a pro-rata portion of any bonus payable under **Schedule 1** with respect to the year of termination based on the Company’s year-to-date performance through the date of termination (such amount to be determined by the Board of Directors in its sole discretion and payable at such time as Employee’s annual bonus would otherwise have been payable); and

- (c) the right to exercise any vested or unvested stock option opportunities as set forth on **Schedule 2** (“**Equity Schedule**”); and

(d) If the Employee timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“**COBRA**”), the Company shall reimburse the Employee for the monthly COBRA premium paid by the Employee for himself and his dependents. Such reimbursement shall be paid to the Employee on the 15 day of the month immediately following the month in which the Employee timely remits the premium payment. The Employee shall be eligible to receive such reimbursement until the earliest of: (i) the eighteen-month anniversary of the Termination Date; (ii) the date the Employee is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Employee becomes eligible to receive substantially similar coverage from another employer or other source, including but not limited to health insurance coverage available to Canadian citizens under Canadian law. Notwithstanding the foregoing, if the Company’s making payments under this Section 5.2(c) would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the “**ACA**”), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder, the parties agree to reform this Section 5.2(c) in a manner as is necessary to comply with the ACA.

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5.3 Death or Disability.

(a) The Employee’s employment hereunder shall terminate automatically upon the Employee’s death during the Employment Term, and the Company may terminate the Employee’s employment on account of the Employee’s Disability.

(b) If the Employee’s employment is terminated during the Employment Term on account of the Employee’s death or Disability, the Employee (or the Employee’s estate and/or beneficiaries, as the case may be) shall be entitled to receive the Accrued Amounts.

Notwithstanding any other provision contained herein, all payments made in connection with the Employee’s Disability shall be provided in a manner which is consistent with federal and state law.

(c) For purposes of this Agreement, “**Disability**” shall mean the Employee’s inability, due to physical or mental incapacity, to perform the essential functions of his job, with or without reasonable accommodation, for sixty (60) days out of any three hundred sixty-five (365) day period. Any question as to the existence of the Employee’s Disability as to which the Employee and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Employee and the Company. If the Employee and the Company cannot agree as to a qualified independent physician, each shall appoint such

a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Employee shall be final and conclusive for all purposes of this Agreement.

5.4 Notice of Termination. Any termination of the Employee's employment hereunder by the Company or by the Employee during the Employment Term (other than termination pursuant to Section 5.3(a) on account of the Employee's death) shall be communicated by written notice of termination ("**Notice of Termination**") to the other party hereto in accordance with Section 23. The Notice of Termination shall specify:

(a) The termination provision of this Agreement relied upon;

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(b) To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated; and

(c) The applicable Termination Date.

5.5 Termination Date. The Employee's "**Termination Date**" shall be:

(a) If the Employee's employment hereunder terminates on account of the Employee's death, the date of the Employee's death;

(b) If the Employee's employment hereunder is terminated on account of the Employee's Disability, the date that it is determined that the Employee has a Disability;

(c) If the Company terminates the Employee's employment hereunder for Cause, the date the Notice of Termination is delivered to the Employee;

(d) If the Company terminates the Employee's employment hereunder without Cause, the date specified in the Notice of Termination, which shall be no less than four weeks following the date on which the Notice of Termination is delivered;

(e) If the Employee terminates his employment hereunder with or without Good Reason, the date specified in the Employee's Notice of Termination, which shall be no less than four weeks following the date on which the Notice of Termination is delivered; and

(f) If the Employee's employment hereunder terminates because either party provides notice of non-renewal pursuant to Section 1, the Renewal Date immediately following the date on which the applicable party delivers notice of non-renewal.

Notwithstanding anything contained herein, and if and to the extent applicable, the Termination Date shall not occur until the date on which the Employee incurs a "separation from service" within the meaning of Section 409A.

5.6 Mitigation. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement, and except as provided in Section 5.2(c) any amounts due or payable pursuant to this Section 5 shall not be reduced by compensation the Employee earns on account of employment with another employer.

5.7 [Intentionally Left Blank]

5.8 Section 280G.

(a) If any of the payments or benefits received or to be received by the Employee (all such payments collectively referred to herein as the "**280G Payments**") constitute "parachute payments" within the meaning of Section 280G of the Code and will be subject to the excise tax imposed under Section 4999 of the Code (the "**Excise Tax**"), the Company shall pay to the Employee, no later than the time such Excise Tax is required to be paid by the Employee or withheld by the Company, an additional amount equal to the sum of the Excise Tax payable by the Employee, plus the amount necessary to put the Employee in the same after-tax position (taking into account any and all applicable federal, state, and local excise, income, or other taxes at the highest applicable rates on such 280G Payments and on any payments under this Section 5.8 or otherwise) as if no Excise Tax had been imposed.

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(b) All calculations and determinations under this Section 5.8 shall be made by an independent accounting firm or independent tax counsel appointed by the Company (the "**Tax Counsel**") whose determinations shall be conclusive and binding on the Company and the Employee for all purposes. For purposes of making the calculations and determinations required by this Section 5.8, the Tax Counsel may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Company and the Employee shall furnish the Tax Counsel with such information and documents as the Tax Counsel may reasonably request in order to make its determinations under this Section 5.8. The Company shall bear all costs the Tax Counsel may reasonably incur in connection with its services.

5.9 Further Discussions Possible; If the Employment Term Does Not Continue after March 31, 2020

(a) The parties recognize and agree that they may from time to time discuss the matters described herein, and that they may elect in their individual sole discretion to extend the Employment Term and/or modify this Agreement as specified in Section 16.

(b) If the Employment Term ends on March 31, 2020, and provided that Employee has complied fully with all of his duties, responsibilities and obligations as provided in and is not in breach of this Agreement, Company shall: (i) pay to Employee twelve months of Employee's then current Base Salary; and (ii) provide the benefits as specified in Section 5.2.

6. Cooperation. The parties agree that certain matters in which the Employee will be involved during the Employment Term may necessitate the Employee's cooperation in the future. Accordingly, following the termination of the Employee's employment for any reason, to the extent reasonably requested by the Board, the Employee shall cooperate with the Company in connection with matters arising out of the Employee's service to the Company; provided that, the Company shall make reasonable efforts to minimize disruption of the Employee's other activities. The Company shall reimburse the Employee for reasonable expenses incurred in connection with such cooperation and, to the extent that the Employee is required to spend substantial time on such matters, the Company shall compensate the Employee at an hourly rate based on the Employee's Base Salary on the Termination Date.

7 . Confidential Information. The Employee understands and acknowledges that during the Employment Term, he will have access to and learn about Confidential Information, as defined below.

7.1 Confidential Information Defined.

(a) Definition.

For purposes of this Agreement, “**Confidential Information**” includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, terms of agreements, transactions, potential transactions, negotiations, know-how, trade secrets, computer programs, computer software, applications, operating systems, software design, web design, databases, manuals, records, material, sources of material, supplier information, vendor information, financial information, accounting information, accounting records, legal information, marketing information, pricing information, credit information, design information, payroll information, staffing information, personnel information, inventions, discoveries, experimental processes, customer information, client information, or of any other person or entity that has entrusted information to the Company in confidence.

The Employee understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Employee understands and agrees that Confidential Information includes information developed by him in the course of his employment by the Company as if the Company furnished the same Confidential Information to the Employee in the first instance. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Employee; provided that, such disclosure is through no direct or indirect fault of the Employee or person(s) acting on the Employee’s behalf.

(b) Disclosure and Use Restrictions.

The Employee agrees and covenants: (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other employees of the Company) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Company and, in any event, not to anyone outside of the direct employ of the Company except as required in the performance of the Employee’s authorized employment duties to the Company (and then, such disclosure shall be made only within the limits and to the extent of such duties). Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order, and provided further that, unless prohibited by such applicable law, regulation, or order, Employee shall provide Company with advance written notice prior to any such disclosure by Employee.

(c) Notice of Immunity Under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016 (“DTSA”). Notwithstanding any other provision of this Agreement:

(i) The Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that:

(A) is made (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or

(B) is made in a complaint or other document filed under seal in a lawsuit or other proceeding.

(ii) If the Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Employee may disclose the Company’s trade secrets to the Employee’s attorney and use the trade secret information in the court proceeding if the Employee:

(A) files any document containing trade secrets under seal; and

(B) does not disclose trade secrets, except pursuant to court order.

The Employee understands and acknowledges that his obligations under this Agreement with regard to any particular Confidential Information shall commence immediately upon the Employee first having access to such Confidential Information (whether before or after he begins employment by the Company) and shall continue during and after his employment by the Company until such time as such Confidential Information has become public knowledge other than as a result of the Employee’s breach of this Agreement or breach by those acting in concert with the Employee or on the Employee’s behalf.

8. Restrictive Covenants.

8 . 1 Acknowledgement. The Employee understands that the nature of the Employee’s position gives him access to and knowledge of Confidential Information and places him in a position of trust and confidence with the Company. The Employee understands and acknowledges that the intellectual or artistic services he provides to the Company are unique, special, or extraordinary.

The Employee further understands and acknowledges that the Company’s ability to reserve these for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure by the Employee is likely to result in unfair or unlawful

competitive activity.

8.2 Non-Competition. Because of the Company's legitimate business interest as described herein and the good and valuable consideration offered to the Employee, during the Employment Term and for one (1) year following the termination of the Employee's employment with the Company, the Employee agrees and covenants not to engage in Prohibited Activity.

For purposes of this Section 8, "**Prohibited Activity**" is activity in which the Employee contributes his knowledge, directly or indirectly, in whole or in part, as an employee, employer, owner, operator, manager, advisor, consultant, agent, employee, partner, director, stockholder, officer, volunteer, intern, or any other similar capacity to an entity engaged in the same or similar business as the Company. Prohibited Activity also includes activity that may require or inevitably requires disclosure of trade secrets, proprietary information or Confidential Information.

Nothing herein shall prohibit the Employee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Employee is not a controlling person of, or a member of a group that controls, such corporation.

This Section 8 does not, in any way, restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

8.3 Non-Solicitation of Employees. The Employee agrees and covenants not to directly or indirectly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company for one (1) year following the termination of the Employee's employment, beginning on the last day of the Employee's employment with the Company.

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8.4 Non-Solicitation of Customers. The Employee understands and acknowledges that because of the Employee's experience with and relationship to the Company, he will have access to and learn about much or all of the Company's customer information. "**Customer Information**" includes, but is not limited to, names, phone numbers, addresses, e-mail addresses, order history, order preferences, chain of command, pricing information, and other information identifying facts and circumstances specific to the customer.

The Employee understands and acknowledges that loss of this customer relationship and/or goodwill will cause significant and irreparable harm.

The Employee agrees and covenants, for one (1) year following the termination of the Employee's employment with the Company, beginning on the last day of the Employee's employment with the Company, not to directly or indirectly solicit, initiate contact (including but not limited to e-mail, regular mail, express mail, telephone, fax, and instant message), attempt to initiate contact, or meet with the Company's current, former or prospective customers for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company.

This restriction set forth in this Section 8.4 shall only apply to:

- (a) Intraoperative neuromonitoring related services (IONM); and
- (b) Customers or prospective customers the Employee contacted in any way.

9. Non-Disparagement. The Employee agrees and covenants that he will not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company or its businesses, or any of its directors, employees, officers or agents.

This Section 9 does not, in any way, restrict or impede the Employee or the Company from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

The Company agrees and covenants that it shall cause its officers and directors to refrain from making any defamatory or disparaging remarks, comments, or statements concerning the Employee to any third parties.

10. Acknowledgement. The Employee acknowledges and agrees that the services to be rendered by him to the Company are of a special and unique character; that the Employee will obtain knowledge and skill relevant to the Company's industry, methods of doing business and marketing strategies by virtue of the Employee's employment; and that the restrictive covenants and other terms and conditions of this Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Company.

The Employee further acknowledges that the amount of his compensation reflects, in part, his obligations and the Company's rights under Section 7, Section 8, and Section 9 of this Agreement; that he has no expectation of any additional compensation, royalties or other payment of any kind not otherwise referenced specified herein in connection herewith; and that he will not be subject to undue hardship by reason of his full compliance with the terms and conditions of Section 7, Section 8, and Section 9 of this Agreement or the Company's enforcement thereof.

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11. Remedies. In the event of a breach or threatened breach by the Employee of Section 7, Section 8, or Section 9 of this Agreement, the Employee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available forms of relief.

12. Proprietary Rights.

12.1 Work Product. The Employee acknowledges and agrees that all right, title, and interest in and to all writings, works of authorship, technology, inventions, discoveries, processes, techniques, methods, ideas, concepts, research, proposals, materials, and all other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived, or reduced to practice by the Employee individually or jointly with others during the period of his employment by the Company and relate in any way to the business or contemplated business, products, activities, research, or development of the Company or result

from any work performed by the Employee for the Company (in each case, regardless of when or where prepared or whose equipment or other resources is used in preparing the same), all rights and claims related to the foregoing, and all printed, physical and electronic copies, and other tangible embodiments thereof (collectively, “**Work Product**”), as well as any and all rights in and to US and foreign (a) patents, patent disclosures and inventions (whether patentable or not), (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing, (c) copyrights and copyrightable works (including computer programs), and rights in data and databases, (d) trade secrets, know-how, and other confidential information, and (e) all other intellectual property rights, in each case whether registered or unregistered and including all registrations and applications for, and renewals and extensions of, such rights, all improvements thereto and all similar or equivalent rights or forms of protection in any part of the world (collectively, “**Intellectual Property Rights**”), shall be the sole and exclusive property of the Company.

For purposes of this Agreement, Work Product includes, but is not limited to, all Company information, including plans, publications, research, strategies, techniques, agreements, contracts, terms of agreements, negotiations, know-how, computer programs, computer applications, software design, databases, manuals, reports, market studies, formulae, notes, communications, algorithms, product plans, product designs, models, inventions, unpublished patent applications, specifications, customer information, client information, customer lists, client lists, manufacturing information, marketing information, advertising information, and sales information.

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12.2 Work Made for Hire; Assignment. The Employee acknowledges that, by reason of being employed by the Company at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is “work made for hire” as defined in 17 U.S.C. § 101 and such copyrights are therefore owned by the Company. To the extent that the foregoing does not apply, the Employee hereby irrevocably assigns to the Company, for no additional consideration, the Employee’s entire right, title, and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world. Nothing contained in this Agreement shall be construed to reduce or limit the Company’s rights, title, or interest in any Work Product or Intellectual Property Rights so as to be less in any respect than that the Company would have had in the absence of this Agreement.

12.3 Further Assurances; Power of Attorney. During and after his employment, the Employee agrees to reasonably cooperate with the Company to (a) apply for, obtain, perfect, and transfer to the Company the Work Product as well as any and all Intellectual Property Rights in the Work Product in any jurisdiction in the world; and (b) maintain, protect and enforce the same, including, without limitation, giving testimony and executing and delivering to the Company any and all applications, oaths, declarations, affidavits, waivers, assignments, and other documents and instruments as shall be requested by the Company. The Employee hereby irrevocably grants the Company power of attorney to execute and deliver any such documents on the Employee’s behalf in his name and to do all other lawfully permitted acts to transfer the Work Product to the Company and further the transfer, prosecution, issuance, and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if the Employee does not promptly cooperate with the Company’s request (without limiting the rights the Company shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be affected by the Employee’s subsequent incapacity.

12.4 No License. The Employee understands that this Agreement does not, and shall not be construed to, grant the Employee any license or right of any nature with respect to any Work Product or Intellectual Property Rights or any Confidential Information, materials, software, or other tools made available to him by the Company.

13. Security.

13.1 Security and Access. The Employee agrees and covenants (a) to comply with all Company security policies and procedures as in force from time to time including without limitation those regarding computer equipment, facilities access, monitoring, key cards, access codes, Company intranet, social media and instant messaging systems, computer systems, e-mail systems, computer networks, document storage systems, software, data security, passwords and any and all other Company IT resources and communication technologies (“**Facilities and Information Technology Resources**”); (b) not to access or use any Facilities and Information Technology Resources except as authorized by the Company; and (iii) not to access or use any Facilities and Information Technology Resources in any manner after the termination of the Employee’s employment by the Company, whether termination is voluntary or involuntary. The Employee agrees to notify the Company promptly in the event he learns of any violation of the foregoing by others, or of any other misappropriation or unauthorized access, use, reproduction, or reverse engineering of, or tampering with any Facilities and Information Technology Resources or other Company property or materials by others.

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13.2 Exit Obligations. Upon (a) voluntary or involuntary termination of the Employee’s employment or (b) the Company’s request at any time during the Employee’s employment, the Employee shall (i) provide or return to the Company any and all Company property, including keys, key cards, access cards, identification cards, security devices, employer credit cards, network access devices, computers, cell phones, smartphones, equipment, manuals, reports, files, books, work product, e-mail messages, removable information storage devices, hard drives, and all Company documents and materials belonging to the Company and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information or Work Product, that are in the possession or control of the Employee, whether they were provided to the Employee by the Company or any of its business associates or created by the Employee in connection with his employment by the Company; and (ii) delete or destroy all copies of any such documents and materials not returned to the Company that remain in the Employee’s possession or control, including those stored on any non-Company devices, networks, storage locations, and media in the Employee’s possession or control.

14. Governing Law; Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Colorado without regard to conflicts of law principles. Any action or proceeding by either of the parties to interpret or enforce this Agreement shall be brought only in a state or federal court located in the City and County of Denver, state of Colorado. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue. In addition to any legal, equitable or other relief awarded, the prevailing party shall be entitled to receive from the non-prevailing party, and the non-prevailing party shall pay to the prevailing party, all of the costs and expenses incurred by the prevailing party in respect of any such action or proceeding, including but not limited to filing fees, expert witness fees and reasonable attorneys fees.

15. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Employee and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

16. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by a designated representative of the Board of Directors of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be valid unless memorialized in a writing signed by the party who or that agreed to such waiver, nor shall the failure of or delay by either of the parties in exercising any right, power, or privilege hereunder operate as a waiver thereof or preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

17. **Severability.** Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement, provided however that the essential purposes and intent of this Agreement remain applicable and in effect notwithstanding such modification or deletion, consistent with the two paragraphs of this Section 17 immediately following below.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

18. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

19. **Counterparts.** This Agreement may be executed in separate counterparts (in hard copy, electronically or by other means demonstrating acceptance), each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. **Section 409A.**

20.1 **General Compliance.** This Agreement is intended to comply with Section 409A or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A.

20.2 **Specified Employees.** Notwithstanding any other provision of this Agreement, if any payment or benefit provided to the Employee in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Employee is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date or, if earlier, on the Employee's death (the "**Specified Employee Payment Date**"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date and interest on such amounts calculated based on the applicable federal rate published by the Internal Revenue Service for the month in which the Employee's separation from service occurs shall be paid to the Employee in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

20.3 **Reimbursements.** To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following:

(a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year:

(b) any reimbursement of an eligible expense shall be paid to the Employee on or before the last day of the calendar year following the calendar year in which the expense was incurred; and

(c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

20.4 **Tax Gross-ups.** Any tax gross-up payments provided under this Agreement shall be paid to the Employee on or before December 31 of the calendar year immediately following the calendar year in which the Employee remits the related taxes.

21. **[Intentionally Left Blank]**

22. **Successors and Assigns.** This Agreement is personal to the Employee and shall not be assigned by the Employee. Any purported assignment by the Employee shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

23. **Notice.** Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:

Assure Holdings Corp.
Attention: Chair of the Compensation Committee
4600 South Ulster Street, Suite 1225,
Denver, Colorado 80237

If to the Employee:

John Farlinger
5711 Musgrave Crescent
Richmond, BC
V7C 5N3

24. Representations of the Employee. The Employee represents and warrants to the Company that:

The Employee's acceptance of employment with the Company and the performance of his duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement, or understanding to which he is a party or is otherwise bound.

The Employee's acceptance of employment with the Company and the performance of his duties hereunder will not violate any confidentiality, non-solicitation, non-competition, or other similar covenant or agreement of a prior employer.

25. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state, and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation, whether U.S. or Canadian.

26. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

27. Acknowledgement of Full Understanding. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS CHOICE BEFORE SIGNING THIS AGREEMENT.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above, notwithstanding the actual date of execution.

Assure Holdings Corp.

By _____
Name:
Title:

EMPLOYEE

Signature: /s/ John Farlinger
Print Name: John Farlinger

Schedule 1 Bonus Schedule

Capitalized terms not otherwise defined in this **Schedule 1** shall have the meaning set forth in the Agreement to which this **Schedule 1** is attached. In addition to the Base Salary as set forth in the Agreement, Employee shall have the opportunity to earn a one-time bonus of up to 60% of his Base Salary ("**Bonus Compensation**") based on meeting operating targets and/or other milestones or achievements as at March 31, 2019, which the Company's Board of Directors and Employee agree to mutually document within thirty (30) days following their signature to this Agreement.

Notwithstanding the foregoing, the Company's obligation to pay Bonus Compensation is contingent upon Employee's (i) compliant performance of his obligations on behalf of the Company, (ii) compliance with all applicable laws (a) related to his employment obligations on behalf of the Company, or (b) that could directly or indirectly impact the Company and its interests, and (iii) continued employment with the Company. In the event Employee's employment with the Company is terminated without Cause or for Good Reason, as each term is defined in the Agreement, the requirement of continued employment shall not be applicable to the Employee's ability to earn Bonus Compensation.

The Company's said operating targets and/or other milestones or achievements are expected to include, for example but without limitation, some or all of the following:

- a. Completion of successful audit;
- b. Obtaining financing sufficient to meet short- and medium- term liquidity needs;
- c. Development and approval of business plan;
- d. Achieving revenue and EBITDA targets;
- e. Recruitment of key staff, including permanent Chief Executive Officer;
- f. S1 Registration Statement or equivalent if needed.
- g. Resolving existing billing issues on a go-forward basis.
- h. Other - Discretionary by board

Any Bonus Compensation awarded to the Employee will be paid within thirty (30) days of when earned.

Schedule 2
Stock Option Grant

Capitalized terms not otherwise defined in this **Schedule 2** shall have the meaning set forth in the Employment Agreement to which this **Schedule 2** is attached (the "**Employment Agreement**"). Contemporaneously with Employee's execution of the Employment Agreement, Employee shall receive:

1. A grant of 600,000 options to purchase shares of stock in the Company subject to the terms and conditions set forth in the Company's Stock Option Plan, which shall vest as follows:
 - a. 200,000 on the earlier of (a) the Effective Date; or (b) upon resumption of trading of Company stock on TSXV;
 - b. 75,000 on the six-month anniversary of the Effective Date;
 - c. 75,000 on the 12-month anniversary of the Effective Date;
 - d. 75,000 on the 18-month anniversary of the Effective Date;
 - e. 75,000 on the 24-month anniversary of the Effective Date;
 - f. 50,000 on the 30-month anniversary of the Effective Date; and
 - g. 50,000 on the 36-month anniversary of the Effective Date.
2. The grant of any options to Employee pursuant to the Employment Agreement is subject to the availability of sufficient options under the Company's Stock Option Plan.
3. Establishment of the exercise price of the options shall be determined by the Company upon the Company no longer being subject to a Management Cease Trade Order, Cease Trade Order, Halt, there being no Black-out period and such exercise price to be in accordance with the Company's Stock Option Plan and TSX Venture Exchange rules at the time.
4. The 600,000 stock options to be granted may be reduced by the occurrence of a Performance Escrow Stock Transfer as set out in Schedule 2 Exhibit A.

Schedule 2 Exhibit A
PERFORMANCE ESCROW SHARE TRANSFER AGREEMENT

The Employee has reached an agreement with Preston Parsons, that 290,000 of the Stock Option Grant referred to in Schedule 2 will be satisfied by a transfer of performance escrow shares if they are earned by Mr. Parsons: (a) upon the Company meeting the required earnings criteria based on audited December 31, 2017, financial statements; and (b) upon Mr. Parsons meeting such additional performance criteria or other requirements for said performance escrow shares as are determined by the Company. Such performance escrow shares must first be otherwise earned by Mr. Parsons, as described above, before they are transferred to the Employee. For clarity, if 290,000 performance escrow shares are transferred, the stock option grant referred to in Schedule 2 would be reduced to 310,000 options.

Agreed:

John Farlinger
Agreed:

/s/ Preston Parsons
Preston Parsons

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is entered into on October 22, 2018 by and between Assure Holdings Corp., a Colorado corporation (the "Company"), and Trent Carman, a resident of Colorado (the "Executive").

NOW, THEREFORE, in consideration of the foregoing premises and the respective agreements of the Company and Executive set forth below, the Company and Executive, intending to be legally bound, agree as follows:

1. Position of Employment.

The Company will employ the Executive in the position of Chief Financial Officer (the "CFO") and, in that position, the Executive will report to the Board of Directors (the "Board"). The Company retains the right to change the Executive's title, duties, and reporting relationships as may be determined to be in the best interests of the Company; provided, however, that any such change in the Executive's duties shall be consistent with the Executive's training, experience, and qualifications.

The terms and conditions of the Executive's employment shall, to the extent not addressed or described in this Executive Employment Agreement, be governed by the Company's existing practices. In the event of a conflict between this Employment Agreement and the existing practices, the terms of this Agreement shall govern.

2. Term of Employment.

- a) The Executive's employment with Company shall be considered "at will" consistent with the laws of the State of Colorado.
- b) This Agreement will be in effect for one year from the signing date. At that time, this Agreement will be updated to reflect future goals. If not updated, this Agreement will renew automatically after one year from the date of signing and will automatically renew for one year in each subsequent year.
- c) This Agreement, including the Addendums, can be updated with Executive and Board approval during the year.

3. Position and Duties.

- a) General Duties. Executive shall render to the very best of Executive's ability, on behalf of the Company, services to and on behalf of the Company, and shall undertake diligently all duties assigned to him by the Board. Executive shall devote his full time, energy and skill to the performance of the services in which the Company is engaged, at such time and place as the Company may direct. Executive shall not undertake, either as an owner, director, shareholder, employee or otherwise, the performance of services for compensation (actual or expected) for any other entity without the express written consent of the Board of Directors.
- b) Specific Duties. The Executive will perform specific duties as described in the "CFO Job Description."

4. Compensation.

- a) Base Salary. While the Executive is employed by the Company hereunder, the Company shall pay to Executive a base salary at the annual rate of \$260,000, to be paid in semi-monthly (24 pay dates) installments of \$10,833.33 less deductions and withholdings.
- b) Stock Options. The Executive will be granted 4000,000 stock options within the first thirty (30) days of employment. Options will vest in a manner consistent with the employee stock option plan.
- c) Incentive Bonus. While employed with the Company the Executive will be eligible to earn an annual discretionary bonus up to 60% of the Executive's base salary. Bonus will be paid quarterly as earned as part of the annual variable compensation plan.
- d) Incentive Stock Options. While employed with the Company the Executive will be eligible to earn additional incentive stock options on an annual basis beginning in 2019.
- e) Benefits. While Executive is employed by the Company hereunder, Executive shall be entitled to participate in all employee benefit plans and programs of the Company to the extent that Executive meets the eligibility requirements for each individual plan or program. Executive acknowledges that his participation in any such plan or program shall be subject to the provisions, rules and regulations applicable thereto, and that such plans and programs may be modified by the Company from time to time.
 - i. Health, Dental and Vision – Premiums to be paid by the Company
 - ii. 401k – Executive will be eligible following 6 months of continuous service with the Company. The Company will match 100% of the first 6% of the pay you contribute.
 - iii. Phone Allowance - \$200 per month
 - iv. Car Allowance - \$500 per month
 - v. Paid Parking
- f) Paid Time Off. While employed with the Company the Executive will accrue 6.66 hours of Paid Time Off (PTO) for a total of four (4) weeks annually.
- d) Expenses. While Executive is employed by the Company hereunder, the Company shall reimburse Executive for all reasonable and necessary out-of-pocket business, travel and entertainment expenses incurred by him in the performance of his duties and responsibilities hereunder, subject to the Company's normal policies and procedures for expense verification and documentation.

5. Termination of Employment.

The Executive's employment with the Company may be terminated, in accordance with any of the following provisions:

- a) Termination by the Executive. The Executive may terminate his employment at any time during the course of this agreement by giving a 60-day notice in writing to the Board of Directors of the Company. During the notice period, Executive must fulfill all his duties and responsibilities set forth above and use his best efforts to train and support his replacement, if any. Failure to comply with this requirement may result in Termination for Cause described below, but otherwise Executive's salary and benefits will remain unchanged during the notification period. The Company will make no severance payment nor pay for COBRA benefits.

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- b) Termination for "Good Reason." Good Reason is defined as:

- (i) the Company's taking any action which is materially inconsistent with, or results in the material reduction of Executive's duties or responsibilities hereunder, without his consent (subject to the explicit terms of this Agreement on this subject);
- (ii) the Company's reducing Executive's then-current compensation (per Section 4 above), without his consent;
- (iii) the Company's committing a material breach of this Agreement which is not remedied by the Company within 5 days after receiving notice from Executive of such breach;
- (iv) the Company's requiring Executive, without his consent, to relocate from his then current place of residence, except that any initial relocation agreed upon between the Company and Executive.

The executive will receive three (3) months' severance pay. Should the Executive elect to continue his medical coverage pursuant to COBRA, the Company will reimburse his premium payments for the first twelve (12) months of the COBRA continuation.

- c) Termination by the Company "Without Cause." The Company may terminate the Executive's employment at any time during the course of this agreement by giving notice in writing to the Executive. During the notice period, Executive must fulfill all of the Executive's duties and responsibilities set forth above and use Executive's best efforts to train and support Executive's replacement, if any. Failure of Executive to comply with this requirement may result in Termination for Cause described below, but otherwise the Executive's salary and benefits will remain unchanged during the notification period. The Executive will receive three (3) months' severance pay. Should the Executive elect to continue his medical coverage pursuant to COBRA, the Company will reimburse his premium payments for the first twelve (12) months of the COBRA continuation. Nothing herein shall require Company to maintain the Executive in active employment for the duration of the notice period.
- c) Termination by the Company "For Cause." The Company may, at any time and without notice, terminate the Executive for "cause". Termination by the Company of the Executive for "cause" shall include but not be limited to termination based on any of the following grounds: (a) failure to perform the duties of the Executive's position in a satisfactory manner; (b) fraud, misappropriation, embezzlement or acts of similar dishonesty; (c) conviction of a felony involving moral turpitude; (d) illegal use of drugs or excessive use of alcohol in the workplace; (e) intentional and willful misconduct that may subject the Company to criminal or civil liability; (f) breach of the Executive's duty of loyalty, including the diversion or usurpation of corporate opportunities properly belonging to the Company; (g) willful disregard of Company policies and procedures; (h) breach of any of the material terms of this Agreement; and (i) insubordination or deliberate refusal to follow the instructions of the Board of Directors of the Company. The Company will make no severance payment nor pay for COBRA benefits.

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- d) Termination "By Death or Disability." The Executive's employment and rights to compensation under this Employment Agreement shall terminate if the Executive is unable to perform the duties of his position due to death or disability lasting more than 90 days, and the Executive's heirs, beneficiaries, successors, or assigns shall not be entitled to any of the compensation or benefits to which Executive is entitled under this Agreement, except: (a) to the extent specifically provided in this Employment Agreement (b) to the extent required by law; or (c) to the extent that such benefit plans or policies under which the Executive is covered provide a benefit to the Executive's heirs, beneficiaries, successors, or assigns. The Company will make no severance payment nor pay for COBRA benefits.

6. Remedies.

Executive acknowledges that it would be difficult to fully compensate the Company for monetary damages resulting from any breach by him of any of the provisions of this agreement and the addendums. Accordingly, in the event of any actual or threatened breach of any such provisions, the Company shall, in addition to any other remedies it may have, be entitled to injunctive and other equitable relief to enforce such provisions, and such relief may be granted without the necessity of proving actual monetary damages.

7. Indemnification.

- a) The Company hereby agrees to indemnify, defend, and hold harmless Executive and Executive's affiliates, customers, employees, successors, and assigns from and against any losses, damages, claims, fines, penalties, and expenses (including reasonable attorney fees) that arise out of or result from:
- (i) any material breach by the Company of this Agreement or the covenants, representations or warranties of the Company provided herein;
 - (ii) any negligent act, omission, or willful misconduct of the Company in the performance of this Agreement;
 - (iii) the Company's failure to comply with applicable federal, state, or local governmental statutes, ordinances and regulations; or

- (iv) any infringement or violation by the Company of any non-party's proprietary rights.

Executive shall promptly give to the Company, and confirm receipt of, written notice of the assertion of any such claim. The Company shall assume the timely defense of any such claim at its own expense and with counsel of its own choosing that has been approved in writing by Executive. Executive shall render assistance in this defense as may be reasonably requested by the Company. Executive shall be entitled to participate in any action, arbitration, or mediation, at his own expense with counsel of his selection.

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- (b) Executive hereby agrees to indemnify, defend, and hold harmless the Company and the Company's affiliates, customers, employees, successors, and assigns from and against any losses, damages, claims, fines, penalties, and expenses (including reasonable attorney fees) that arise out of or result from:
 - (i) any material breach by Executive of this Agreement or the covenants, representations or warranties of Executive provided herein;
 - (ii) any negligent act, omission, or willful misconduct of Executive in the performance of this Agreement;
 - (iii) Executive's failure to comply with applicable federal, state, or local governmental statutes, ordinances and regulations; or
 - (iv) any infringement or violation by the Executive of any non-party's proprietary rights.

The Company shall promptly give to Executive, and confirm receipt of, written notice of the assertion of any such claim. Executive shall assume the timely defense of any such claim at its own expense and with counsel of its own choosing that has been approved in writing by the Company. The Company shall render assistance in this defense as may be reasonably requested by Executive. The Company shall be entitled to participate in any action, arbitration, or mediation, at its own expense with counsel of its own selection.

8. Miscellaneous.

- a) Governing Law. All matters relating to the interpretation, construction, application, validity and enforcement of this Agreement shall be governed by the laws of the State of Colorado without giving effect to any choice or conflict of law provision or rule, whether of the State of Colorado or any other jurisdiction, that would cause the application of laws of any jurisdiction other than the State of Colorado.
- b) Jurisdiction and Venue. Executive and the Company consent to jurisdiction of the courts of the State of Colorado and/or the federal district courts, District of Colorado, for the purpose of resolving all issues of law, equity, or fact arising out of or in connection with this Agreement. Any action involving claims of a breach of this Agreement shall be brought in such courts. Each party consents to personal jurisdiction over such party in the state and/or federal courts of Colorado and hereby waives any defense of lack of personal jurisdiction. The venue, for the purpose of all such actions shall be in the state of Colorado, whether or not such venue is or subsequently becomes inconvenient.
- (c) Entire Agreement. The following documents are considered part of this agreement:
 - (i) CFO Job Description (Addendum A to this Agreement)
 - (ii) Confidentiality Agreement (Addendum B to this Agreement)
 - (iii) Non-Compete Agreement (Addendum C to this Agreement)

This Agreement constitutes the complete understanding between the Company and Executive. All prior representations, agreements, and understandings have been merged into this Agreement. The parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth herein.

- (d) Amendments. No amendment or modification of this Agreement or Addenda shall be deemed effective unless made in a writing signed by the Executive and approved by the Board.
- (e) No Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. Any written waiver shall not be deemed a continuing waiver unless specifically stated, shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

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- (f) Assignment. This Agreement shall not be assignable, in whole or in part, by either party without the written consent of the other party, except that the Company may, without the consent of Executive, assign its rights and obligations under this Agreement to any corporation or other business entity that acquires all or substantially all of its assets or with which the Company merges. After any such assignment by the Company, the Company shall be discharged from all further liability hereunder and such assignee shall thereafter be deemed to be the "Company" for purposes of all terms and conditions of this Agreement.
- (g) Counterparts. This Agreement may be executed in any number of counterparts, and such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.
- (h) Severability. Subject to Section 6(e) hereof, to the extent that any portion of any provision of this Agreement shall be invalid or unenforceable, it shall be considered deleted herefrom and the remainder of such provision and of this Agreement shall be unaffected and shall continue in full force and effect.
- (i) Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

BY EXECUTING THIS AGREEMENT, THE EXECUTIVE REPRESENTS THAT HE HAS THOROUGHLY REVIEWED ITS TERMS, HAS, IF HE DESIRED, CONSULTED AN ATTORNEY, AND THAT HE ACKNOWLEDGES THAT THE TERMS AND CONDITIONS OF THIS AGREEMENT ARE REASONABLE UNDER THE CIRCUMSTANCES.

IN WITNESS WHEREOF, the Executive and the Company have executed this Agreement as of the date set in the first paragraph.

Executive

By: _____
Name

Signature

Title

Date

Company

By: _____
Name

Signature

Title

Company

Date

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EMPLOYEE CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this “Confidentiality Agreement”) is entered into on XXXX XX, XXXX by and between Company Name, a Colorado corporation (the “Company”), and Employee Name, a resident of Colorado (the “Employee”).

1. Confidential Information.

(a) General Obligations. Except as permitted in writing by the Board, during the term of the Employee’s employment with the Company and at all times thereafter, the Employee shall not divulge, furnish or make accessible to anyone or use in any way other than in the ordinary course of the business of the Company, any confidential, proprietary or secret knowledge or information of the Company or its customers that the Company has acquired or acquires during the Employee’s employment with the Company, whether developed by the Employee’s or by others, concerning: (i) any trade secrets; (ii) any confidential, proprietary or secret designs, methods, processes, formulas, plans, devices, materials, inventions (whether or not patented or patentable) directly or indirectly useful in any aspect of the business of the Company; (iii) contractual terms and conditions the Company has established with any customers, suppliers, joint ventures, partnerships, licensors, licenses, or distributors, customer or supplier lists, including prices the Company has established; (iv) any confidential, proprietary or secret development or research work, proposed products, proposed technologies, or current or proposed product tests of the Company; (v) any strategic or other business, marketing or sales plans of the Company; (vi) any of the Company’s financial data or plans including current or proposed manufacturing costs, product or service pricing; and financial projections; (vii) names, addresses, duties or other personal characteristics of employees of the Company including, without limitation, information in any way relating to diagnosis or treatment services provided by any health care provider; or (viii) any other confidential or proprietary information or secret aspects of the business of the Company (collectively, “Confidential Information”). The Employee acknowledges that the above-described knowledge and information constitutes a unique and valuable asset of the Company and represents a substantial investment of time and expense by the Company, and that any disclosure or other use of such knowledge or information other than for the sole benefit of the Company would be wrongful and would cause irreparable harm to the Company. During the term of the Employee’s employment with the Company, the Employee shall refrain from any acts or omissions that would reduce the value of such knowledge or information to the Company. The foregoing obligations of confidentiality shall not apply to any knowledge or information that (A) is now or subsequently becomes generally publicly known in the form in which it was obtained from the Company, (B) is independently made available to the Employee in good faith by a third party who has not violated a confidential relationship with the Company, or (C) is required to be disclosed by legal process, other than as a direct or indirect result of the breach of this Agreement by the Employee. The Employee will cooperate with the Company to implement reasonable measures to maintain the secrecy of, and will use Employee’s best efforts to prevent the unauthorized disclosure, use, or reproduction of, all Confidential Information.

(b) Publication. The Employee shall not publish any papers prepared by the Employee as a result of the Employee employment, consultation, work or services, with, for, on behalf of or in conjunction with the Company without the Company’s prior written consent. Proposed publications referring to the Employee employment, consultation, work, services and activities with, for, on behalf of or in conjunction with the Company, or referring to any information developed therefrom, will be submitted by the Employee to the Company for review, prior to publication, to insure that the Company’s position with respect to Confidential Information is not adversely affected by disclosures. The Employee agrees to abide by the Company’s reasonable decisions in these matters.

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(c) Return of Confidential Information and Property. Upon termination of the Employee's employment with the Company (or otherwise upon request), the Employee shall promptly deliver to the Company any and all the Company's records and any and all the Company's property in the Employee's possession or under the Employee's control, including without limitation, manuals, books, blank forms, documents, letters, memoranda, notes, notebooks, reports, printouts, computer disks, computer tapes, source codes, data, tables or calculations and all copies thereof, documents that in whole or in part contain any trade secrets or confidential, proprietary or other secret information of the Company and all copies thereof, and keys, access cards, access codes, passwords, credit cards, personal computers, printers, telephones and other electronic equipment belonging to the Company.

(d) Obligations Regarding Third Party Information. The Company expects the Employee to guard any confidential information of the Employee's prior employers with the same degree of care that the Employee will use to protect the Company's own confidential information. Consequently, the Company specifically directs the Employee to not bring to, or use for the benefit of, or use while performing job duties for the Company, any information (in any form or on any media) which belongs to any third party, including any prior employers, without the express written consent of the owner of the confidential information. The Employee may not bring on the Company's premises or install on the Company's computers, any software program or data, which the Employee knows belongs to any third party without proof of a valid license or release for use. The Employee represents that the Employee's performance of all the terms of this Agreement, and as an employee of the Company, does not and will not breach any agreement to keep in confidence information acquired by Employee in confidence or in trust prior to the Employee's employment with the Company.

2. Patents, Copyrights and Related Matters.

(a) Disclosure and Assignment. The Employee shall immediately disclose to the Company any and all ideas, processes, inventions, discoveries and improvements to any of the foregoing, whether or not patentable, ("Inventions") that the Employee may learn of, conceive, develop, and/or reduce to practice individually or jointly or commonly with others while he is employed with the Company and for one year thereafter that directly or indirectly arise from or relate to: (i) the Company's business, technology, products, goods, software, or services; (ii) work or research performed for the Company; (iii) the use of the Company's products, technology, equipment, software, or time; or (iv) confidential, proprietary, or secret knowledge or information of the Company or its customers. Any such Inventions are the sole and exclusive property of the Company and the Employee hereby assigns, transfers and sets over to the Company the Employee's entire right, title and interest in and to any and all of such Inventions and in and to any and all patent applications that may be filed on such Inventions, and that may issue, or be issued, upon such applications.

(b) Copyrightable Material. All right, title and interest in all copyrightable material that the Employee shall conceive or originate individually or jointly or commonly with others, and that arise in connection with the Employee's services hereunder, or knowledge of confidential and proprietary information of the Company, shall be the property of the Company and are hereby assigned by the Employee to the Company and each entity that controls, is controlled by, or is under common control with, the Company (collectively "Affiliates") along with ownership of any and all copyrights in the copyrightable material. Where applicable, works of authorship created by the Employee relating to the Company or any Affiliate and arising out of the Employee's knowledge of confidential and proprietary information of the Company shall be considered "works made for hire," as defined in the U.S. Copyright Act, as amended.

(c) Exceptions. Sections 2(a) and 2(b) do not apply to any invention or material: (i) for which no product, technology, software, equipment, supplies, facilities, confidential, proprietary or secret knowledge or information, or other trade secret information of the Company was used, and (ii) that was developed entirely on the Employee's own time, and (iii) that does not relate (A) directly to the business of the Company, or (B) to the Company's actual or demonstrably anticipated research or development, and (iv) that does not result from any work performed by the Employee for the Company.

(d) Cooperation. The Employee shall, at no cost to the Employee, promptly execute, acknowledge and deliver to the Company all additional instruments or documents that the Company determines at any time to be necessary to carry out the intentions of this Section 2. Furthermore, whether during or after the Employee's employment with the Company, the Employee hereby agrees to perform any acts deemed necessary or desirable by the Company, at the Company's expense, to assist it in obtaining, maintaining, defending and enforcing any rights and/or assignment of an Invention or any copyrightable material. The Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents, as the Employee's agent and attorney-in-fact to act for and on his or her behalf and instead of the Employee, to execute and file any documents, applications or related findings and to do all other lawfully permitted acts in furtherance of the purposes set forth above in this Section 2, including, without limitation, the perfection of assignment and the prosecution and issuance of patents, patent applications, copyright applications and registrations, trademark applications and registrations, or other rights in connection with such Inventions and improvements thereto with the same legal force and effect as if executed by the Employee.

Intital Here

BY EXECUTING THIS CONFIDENTIALITY AGREEMENT, EMPLOYEE REPRESENTS THAT HE HAS THOROUGHLY REVIEWED ITS TERMS, HAS, IF HE DESIRED, CONSULTED AN ATTORNEY, AND THAT HE ACKNOWLEDGES THAT THE TERMS AND CONDITIONS OF THIS AGREEMENT ARE REASONABLE UNDER THE CIRCUMSTANCES.

IN WITNESS WHEREOF, Employee and the Company have executed this Confidentiality Agreement as of the date set forth in the date set in the first paragraph.

Employee

By: _____
Name

Signature

Title

Date

Company

By: _____
Name

Signature

Title

Company

Date

Initial Here

ADDENDUM D:
EXECUTIVE NON-COMPETE/NON-SOLICITATION AGREEMENT

THIS NON-COMPETE/NON-SOLICITATION AGREEMENT (this "Non-Compete/Non-Solicitation Agreement") is entered into on XXXX XX, XXXX by and between Company Name, a Colorado corporation (the "Company"), and Employee Name, a resident of Colorado (the "Employee").

Non-Compete/Non-Solicitation. The Employee agrees that during the period the Employee is employed by the Company, and

- a. If the Employee quits his employment without "Good Reason" (as defined in Section xx of the Executive Employment Agreement) or if his employment is terminated by the Company for "Cause" (as defined in Section 5 of the Executive Employment Agreement), for a period of 2 years from the date of termination of such employment, and
- b. If the Employee quits his employment with the Company or the Employee's employment with the Company is terminated by the Company for any reason other than for Cause, and the Company is making "severance payments" to the Employee, for a period of 2 years from the date of termination of such employment,

The Employee will not, without the prior written consent of the Company, directly or indirectly engage, at any place in the United States, in the following actions:

(i) Render services, advice or assistance to any corporation, person, organization or other entity which engages in the marketing, selling, production, design or development of any product, good, service or procedure which is or may be used as an alternative to, or which is or may be sold in competition with any product, good, service or procedure marketed, sold, produced, designed or developed by the Company (including products, goods, services, or procedures currently being researched or under development by the Company), or engage in any such activities in any capacity whatsoever, including, without limitation, as an employee, consultant, independent contractor, officer, director, manager, beneficial owner, partner, member or shareholder (other than being a shareholder in a publicly traded corporation where the shareholder's total holdings are less than one percent (1%) of the total outstanding shares.

(ii) Induce, solicit, endeavor to entice or attempt to induce any customer, supplier, licensee, licensor or other business relation of the Company to cease doing business with the Company, or in any way interfere with the relationship between any such customer, vendor, licensee, licensor or other business relation and the Company.

(iii) Induce, solicit, endeavor to entice or attempt to induce any other employee, consultant or independent contractor of the Company to leave the employ of the Company, or to work for, render services or provide advice to or supply Confidential Information of the Company to any third person or entity, or to in any way adversely interfere with the relationship between any such employee, consultant or independent contractor and the Company.

(iv) The Employee acknowledges that the compensation paid to the Employee during the Employee's employment by the Company (including any stock options granted, or to be granted, to the Employee) and "severance payments" paid to the Employee following his employment by the Company are intended to and do compensate the Employee for any inconveniences or economic losses resulting from Executive's agreement not to compete with the Company.

(v) If the duration of, the scope of, the territory covered by, or any business activity covered by any provision of this Agreement is in excess of what is determined to be valid and enforceable under applicable law, such provision shall be construed to cover only that duration, scope, territory, or activity that is determined to be valid and enforceable. The Employee hereby acknowledges that this Agreement shall be construed so as to render its provisions valid and enforceable to the maximum extent, not exceeding its express terms, possible under applicable law.

Initial Here

BY EXECUTING THIS NON-COMPETE/NON-SOLICITATION AGREEMENT, THE EMPLOYEE REPRESENTS THAT HE HAS THOROUGHLY REVIEWED ITS TERMS, HAS, IF HE DESIRED, CONSULTED AN ATTORNEY, AND THAT HE ACKNOWLEDGES THAT THE TERMS AND CONDITIONS OF THIS AGREEMENT ARE REASONABLE UNDER THE CIRCUMSTANCES.

IN WITNESS WHEREOF, the Employee and the Company have executed this Non-Compete/Non-Solicitation Agreement as of the date set in the first paragraph.

Employee

By: _____
Name

Signature

Title

Date

Company

By:

Name

Signature

Title

Company

Date

Intital Here

DEBT SETTLEMENT AGREEMENT

This Debt Settlement Agreement (“*Agreement*”) is made as of December 31, 2018, by and between Assure Holdings Corp., a Nevada corporation (“*Assure*”), and Preston Parsons, a Colorado resident (“*Parsons*”). Assure and Parsons together are referred to as the “*Parties*”.

RECITALS:

WHEREAS:

- A. Parsons is the founder of Assure Neuromonitoring, LLC which was reorganized in November 2016 into Assure Holdings Inc. (“*Holdings*”);
- B. Holdings was acquired by Montreux Capital Corp, by way of a reverse take-over and following same, the resulting entity changed its name to Assure, the whole in connection with a business combination (the “*Business Combination*”), effected under the terms of a Share Exchange Agreement dated on or about May 16, 2017 (the “*Share Exchange Agreement*”);
- C. Under the Business Combination, (i) Assure assumed stock options of Holdings held by Parsons, which are exercisable to acquire 2,500,000 shares of common stock of Assure at an exercise price of \$0.05 per share (the “*Parsons’ Options*”), all of which are fully vested as of the date of this Agreement; (ii) Parsons’ common stock in Holdings was exchanged for common stock of Assure; (iii) the common stock received by Parsons is currently held in escrow (the “*Assure Escrowed Shares*”) pursuant to a mandatory escrow agreement entered into between Parsons and the TSX Venture Exchange (the “*TSXV*”), the whole as set forth in Schedule I attached hereto (the “*Escrow Agreement*”);
- D. The Assure Escrowed Shares are subject to a phased release to Parsons, the whole as set forth in Schedule I attached hereto;
- E. In connection with the Business Combination, Parsons was appointed to serve as Assure’s Chief Executive Officer and to serve as a member of the Assure Board of Directors;
- F. Parsons entered into a pledge and security agreement with Assure dated as of August 6, 2018 (the “*Pledge Agreement*”) pursuant to which Parsons agreed to repay certain Reclassified Expenses (as such term is defined in the Pledge Agreement) in the principal amount of \$2,086,887.77 (the “*Parsons’ Debt*”) and pledge certain collateral to secure repayment of the Parsons’ Debt, which obligation is evidenced by a secured promissory note dated August 6, 2018 (the “*Parsons’ Note*”) with interest accruing on the Parsons’ Debt at the rate of 8% per annum on or before December 31, 2018;
- G. The Parsons’ Debt, including accrued interest, as of December 31, 2018, was \$2,192,088.33;

- H. In connection with the Parsons’ Debt and the Parsons’ Note, Parsons resigned as Assure’s Chief Executive Officer;
- I. The volume weighted average trading price of Assure’s common stock on the TSXV during the 30 day period ended December 31, 2018 was CAD \$2.15 per share (\$1.58 per share in United States dollars, based on the Bank of Canada exchange rate as of 1.36 as of December 31, 2018);
- J. The Board of Directors of Assure (with Parsons abstaining) have determined that it is in the best interest of Assure and its shareholders to settle the Parsons’ Debt in consideration for the surrender and cancellation of 1,461,392 Assure Escrowed Shares registered in the name Preston Parsons (the “*Settlement Shares*”) at a deemed fair value of \$1.50 per share (the “*Debt Settlement*”);
- K. The Assure Escrowed Shares are subject to certain escrow requirements (the “*Escrow Requirements*”) and the Debt Settlement remains subject to TSXV approval (the “*Regulatory Approval*”); and
- L. The Parties wish to enter into the Debt Settlement and make certain other provisions as provided herein.

AGREEMENT

NOW, THEREFORE:

In consideration of the representations, warranties, mutual covenants and agreements of the Parties contained in this Agreement, the Parties agree as follows:

**ARTICLE I
SETTLEMENT OF PARSONS’ DEBT**

1.1 Debt Settlement. Except for the agreements, rights and obligations set forth in this Agreement, the Parties agree that on the Closing Date (as defined and as set forth in Section 1.3), subject to obtaining all Regulatory Approval:

- (a) Parsons will repay the Parsons’ Debt and satisfy his obligations under the Parsons’ Note by tendering, transferring and conveying to Assure for cancellation at Closing the Settlement Shares at a deemed fair value of \$1.50 per share (the “*Debt Payment*”), subject to Regulatory Approval, which payment shall be made on the Closing Date (as defined below). The Settlement Shares shall be surrendered and canceled effective on the Closing Date in full satisfaction and release of the Parsons’ Note, including all interest accrued thereunder, in consideration for surrendering for cancellation the Settlement Shares on the Closing Date.

- (b) If Parsons fails to deliver the Settlement Shares or the Parties are unable to obtain Regulatory Approval, on or before 11:59 pm (Denver time) on March 31, 2019 (the “*Closing Deadline*”), or such other time as may be mutually agreed in writing by the Parties, then the Parsons’ Debt and the Parsons’ Note shall remain in full force and effect and Section 2.2 shall not otherwise be binding on Assure; *except that* any interest accruing prior to the Closing Deadline, or such other mutually agreed upon time, will have accrued at a rate of 8% per annum and not at the default rate set forth in the Parsons’ Note.

1.2 Closing. The closing of the transactions contemplated by this Agreement (the “*Closing*”) will take place at 12:00 pm (Denver time) on the later of January 4,

2019 or the fifth Business Day following receipt of the Regulatory Approval or at such other time or on such other date as the Parties may mutually agree upon in writing (the “**Closing Date**”), at the offices of Dorsey & Whitney LLP, 1400 Wewatta Street, Suite 400, Denver, CO 80202.

- (a) At the Closing, Parsons shall deliver to Assure the certificates representing the Settlement Shares for surrender and cancellation, free and clear of all Encumbrances together with a validly executed stock power;
- (b) Assure shall deliver to Parsons the originally issued Parsons’ Note marked “Cancelled and Fully Paid”;
- (c) Assure shall deliver to Parsons a fully executed copy of the release agreement in the form attached as Schedule 3 to the Pledge Agreement; and
- (d) Assure shall deliver to Parsons any applicable UCC-3 termination statements and execute and deliver any documents and agreements necessary to release the Pledged Collateral (as such term is defined in the Pledge Agreement) from the Liens (as such term is defined in the Pledge Agreement) or security interests granted under the Pledge Agreement, to terminate all of Assure’s rights under the Pledge Agreement, or to evidence such release or termination.

1.3 **Definitions.** As used in this Agreement, the following terms have the meanings:

- (a) “**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.
- (b) “**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in the City of Denver are authorized or required by Law to be closed for business.
- (c) “**Encumbrance**” means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

- (d) “**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.
- (e) “**Governmental Order**” means any order, writ judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.
- (f) “**Law**” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.
- (g) “**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity.

ARTICLE II RELEASES

2.1 **Release by Parsons.** Upon delivery of the Parsons’ Note, except for the agreements, rights and obligations set forth in this Agreement, and for good and valuable consideration as set forth herein, the adequacy of which is hereby acknowledged, Parsons, and his heirs, legal representatives and assigns, release and forever discharge Assure and any and all of its successors, assigns, officers, directors, employees, managers and members, from any claims or obligations under the Settlement Shares.

2.2 **Release by Assure.** Upon delivery of the Settlement Shares, except for the agreements, rights and obligations set forth in this Agreement, and for good and valuable consideration as set forth herein, the adequacy of which is hereby acknowledged, Assure acting for itself and its insurers, successors and assigns, and each of them, does hereby release and forever discharge Parsons, from any claims or obligations arising under or related to the Pledge Agreement, the Parsons’ Debt and the Parsons’ Note.

ARTICLE III TAX TREATMENT

3.1 **Taxable Transaction.** Parsons understands that tender, transfer and conveyance of the Settlement Shares to Assure for cancellation at Closing in satisfaction of the Parsons’ Debt shall be treated as a disposition of the Settlement Shares. Parsons shall bear responsibility for all taxes, if any, as a result of the transactions contemplated by this Agreement.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PARSONS

Parsons hereby represents and warrants to Assure that as of the date of this Agreement:

4.1 **Authority.** Parsons has the power and authority to enter into this Agreement, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. Other than the Regulatory Approval, no permit, consent, approval, authorization or other order of or filing with any other person or entity is required in connection with the execution, delivery, and performance by Parsons of this Agreement, and the transactions contemplated by this Agreement will not result in the violation or breach of any term or provision of, or constitute (with or without due notice or lapse of time or both) a default under any agreement or instrument to which Parsons is a party or is bound. The transactions contemplated by this Agreement constitute the valid and binding obligations of Parsons, enforceable against Parsons in accordance with the terms of this Agreement.

4.2 **Ownership of Settlement Shares.** Parsons is the sole legal, beneficial, recorded and equitable owner of and has good and valid title to the Settlement Shares, free and clear of all Encumbrances. Upon consummation of the transactions contemplated by this Agreement, including the Regulatory Approval, Parsons shall sell, tender, transfer and assign the Settlement Shares, free and clear of all Encumbrances, and Assure shall have the legal authority to cancel the Settlement Shares, without claims by any

Person.

4.3 Restrictive Documents. Other than the Escrow Agreement and any Exchange approvals required in connection with the transactions contemplated by this Agreement, Parsons is not subject to, or a party to, any agreement, contract, order, judgment or decree or any other restriction of any kind or character which would prevent consummation of the transactions contemplated by this Agreement.

4.4 Legal Proceedings: Governmental Orders. There are no Actions pending or, to Parsons knowledge, threatened against him that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

4.5 No Prior Transfer or Assignment. Other than pursuant to the Pledge Agreement, Parsons has not assigned, sold, conveyed, pledged, encumbered or otherwise transferred, or purported to do so, any interest or right to or claim of any ownership interest in the Settlement Shares.

4.6 Solvency. Parsons is solvent and is able to meet all of his respective financial liabilities as they become due and no winding-up, liquidation, dissolution or bankruptcy proceedings have been commenced or are being commenced or contemplated by Parsons, and Parsons has no knowledge of any such proceedings or transactions having been commenced or being contemplated in respect of Parsons by any other Party.

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ARTICLE V REPRESENTATIONS AND WARRANTIES OF ASSURE

Assure represents and warrants to Parsons that, as of the date of this Agreement:

5.1 Authority. Assure has the full power and lawful authority to consummate its obligations and transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement, and no permit, consent, approval, authorization or other order of or filing with any other person or entity is required in connection with such authorization, execution, delivery, and consummation; and the execution, delivery and performance by Assure of this Agreement and the transactions contemplated by this Agreement constitute the valid and binding obligations of Assure, enforceable against Assure in accordance with the terms of this Agreement, and will not result in the violation or breach of any term or provision of, or constitute (with or without due notice or lapse of time or both) a default under any agreement or instrument to which Assure is a party or by which Assure is bound.

5.2 Restrictive Documents. Assure is not subject to, or a party to, any agreement, contract, order, judgment or decree or any other restriction of any kind or character which would prevent consummation of the transactions contemplated by this Agreement.

5.3 Legal Proceedings. There are no Actions pending or, to Assure's knowledge, threatened against it that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

5.4 No Conflicts. The execution, delivery and performance by Assure of this Agreement, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the organizational documents of Assure; and (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Assure.

ARTICLE VI TERMINATION

6.1 Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) By mutual agreement of the Parties;
- (b) By Parsons by written notice to Assure if Parsons is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Assure pursuant to this Agreement that would give rise to the failure of any Party to perform under this Agreement and such breach, inaccuracy or failure has not been cured by Assure within ten days of receipt by Assure of written notice of such breach from Parsons;

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- (c) By Assure by written notice to Parsons if Assure is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Parsons pursuant to this Agreement that would give rise to the failure of any Party to perform under this Agreement and such breach, inaccuracy or failure has not been cured by the Parsons within ten days of receipt by Parsons of written notice of such breach from Assure; or
- (d) By either Party if Regulatory Approval is not obtained by the Closing Deadline.

6.2 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any Party hereto except that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof.

ARTICLE VII MISCELLANEOUS

7.1 Entire Agreement. This Agreement contains the entire understanding of the Parties with respect to the transactions contemplated in this Agreement and the terms of this Agreement expressly replace and supersede any prior oral or written communication, understanding or agreement among the Parties and this Agreement may be amended only by agreement in writing executed by the Parties.

7.2 Notices.

(a) All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt

Assure Holdings Corp., a Nevada corporation

/s/ John Farlinger

John Farlinger
Acting Chief Executive Officer

PRESTON PARSONS:

/s/ Preston Parsons

Preston Parsons
A Colorado Resident

Schedule I

TSX Venture Exchange Escrow Restrictions

Preston Parsons

Date	Escrowed Shares Beginning Balance	Escrow Release		Escrow Closing Balance
		Percentage	Number	
May 26, 2017	4,132,987	5%	206,649	3,926,338
Nov 26, 2017	3,926,338	5%	206,649	3,719,689
May 26, 2018	3,719,689	10%	413,299	3,719,689
Nov 26, 2018	3,719,689	10%	413,299	2,893,091
May 26, 2019	2,893,091	15%	619,948	2,273,143
Nov 26, 2019	2,273,143	15%	619,948	1,653,195
May 26, 2020	1,653,195	40%	1,653,195	0

STOCK GRANT AMENDMENT AND TRANSFER AGREEMENT

This Stock Grant Amendment and Transfer Agreement (“*Agreement*”) is made as of March 4, 2020, by and among Assure Holdings Corp., a Nevada corporation (“*Assure*”); Preston Parsons, a Colorado resident (“*Parsons*”); and each of the persons set forth on Schedule I (each, a “*Grantee*” and collectively, the “*Grantees*”). Assure and Parsons together are referred to as the “*Parties*”.

RECITALS:

WHEREAS:

- A. Parsons is the founder of Assure Neuromonitoring, LLC which was reorganized in November 2016 into Assure Holdings Inc. (“*Holdings*”);
- B. Holdings was acquired by Montreux Capital Corp. by way of a reverse take-over and following same, the resulting entity changed its name to Assure, the whole in connection with a business combination (the “*Business Combination*”), effected under the terms of a Share Exchange Agreement dated on or about May 16, 2017 (the “*Share Exchange Agreement*”);
- C. Under the Business Combination, (i) Parsons’ common stock in Holdings was exchanged for common stock of Assure; and (ii) Assure assumed obligations under a stock grant agreement dated November 8, 2016 (the “*Stock Grant Agreement*”), under which Parsons was granted Five Million (5,000,000) shares of common stock (the “*Parsons Incentive Shares*”), which vested based on certain grant conditions determinable upon finalizing Assure’s audited financial statements for the fiscal year ending December 31, 2017 (the “*Vesting Conditions*”);
- D. Assure had a delay in preparing its audited financial statements for the fiscal year ending December 31, 2017, and Assure and Parsons agreed to suspend the Vesting Conditions and the issuance of the Parsons Incentive Shares pending negotiation of a reallocation of a portion of the Parsons Incentive Shares for the purposes of retaining the Grantees as key employees, officers and/or directors;
- E. Parsons is the largest shareholder of Assure and has an interest in ensuring that Assure can retain these key employees, officers and directors and desires to transfer One Million Seven Hundred Thousand (1,700,000) Parsons Incentive Shares (the “*Transferred Incentive Shares*”) to the Grantees;
- F. The Board of Directors of Assure (with Parsons abstaining) has determined that it is in the best interest of Assure to (i) amend the Vesting Conditions; (ii) approve the Parsons’ request to transfer the Transferred Incentive Shares to the Grantees for retention purposes; and (iii) to amend and restate the remaining Parsons Incentive Shares grant and to document the grant the Transferred Incentive Shares under the terms of Stock Grant Agreements;

- G. Assure’s common stock is listed and Assure is subject to the requirements of the TSX Venture Exchange and certain rules related to compensatory transactions, including the amendment of the vesting conditions related to the Parsons Incentive Shares and the transfer and grant of the Transferred Incentive Shares to the Grantees, which require TSX Venture Exchange approval (the “*Regulatory Approval*”); and
- H. Assure and Parsons now desire to transfer the Transferred Incentive Shares and to amend the Vesting Conditions on the Parsons Incentive Shares.

AGREEMENT

NOW, THEREFORE:

In consideration of the representations, warranties, mutual covenants and agreements of the Parties contained in this Agreement, the Parties agree as follows:

**ARTICLE I
CANCELLATION AND SURRENDER OF INCENTIVE STOCK**

1.1 Cancellation of the Transferred Incentive Shares. Assure and Parsons acknowledge and irrevocably agree that Parsons shall transfer and assign the Transferred Incentive Shares (One Million Seven Hundred Thousand (1,700,000) Parsons Incentive Shares), granted under the Stock Grant Agreement, to each of the Grantees as follows:

<u>Employee, Officer, Director</u>	<u>Title</u>	<u>Number of Incentive Shares</u>
George Simms		500,000
Stephanie Krause		250,000
Beth Lindstrom		250,000
John Farlinger	Director/Acting CEO	300,000
Alex Rasmussen		200,000
Trent Carman	Chief Financial Officer	200,000
	Total	1,700,000

Each of the Grantees accepts their allocation of the Transferred Incentive Shares.

1.2 Capital Contribution by Parsons. Parsons agrees and acknowledges that the the Transferred Incentive Shares under this Agreement is intended to be treated as an additional capital contribution by Parsons to Assure to facilitate the issuance of stock grants to the Grantees, subject to Regulatory Approval.

1.3 Closing. The closing of the transactions contemplated by this Agreement (the “*Closing*”) will take place at 12:00 pm (Denver time) on the fifth Business Day following receipt of the Regulatory Approval or at such other time or on such other date as the Parties may mutually agree upon in writing (the “*Closing Date*”), at the offices of Dorsey & Whitney LLP, 1400 Wewatta Street, Suite 400, Denver, CO 80202.

unenforceable, that provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby.

3.9 Successors and Assigns. This Agreement is binding on and inures to the benefit of the Parties and their respective heirs, personal representatives, successors and assigns and all of their past, present, and future principals, officers, directors, agents, and employees and their respective heirs and legal representatives. None of the Parties may assign any rights or obligations hereunder without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

3.10 Time of Essence. Time is of the essence in this Agreement.

3.11 Further Assurances. Parsons will execute and deliver such further instruments and take such additional actions as Assure may reasonably request to effect, consummate, confirm or evidence the transactions contemplated in this Agreement. Assure by and through its duly authorized officers, employees or agents will execute and deliver such further instruments and take such additional actions as Parsons may reasonably request to effect, consummate, confirm or evidence the transactions contemplated in this Agreement.

3.12 Counterpart Execution; Facsimile. This Agreement may be executed in multiple counterparts each of which may be deemed an original and shall become effective when the separate counterparts have been exchanged among the Parties. This Agreement may be signed and delivered to the other party by facsimile transmission; such transmission shall be deemed a valid signature.

3.13 Cooperation Among the Parties. Assure and Parsons agree to cooperate in performing their duties under this Agreement.

[SIGNATURE PAGE FOLLOWS]

Dated as of the day and year first above written.

ASSURE:

Assure Holdings Corp., a Nevada corporation

/s/ John Farlinger

John Farlinger,
Acting Chief Executive Officer

PRESTON PARSONS:

/s/ Preston Parsons

Preston Parsons
A Colorado Resident

RESTRICTED STOCK AWARD AGREEMENT

Name of Grantee: _____

No. of Shares (the "Restricted Stock"): _____

Grant Date: _____

Pursuant to the Incentive Stock Grant Agreement dated as of _____ (the "Incentive Stock Grant Agreement"), between the Grantee named above (the "Grantee") and Assure Holdings Corp., a Colorado corporation (the "Company"), the Company hereby issues to the Grantee this Restricted Stock Award (an "Award"). Upon acceptance of this Award, the Grantee shall receive the number of the Company's common stock (the "Shares") specified above, subject to the restrictions and conditions set forth herein. The Company acknowledges the receipt from the Grantee of consideration with respect to the Fair Market Value of the Shares in the form of past and future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Company.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company's transfer agent in book entry form, and the Grantee's name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Section 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this award agreement (the "Agreement") and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

(a) Legend. Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend to the effect that such shares (i) have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and (ii) are subject to restrictions as set forth herein, in the following form:

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 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) IN ACCORDANCE WITH RULE 144, OR (C) 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 OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY.

THESE SECURITIES ARE SUBJECT TO THE RESTRICTIONS SET FORTH IN THE RESTRICTED STOCK AWARD AGREEMENT DATED DECEMBER 22, 2020.

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(b) Non-Transferable Shares. Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting as provided for in Section 3.

3. Vesting of Restricted Stock. The Shares shall remain forfeitable subject to the Grantee's continued service with the Company until such risk of forfeiture lapses as set forth herein. The Shares shall become fully vested and non-forfeitable upon the earliest of the following events:

(a) The effectiveness of a registration statement on Form S-1, Form S-3 or Form S-8 filed under the U.S. Securities Act, registering the offer and sale of the Shares for resale by the Grantee without a hold period or restriction;

(b) The availability of an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws, which permits the Grantee to offer and sell the Shares without a hold period or restriction;

(c) The Company's involuntary termination of the Grantee without cause or the termination of the Grantee's appointment as an officer or director of the Company;

(d) At the close of business on December 31, 2021; or

(e) Upon a Change in Control of the Company (as defined in the Incentive Stock Grant Agreement).

4. Dividends. Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Committee for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event.

7. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its officers, employees or agents with regard to such election.

8. No Obligation to Continue Employment. Neither the Company nor any of its subsidiaries or affiliates is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any of its subsidiaries or affiliates to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

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10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

Assure Holdings Corp.

By: _____
Name, Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee is acceptable.

Dated: _____

Grantee's Signature

Grantee's name:

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STOCK POWER

FOR VALUE RECEIVED, upon forfeiture under the terms of the Restricted Stock Award Agreement by and between _____ (the "Undersigned") and Assure Holdings Corp. (the "Company"), dated _____, the Undersigned does hereby sell, assign and transfer unto the Company _____ shares of common stock of, standing in his name on the books of the Company, represented by book entry form, and does hereby irrevocably constitute and appoint _____, as attorney to transfer said stock on the books of the Company with full power of substitution in the premises.

Dated:

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LOAN AGREEMENT

Dated as of August 12, 2020

between

ASSURE HOLDINGS CORP.,
a Nevada corporation,
as Borrower

and

CENTRAL BANK & TRUST,
part of Farmers & Stockmens Bank
as Lender

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LOAN AGREEMENT

This LOAN AGREEMENT (this "**Agreement**") is entered into as of August 12, 2020, by and between ASSURE HOLDINGS CORP., a Nevada corporation, ("**Borrower**"), and CENTRAL BANK & TRUST, part of Farmers & Stockmens Bank ("**Lender**").

PRELIMINARY STATEMENTS

- A. Borrower has requested that Lender provide a credit facility to Borrower.
- B. Lender is willing to provide the credit facility on the terms and conditions set forth in this Agreement.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

1.01 **Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below:

- (1) "**Advance**" means an advance of funds by Lender pursuant to the terms of this Agreement.
- (2) "**Advance Request**" means a request by Borrower for an Advance of funds using the form of Advance Request attached as Exhibit C in accordance with Section 2.02 and the terms of this Agreement.
- (3) "**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.
- (4) "**Agreement**" has the meaning specified in the introductory paragraph hereto.
- (5) "**Bankruptcy Code**" means title 11 of the United States Code, as in effect from time to time.
- (6) "**Borrower**" has the meaning specified in the introductory paragraph hereto.
- (7) "**Borrowing Base**" means, as of any date, sixty percent (60%) of Eligible Accounts.
- (8) "**Borrowing Base Certificate**" means a certificate substantially in the form of Exhibit B, as such form may be amended, supplemented or modified from time to time by mutual agreement of Lender and Borrower and which shall include detailed schedules which shall be acceptable to Lender and shall be aged in 30-day increments showing the Accounts due to and payable by Borrower and each Loan Party.

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- (9) "**Borrowing Base Deficiency**" means, as of any date, the amount, if any, by which the Borrowing Base as of such date is less than the outstanding principal balance of the Loans as of such date.
- (10) "**Borrowing Date**" means the date a particular Advance is approved.
- (11) "**Business Day**" means any day, other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where Lender's Office is located.
- (12) "**Capital Leases**" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.
- (13) "**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or (c) the making or issuance of any request, rule, guideline, interpretation, or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.
- (14) "**Change of Control**" means the occurrence of any of the following events: (a) the failure of the Control Group to collectively maintain beneficial ownership, directly or indirectly, of not less than 25% of the Voting Rights of each of the Loan Parties (that are not individuals), (b) the failure of each and all of the Control Group Persons to remain active in the day-to-day business and management of each of the Loan Parties (that are not individuals) with substantially the same responsibilities as each such individual currently possesses as of the date hereof, or (c) the transfer of 25% or more of the Voting Rights or Equity Interests of Borrower to any Person other than the Control Group. As used herein, "beneficial ownership" shall have the meaning provided in Rule 13d-3 of the Securities and Exchange Commission promulgated under the Exchange Act.
- (15) "**Closing Date**" means the date of this Agreement.
- (16) "**Code**" means the Internal Revenue Code of 1986.
- (17) "**Collateral**" means, collectively, certain personal and real property including tangible and intangible assets, now owned and hereafter acquired, of the Borrower, any of Borrower's Subsidiaries or any other Person in which the Lender is granted a Lien under any Security Instrument as security for all or any portion of the Obligations.
- (18) "**Compliance Certificate**" means a certificate substantially in the form of Exhibit A as such form may be amended, supplemented or modified from time to time by mutual agreement of Lender and Borrower and which shall include detailed schedules as of the related Fiscal Quarter which shall be acceptable to Lender showing (a) the Accounts due to and payable by Borrower and its Subsidiaries, shall be aged in 30-day increments, and (b) cash collection reports.

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(19) **"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

(20) **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlling"** and **"Controlled"** have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 10% or more of the interests having ordinary voting power for the election of directors, managers, managing general partners or the equivalent.

(21) **"Control Group"** means Preston Parsons or his Affiliates.

(22) **"Controlled Substances"** has the meaning specified in Section 6.14 of this Agreement.

(23) **"Controlled Substances Laws"** has the meaning specified in Section 6.14 of this Agreement.

(24) **"Controlled Substances Use"** has the meaning specified in Section 6.14 of this Agreement.

(25) **"Debtor Relief Laws"** means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

(26) **"Debt Service Coverage Ratio"** means for any Measurement Period, on a combined basis as to Borrower and Borrower's Subsidiaries: (a) earnings before interest, taxes, depreciation, amortization, and stock compensation expense divided by (b) mandatory principal and interest payments, including lease payments on leased equipment.

(27) **"Default"** means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would unless cured or waived be an Event of Default.

(28) **"Default Rate"** means ten percent (10%) per annum.

(29) **"Disposition"** or **"Dispose"** means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property (including any Equity Interest), or part thereof, by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

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(30) **"Distribution"** means any distributions, dividends, withdrawals, repayments of borrowing or other payments of any kind to the holder of any Equity Interest in Borrower.

(31) **"Dollar"** and **"\$"** mean lawful money of the United States.

(32) **"Domestic Subsidiary"** means any Subsidiary that is organized under the laws of any political subdivision of the United States (but excluding any territory or possession thereof).

(33) **"Draw Loan"** shall mean that certain Facility as described in Section 2.02(b).

(34) **"Draw Loan Expiry Date"** means that date which is the nine-month anniversary of the Closing Date.

(35) **"Draw Loan Maximum Amount"** means the sum of \$4,000,000.

(36) **"Drug Related Activities"** has the meaning specified in Section 6.14 of this Agreement.

(37) **"Eligible Accounts"** means at any time, all of the Accounts of the Loan Parties which contain selling terms and conditions acceptable to Lender. The net amount of any Eligible Account against which Borrower may borrow shall exclude all returns, discounts, credits, and offsets of any nature, including contractual allowances and bad debt reserves, and all finance charges, interest or penalties for late payment. Unless otherwise agreed to by Lender in writing, Eligible Accounts do not include:

(a) Accounts which are not generated in the Ordinary Course of Business.

(b) Accounts with respect to which Account Debtor is a patient and there is not health insurance coverage or to the extent there is not health insurance coverage with respect to the Account.

(c) Accounts with respect to which the Account Debtor is employee or agent of any Loan Party.

(d) Accounts with respect to which the Account Debtor is a subsidiary of, or affiliated with any Loan Party, its officers, employees, agents, or directors.

(e) Accounts with respect to which the payment by the Account Debtor may be conditional.

(f) Accounts with respect to which any Loan Party is or may become liable to the Account Debtor for goods or services rendered by the Account Debtor to a Loan Party.

(g) Accounts which are subject to or as to which any Loan Party is aware of a reasonable likelihood of dispute or counterclaim, or to the extent subject to or as to which any Loan Party is aware of a reasonable likelihood of setoff.

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(h) Accounts with respect to which the services have not been rendered to the Account Debtor.

- (i) Accounts with respect to which Lender, in its sole discretion, deems the creditworthiness or financial condition of the Account Debtor to be unsatisfactory.
- (j) Accounts of any Account Debtor who has filed or has had filed against it a petition in bankruptcy or an application for relief under any provision of any state or federal bankruptcy, insolvency, or debtor-in-relief acts; or who has had appointed a trustee, custodian, or receiver for the assets of such Account Debtor; or who has made an assignment for the benefit of creditors or has become insolvent or fails generally to pay its debts (including its payrolls) as such debts become due.
- (k) Prior to September 1, 2021, Accounts which are 240 or more days past invoice date and on and after September 1, 2021, Accounts which are 150 or more days past invoice date.
- (l) All Accounts of any Account Debtor which is not a U.S. citizen or entity organized in the U.S.
- (m) All Accounts of any Account Debtor which is a federal governmental agency or entity without an assignment thereof satisfactory to Lender and in compliance with applicable Law, including 41 U.S.C. § 6305.
- (n) Accounts which are not owned by the Loan Party free and clear of all security interests, liens, encumbrances, and claims of third parties.

(38) **"Environmental Laws"** means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

(39) **"Environmental Liability"** means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of a Loan Party or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

(40) **"Equity Interests"** means: (a) in the case of a corporation, shares of capital stock; (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock; (c) in the case of a partnership, partnership interests (whether general or limited); (d) in the case of a limited liability company, membership interests; (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets upon liquidation of, the issuing Person; and (f) any warrants, options or other rights entitling the holder thereof to purchase or acquire any equity interest described in the foregoing clauses (a) through (e).

- (41) **"ERISA"** means the Employee Retirement Income Security Act of 1974.
- (42) **"ERISA Affiliate"** means any trade or business (whether or not incorporated) under common control with Borrower within the meaning of section 414(b) or (c) of the Code (and sections 414(m) and (o) of the Code for purposes of provisions relating to section 412 of the Code and section 302 of ERISA).
- (43) **"Event of Default"** has the meaning specified in Section 7.01.
- (44) **"Event of Loss"** means, with respect to any Collateral, any of the following: (a) any loss, destruction or damage of such property or (b) any condemnation, seizure, or taking, by exercise of the power of eminent domain or otherwise, of such property, or confiscation of such property or the requisition of the use of such property.
- (45) **"Exchange Act"** means the Securities Exchange Act of 1934 and the regulations promulgated thereunder.
- (46) **"Existing Indebtedness"** means the indebtedness set forth on Schedule 6.01(b).
- (47) **"Extraordinary Expenses"** means all costs, expenses, liabilities or advances that Lender may incur or make during a Default or Event of Default or during the pendency of a proceeding of any Loan Party under any Debtor Relief Laws.
- (48) **"Facility"** or **"Facilities"** means the Draw Loan or the Line of Credit, or one or both of them as the context may require.
- (49) **"Financial Statements"** means, with respect to any Fiscal Year or Fiscal Quarter, the consolidated balance sheet of Borrower and Borrower's Subsidiaries for such Fiscal Year or Fiscal Quarter, as applicable, and the related statements of income or operations, stockholders' equity, earnings and cash flows for such Fiscal Year or Fiscal Quarter, as applicable, including the notes thereto.
- (50) **"Fiscal Quarter"** means any of the quarterly accounting periods of the Loan Parties ending on March 31, June 30, September 30 and December 31.
- (51) **"Fiscal Year"** means any of the annual accounting periods of the Loan Parties based on each calendar year ending on December 31.
- (52) **"FRB"** means the Board of Governors of the Federal Reserve System of the United States.
- (53) **"GAAP"** means generally accepted accounting principles as in effect from time to time in the United States, consistently applied, provided, however, that so long as Borrower uses the International Financial Reporting Standards, as in effect from time to time, consistently applied, all references to GAAP shall be deemed to refer to such International Financial Reporting Standards.

- (54) **"Governmental Authority"** means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.
- (55) **"Governmental Account Debtor"** has the meaning specified in Section 5.13(b).

(56) **"Governmental Accounts"** has the meaning specified in Section 5.13(b).

(57) **"Guarantor"** means each wholly owned Subsidiary of Borrower as of and after the Closing Date, and any other Person that becomes a guarantor of all or part of the Obligations after the Closing Date pursuant to this Agreement or otherwise.

(58) **"Guarantee"** means, as to any Person, any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly.

(59) **"Guaranty Agreement"** means any Guaranty Agreement executed by a Guarantor, which shall be in form and substance satisfactory to Lender.

(60) **"Hazardous Materials"** means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

(61) **"Indebtedness"** means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person (i) arising under letters of credit (including standby and commercial), bankers' acceptances, bank guarantees, surety bonds and similar instruments, and (ii) to pay the deferred purchase price of property or services (other than trade accounts payable in the Ordinary Course of Business);

(c) net obligations of such Person under (a) any "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code, and (b) any other agreement or instrument entered into to provide protection against fluctuations in interest or currency exchange rates.

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(d) indebtedness secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(e) obligations under Capital Leases and synthetic or other similar financing leases of such Person;

(f) all equity securities of such Person subject to repurchase or redemption otherwise than at the sole option of such Person; and

(g) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, to the extent such Indebtedness is recourse to such Person.

(62) **"Indemnitee"** has the meaning specified in Section 8.04(b).

(63) **"Interest Rate"** means a variable rate equal the *Wall Street Journal* prime rate, or any successor thereto designated by Lender, plus 2.0 percentage points, adjusted daily.

(64) **"Investment"** means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, less all returns of principal or equity thereon (and without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such transfer or exchange.

(65) **"Laws"** means, collectively, all Federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including but not limited to the interpretation or administration of any of the foregoing by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

(66) **"Lease"** means a lease pursuant to which a site at which a Loan Party conducts any of its business operations or related activities (including office space, retail locations, storage or warehouse facilities) has been leased to such Person.

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(67) **"Lender"** has the meaning specified in the introductory paragraph hereto.

(68) **"Lending Office"** or **"Lender's Office"** means the office or offices of Lender located in Denver, Colorado.

(69) **"License"** means any license or agreement under which a Loan Party is granted any right to intellectual property in connection with any manufacture, marketing, distribution or disposition of Collateral, any use of assets or property or any other conduct of its business.

(70) **"Lien"** means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

- (71) **"Line of Credit"** means the Loan available or made to Borrower by Lender as described in Section 2.02(a) of this Agreement and evidenced by the Note.
- (72) **"Loan" or "Loans,"** as applicable, means the extension of credit under ARTICLE II.
- (73) **"Loan Documents"** means this Agreement, the Note, each Security Instrument, any Guaranty Agreement, any Subordination Agreement, and all other instruments and documents heretofore or hereafter executed or delivered to or in favor of Lender in connection with the Loans made and transactions contemplated by this Agreement.
- (74) **"Loan Party" or "Loan Parties"** means Borrower and Guarantors, collectively.
- (75) **"Lockbox" or "Lockboxes,"** as applicable, means one or more non-interest bearing Deposit Account(s) with Lender and under the control of Lender which Account Debtors other than Governmental Account Debtors are instructed to deliver Account payments by electronic payment or transfer, including ACH transactions.
- (76) **"Material Adverse Effect"** means (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), or condition (financial or otherwise) of either (i) Borrower, taken as a whole or (ii) the Loan Parties, taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; (c) a material adverse effect upon (i) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party, (ii) the ability of Lender to collect any Obligation or realize upon any of the Collateral, or (iii) the perfection or first priority of any security interest granted in any Loan Document or the value of any Collateral.
- (77) **"Material License"** has the meaning assigned to such term in Section 5.05.

- (78) **"Maturity Date"** means as to the Line of Credit, the second anniversary of the Closing Date, and as to the Draw Loan, the fourth anniversary of the Closing Date.
- (79) **"Maximum Line Amount"** means the sum of \$2,500,000.
- (80) **"Maximum Rate"** has the meaning assigned to such term in Section 8.09.
- (81) **"Measurement Period"** means, at any date of determination, the most recently completed calendar month, Fiscal Quarter or Fiscal Year, as applicable.
- (82) **"Minimum Operating Cash Flow"** means cash from operations in Borrower's statement of cash flows, plus distributions received from equity method investments, less any unfinanced capital expenditures, all consistent with GAAP and as set forth in Borrower's Financial Statements.
- (83) **"Multiemployer Plan"** means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.
- (84) **"Multiple Employer Plan"** means a Plan which has two or more contributing sponsors (including any Loan Party or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.
- (85) **"Note"** means the Promissory Note made by Borrower in favor of Lender evidencing the Loans.
- (86) **"Neuro-Pro"** has the meaning assigned to such term in Section 1.01(86).
- (87) **"Obligations"** means each and every debt, liability and obligation of every type and description which Borrower or any other Loan Party may now or at any time hereafter owe to Lender under this Agreement, the Note, or any other present or future Loan Document.
- (88) **"Ordinary Course of Business"** means the ordinary course of business of the Loan Parties, consistent with past practices and undertaken in good faith.
- (89) **"Organization Documents"** means, as applicable with respect to any Person, its certificate or articles of incorporation and the bylaws; its certificate or articles of formation or organization and operating agreement; or its partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization.
- (90) **"Other Taxes"** means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

- (91) **"Outstanding Amount"** means, with respect to any Facility, the aggregate outstanding principal amount of the Loans under such Facility on any date after giving effect to any Borrowings, Advances, prepayments or repayments of Loans occurring on such date and, with respect to the Note, means the aggregate outstanding principal amount of the Loans under all of the Facilities on any date after giving effect to any Borrowings, Advances, prepayments or repayments of Loans occurring on such date.
- (92) **"PATRIOT Act"** means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56).
- (93) **"Payment Day"** means (a) the first calendar day of the month or the first calendar day of the applicable quarterly period, as applicable *provided, that* if such day is not a Business Day, the next succeeding Business Day, and (b) the Maturity Date with respect to such Loan.
- (94) **"Pension Plan"** means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by Borrower or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.
- (95) **"Permitted Liens"** has the meaning specified in Section 6.02.

(96) **"Permitted Purposes"** means (a) with respect to the Draw Loan, the refinancing of the Existing Indebtedness due to BOKF, which Indebtedness shall be paid in full at the Closing Date, and payment of the \$1,700,000 balloon payment due at maturity of the Existing Indebtedness to Neuro-Pro Series, LLC, Neuro-Pro Mgmt., LLC, MONRV, PLLC, NPJC, LLC, MONRVortho, LLC, NPJCortho LLC and PRONRV, LLC (collectively, **"Neuro-Pro"**), which Indebtedness shall be paid in full by Borrower at or before the currently scheduled maturity of May 31, 2021, and that Existing Indebtedness associated with the Littleton acquisition, which shall be paid in full by Borrower at or before the currently scheduled maturity of September 30, 2020, and up to \$694,000 for working capital until all of the Existing Indebtedness described above has been paid and, subject to satisfaction of the foregoing required uses, any remaining amounts may be used thereafter for additional working capital and (b) with respect to the Line of Credit, working capital including payment of the Existing Indebtedness due to Neuro-Pro prior to the maturity thereof.

(97) **"Person"** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

(98) **"Plan"** means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of any Loan Party or any such plan to which any Loan Party (or with respect to any plan subject to Section 412 of the Code or Section 302 or Title IV of ERISA, any ERISA Affiliate) is required to contribute on behalf of any of its employees.

(99) **"Premises"** means all Real Estate where Borrower or any Loan Party conducts its business, has any rights of possession, or possesses any Collateral, including the premises described in Schedule 4.08(c).

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(100) **"Primary Account"** means Borrower's Deposit Account with Lender, which account number ends in 0151.

(101) **"Properly Contested"** means with respect to any obligation of a Loan Party, (a) the obligation is being properly contested in good faith by appropriate proceedings promptly instituted and diligently pursued; (b) appropriate reserves have been established in accordance with GAAP; (c) non-payment could not have a Material Adverse Effect, nor result in forfeiture or sale of any assets of a Loan Party; (d) no Lien is imposed on assets of a Loan Party, unless bonded and stayed to the satisfaction of Lender; and (e) if the obligation results from entry of a judgment or other order, such judgment or order is stayed pending appeal or other judicial review.

(102) **"Real Estate"** means all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned or leased by any Loan Party, including all easements, rights-of-way, and similar rights appurtenant thereto and all leases, tenancies, and occupancies thereof.

(103) **"Related Parties"** means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, shareholders, managers, advisors, Controlling Persons, and representatives of such Person and of such Person's Affiliates.

(104) **"Responsible Officer"** means, with respect to each Loan Party, the manager, chief executive officer, president, chief financial officer, treasurer or controller of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary member, corporate, partnership and other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

(105) **"Restricted Payment"** means (a) any dividend or other Distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of Borrower or any Loan Party, (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to Borrower's stockholders, partners or members (or the equivalent Person thereof), (c) any payment of management, consulting, monitoring, advisory or similar fees to any board member or holder of any capital stock or other Equity Interest of Borrower or any Loan party or any Affiliate of any such board member or holder (excluding salaries and other amounts included in net income), (d) any payment, including by way of loan, to any Subsidiary or any Affiliate other than a Loan Party; or (d) any prepayment of Indebtedness to any Person other than Lender, other than prepayment of the Indebtedness due to Neuro-Pro in May 2021.

(106) **"Security Agreement"** means any Security Agreement given by the Borrower and its wholly owned Subsidiaries as of the Closing Date, and any Subsidiary that becomes a grantor or pledgor thereunder after the Closing Date pursuant to this Agreement or otherwise for the benefit of Lender.

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(107) **"Security Instruments"** means, collectively or individually as the context may indicate, the Security Agreement, any mortgages, all security agreements pertaining to intellectual property, any landlord lien waiver, warehouseman's or bailee's letter or similar agreement and all other agreements, instruments and other documents, whether now existing or hereafter in effect, pursuant to which any Loan Party or other Person shall grant or convey to Lender a Lien in property as security for all or any portion of the Obligations.

(108) **"Solvent"** means, as to any Person, such Person (a) owns property or assets whose fair salable value is greater than the amount required to pay all of its debts (including contingent, subordinated, unmatured and unliquidated liabilities); (b) owns property or assets whose present fair salable value (as defined below) is greater than the probable total liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) of such Person as they become absolute and matured; (c) is able to pay all of its debts as they mature; (d) has capital that is not unreasonably small for its business and is sufficient to carry on its business and transactions and all business and transactions in which it is about to engage; (e) is not "insolvent" within the meaning of Section 101(32) of the Bankruptcy Code; and (f) has not incurred (by way of assumption or otherwise) any obligations or liabilities (contingent or otherwise) under any Loan Documents, or made any conveyance in connection therewith, with actual intent to hinder, delay or defraud either present or future creditors of such Person or any of its Affiliates. **"Fair salable value"** means the amount that could be obtained for assets within a reasonable time, either through collection or through sale under ordinary selling conditions by a capable and diligent seller to an interested buyer who is willing (but under no compulsion) to purchase. For purposes hereof, the amount of all contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, can reasonably be expected to become an actual or matured liability.

(109) **"Subordinated Indebtedness"** means Indebtedness incurred by Borrower or any Loan Party subordinated to all Indebtedness owed to Lender by Borrower, which subordination shall be in writing and shall be in form and substance satisfactory to Lender.

(110) **"Subsidiary"** or **"Subsidiaries"** of a Person means a corporation, partnership, joint venture, limited liability company or other business entity (but not a representative office of such Person) of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise Controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Borrower.

(111) **"Sweep Account"** means the non-interest bearing Deposit Account of any Loan Party with Lender designated as the Deposit Account for sweep

transactions under the Sweep Agreement, which may be the Primary Account.

(112) **"Sweep Agreement"** means the Credit Sweep and such other documents, instruments and agreements between Lender and any Loan Party as Lender may require and pursuant to which withdrawals are made from each Governmental Account to the Sweep Account.

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(113) **"Tax Distributions"** means, for any taxable year for which Borrower is treated under the Code as a partnership for income tax purposes or otherwise similarly disregarded under the Code for income tax purposes, dividends or distributions paid by its equity owners in an amount not to exceed that reasonably required to cover such owners' tax obligations in respect of the Borrower's earnings.

(114) **"Taxes"** means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

(115) **"Termination Date"** means the date on which (a) all Obligations, together with all accrued and unpaid interest and fees thereon, have been paid in full in cash, and (b) all claims of the Loan Parties against Lender arising on or before the payment date shall have been released on terms acceptable to Lender.

(116) **"Transaction"** means the entering by Borrower of the Loan Documents to which it is a party and the funding of the Loan.

(117) **"UCC"** means the Uniform Commercial Code as in effect from time to time in the State of Colorado; provided that if, with respect to any financing statement or by reason of any mandatory provisions of law, the perfection or the effect of perfection or non-perfection of any security interests granted to Lender pursuant to any applicable Loan Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than Colorado, the term "UCC" shall also include the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of this Agreement, each Loan Document and any financing statement relating to such perfection or effect of perfection or non-perfection.

(118) **"United States"** and "U.S." mean the United States of America.

(119) **"Voting Rights"** means, with respect to any Person, the equity interests issued by such Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

1.02 **Other Interpretive Provisions.** For purposes of this Agreement and each Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein and each Loan Document shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions on assignment set forth herein or in any other Loan Document), (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, supplemented or replaced from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

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(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant hereto shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Borrower or Lender shall so request, Lender and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

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(c) Reporting. In computing financial ratios and other financial calculations of Borrower as required to be submitted pursuant hereto, all Indebtedness shall be calculated at par value irrespective of whether Borrower has elected the fair value option pursuant to FASB Interpretation No. 159 — The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115 (February 2007).

1.04 **Uniform Commercial Code.** As used herein, the following terms are defined in accordance with the UCC in effect in the State of Colorado from time to time: "Account," "Chattel Paper," "Commodity Account", "Commodity Contract", "Deposit Account," "Documents," "Electronic Chattel Paper," "Fixtures," "General Intangible," "Goods," "Instrument," "Inventory," "Investment Property," "Letter-of-credit rights," "Proceeds," and "Securities Account."

1.05 **Rounding.** Any financial ratios required to be maintained by Borrower pursuant hereto shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.06 **Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Mountain Time (daylight or standard, as applicable).

ARTICLE II THE LOAN

2.01 **The Loans.** Subject to the terms and conditions set forth herein, Lender agrees to make the Facilities available to Borrower in a maximum amount outstanding at any time of \$6,500,000, in accordance with, and subject to, the terms, conditions and requirements set forth in Section 2.02 and this Agreement.

2.02 Facilities.

(a) **Line of Credit.** Subject to the terms and conditions set forth herein, Lender agrees to make a revolving line of credit (the "**Line of Credit**") available to Borrower until the Maturity Date in a maximum amount outstanding at any time of not more than the Maximum Line Amount, in accordance with, and subject to, the terms, conditions and requirements set forth in this Section and this Agreement. Within the limits of the Line of Credit, and subject to the other terms and conditions hereof, Borrower may borrow under this Section 2.02(a), prepay under Section 2.05, and reborrow under this Section 2.02(a).

(b) **Draw Loan.** Subject to the terms and conditions set forth herein, Lender agrees to make Advances to Borrower from time to time until the Draw Loan Expiry Date in an aggregate amount not to exceed the Draw Loan Maximum Amount, in accordance with, and subject to, the terms, conditions and requirements set forth in this Section and this Agreement.

(c) **Advances and Limitations on Advances.** Borrower may submit to Lender for approval and Advance Request which shall be completed and signed by a Responsible Officer of Borrower, at least one (1) Business Days prior to the requested Borrowing Date therefor and which shall include a Borrowing Base Certificate. Each Advance shall be in an amount of not less than \$50,000. Borrower shall use the proceeds of each Advance exclusively for the applicable Permitted Purposes. The Outstanding Amount of all Advances hereunder may not at any time exceed the lesser of (i) the Borrowing Base or (ii) the Maximum Line Amount and the Draw Loan Maximum Amount; for avoidance of doubt, the Maximum Line Amount shall be excluded from the foregoing calculation following the Maturity Date thereof. Lender shall have no obligation to cause any Advance to be made if there is an Event of Default, or if the aggregate Outstanding Amount of all Advances do or by the inclusion of any anticipated Advance would exceed the limitations set forth in this subsection.

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2.03 **Evidence of Debt.** The Loans made pursuant to the Facilities shall be evidenced by one or more accounts or records maintained by Lender in the Ordinary Course of Business; provided that any failure to so record or any error in doing so shall not limit or otherwise affect the obligation of Borrower hereunder to pay any amount owing with respect to the Obligations. The accounts or records maintained by Lender shall be conclusive absent manifest error.

2.04 Interest on and Repayment of Loan.

(a) **Line of Credit.** Borrower unconditionally promises to pay to Lender the aggregate principal amount outstanding of the Line of Credit and all interest thereon as set forth herein. The Line of Credit shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Interest Rate. Commencing on September 1, 2020 or if such day is not a Business Day, the next succeeding Business Day, Borrower shall pay to Lender all interest that has accrued on the Line of Credit from and including the Closing Date through such date. Thereafter, Borrower shall make monthly payments on each Payment Day of all accrued interest on the unpaid principal balance of the Line of Credit through the Maturity Date. Notwithstanding the foregoing, the outstanding unpaid principal balance and all accrued and unpaid interest on the Line of Credit shall be due and payable on the earlier of (x) the Maturity Date and (y) the date of the acceleration of the Line of Credit in accordance herewith.

(b) **Draw Loan.** Borrower unconditionally promises to pay to Lender the principal amount of the Draw Loan outstanding and all interest thereon. The Draw Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Interest Rate. Commencing on September 1, 2020 or if such day is not a Business Day, the next succeeding Business Day, Borrower shall pay to Lender all interest that has accrued on the Line of Credit from and including the Closing Date through such date. Thereafter, Borrower shall make monthly payments on each Payment Day through May 1, 2021 of all accrued interest on the unpaid principal balance of the Line of Credit. Commencing on August 1, 2021 or if such day is not a Business Day, the next succeeding Business Day, and continuing on each quarterly Payment Day thereafter through the Maturity Date, Borrower shall make quarterly payments of (i) all accrued interest and (ii) principal in the amount of \$307,695. Notwithstanding the foregoing, the outstanding unpaid principal balance and all accrued and unpaid interest on the Draw Loan shall be due and payable on the earlier of (x) the Maturity Date, and (y) the date of the acceleration of the Draw Loan in accordance herewith.

2.05 Prepayments.

(a) **Fees Fully Earned.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the Closing Date and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law.

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(b) **Prepayment Permitted.** Borrower may prepay the Loan in whole or in part at any time without penalty. Early payments will not, unless agreed to by Lender, in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement or the Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to Central Bank & Trust 4582 S. Ulster Street, Suite 150, Denver, CO 80237, Attention: Mary Holm, Senior Vice President.

2.06 Interest.

(a) **Interest.** Subject to the provisions of Section 2.08 and subsection (b) below, the Loans shall bear interest on the Outstanding Balance at the Interest

Rate.

(b) Default Rate. If any amount payable by Borrower under any Loan Document is not paid when due, whether at stated maturity, by acceleration or otherwise, then such amount shall thereafter bear interest at the Default Rate. If any Event of Default exists then Lender may require that all outstanding Obligations shall thereafter bear interest at the Default Rate. Accrued and unpaid interest calculated based upon the Default Rate shall be due and payable upon demand.

(c) Payment in Arrears. Interest on the Loans shall be due and payable by Borrower in arrears on each Payment Day applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.07 Fees.

(a) Loan Fee. Borrower agrees to pay a fully earned and non-refundable loan fee to Lender in the amount of 2.0% of the amount of the Loan, payable at the Closing Date.

(b) Generally. All fees payable hereunder shall be paid on the dates due, in immediately available funds, to Lender. Fees paid shall not be refundable under any circumstances.

2.08 **Computation of Interest and Fees.** All computations of fees and interest shall be made on the basis of the actual days elapsed over a 360-day year. Interest shall accrue on the Loan for the day on which the Loan is made, and shall not accrue on the Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that if the Loan that is repaid on the same day on which it is made shall, subject to Section 2.09(a), bear interest for one day. Each determination by Lender of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

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2.09 Payments Generally.

(a) General: Late Charge. All payments to be made by Borrower shall be made without deduction for any counterclaim, defense, recoupment or setoff. All payments by Borrower hereunder shall be made to Lender, at Lender's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments received by Lender after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected when computing interest or fees, as the case may be. In the event any payment to be made hereunder is not received within ten (10) days of the date such payment is due, Borrower will be charged five percent (5%) of the amount of such past due payment as a late charge.

(b) Insufficient Funds. If at any time insufficient funds are received by and available to Lender to pay fully all amounts then due hereunder, such funds shall be applied as provided in Section 7.03.

(c) Authorization to Debit Payments. Lender shall, without further instruction from Borrower, on the due date thereof, debit from the Primary Account or such other Deposit Account at Lender as Borrower may designate the required payments. Failure of Borrower to have sufficient funds in the designated Deposit Account on the due date of any payment shall be an Event of Default.

2.10 **Borrowing Base Deficiency.** Borrower shall repay such amount as shall be sufficient to eliminate any Borrowing Base Deficiency within two (2) Business Days after any Borrowing Base Certificate is delivered to Lender which shows or after Lender's written notification that it has determined that a Borrowing Base Deficiency exists.

2.11 **Capital Requirements.** If, after the Closing Date, any Change in Law has or would have the effect of reducing the rate of return on the capital or property of Lender or Person Controlling Lender as a consequence of, as determined by Lender in its reasonable discretion, the existence of Lender's commitments or obligations under this Agreement or any other Loan Document, then, upon demand by Lender and upon automatic acceleration of Indebtedness, Borrower agrees to pay to Lender, from time to time as specified by Lender, additional amounts sufficient to compensate Lender in light of such circumstances. A certificate of Lender setting forth the amount or amounts necessary to compensate Lender and delivered to Borrower shall be conclusive absent manifest error. The Loan Parties shall pay Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

2.12 **Security Interest.** As additional security for the Obligations, Borrower hereby pledges, assigns, transfers and grants to Lender a security interest in, a lien on and an express contractual right to set off against (or refuse to allow withdrawals from) all Deposit Account balances, cash and any other property (tangible or intangible) of Borrower now or hereafter in the possession of Lender. Lender may, at any time upon and during the occurrence of an Event of Default, set off against the Obligations, whether or not the Obligations (including future payment installments) are then due or have been accelerated, all without any advance or contemporaneous notice or demand of any kind to Borrower, such notice and demand being expressly waived by Borrower. So long as any Event of Default exists, Lender shall have such rights with respect to all of such funds and property as are provided by applicable law and may apply such funds and property towards the satisfaction of the Obligations. No such application by Lender of such funds and property shall cure or be deemed to cure any Event of Default or limit in any respect any of Lender's remedies under the Loan Documents except to the extent of such amounts so applied. No delay or omission of Lender in exercising any right to apply such funds or property shall impair any such right, or shall be construed as a waiver of, or acquiescence in, any Event of Default. At the request of Lender, Borrower shall execute and deliver from time to time such documents as may be necessary or appropriate, in Lender's sole judgment, to assure Lender that it has a first priority perfected security interest in and lien on such funds and property.

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ARTICLE III CONDITIONS PRECEDENT TO BORROWINGS AND ADVANCES

3.01 **Conditions of Initial Advance.** The obligation of Lender to make any initial Advance hereunder is subject to satisfaction of the following conditions precedent:

(a) Lender's receipt of the following items, each in form and substance satisfactory to Lender:

(i) UCC financing statements, suitable in form and substance for filing in all places required by applicable law to perfect the Liens of Lender under the Security Instruments, and such other documents or evidence of other actions as may be reasonably necessary under applicable law to perfect the Liens of Lender under such Security Instruments as a first priority Lien in and to such other Collateral as Lender may require (except as it relates to Permitted Liens) including but not limited to assignments of intellectual property for filing with the United States Patent and Trademark Office ("USPTO") or the United States Copyright Office ("USCO") or as required by applicable law;

(ii) UCC, tax, judgment and other related search results showing only those Liens as are acceptable to Lender;

(iii) With respect to the Existing Indebtedness (except for Subordinated Indebtedness), (A) evidence of the payment in full and cancellation of such Existing Indebtedness, including terminations of UCC financing statements and release of all Liens filed in connection with the Existing Indebtedness, or (B) to the extent such Existing Indebtedness will be paid-off at the Closing Date, which Existing Indebtedness is set forth on Schedule 6.01(b), pay-off letters on terms and conditions acceptable to Lender in its sole discretion, including release language or other such evidence of Lien releases;

(iv) Each agreement, instrument, document, certificate, opinion and other items required by Lender in its sole discretion, except those items that are expressly permitted to be delivered after the Closing Date pursuant to Section 5.16 hereof;

(v) Such other assurances, certificates, documents, consents or opinions as Lender may reasonably require;

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(vi) Any fees required to be paid on or before the Closing Date shall have been paid;

(vii) All Loan Documents bearing original signatures of all parties thereto have been fully executed and delivered by the Loan Parties and all consents, licenses and approvals required in connection with the execution, delivery and performance by each Loan Party and the validity against each such Loan Party of the Loan Documents to which it is a party shall have been obtained and be in full force and effect; and

(viii) Unless waived by Lender, Borrower shall have paid, or shall have caused to be paid, all reasonable fees, charges and disbursements of counsel to Lender, including any reasonable estimate of such reasonable fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between Borrower and Lender).

3.02 Conditions to all Advances. The obligation of Lender to make the initial Advance or any Advance is subject to the following conditions precedent:

(a) The representations and warranties of the Loan Parties contained in ARTICLE IV or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all respects (or in all material respects for such representations and warranties that are not by their terms already qualified as to materiality) on and as of the date of such funding, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all respects (or in all material respects for such representations and warranties that are not by their terms already qualified as to materiality) as of such earlier date.

(b) No Default or Event of Default shall have occurred and be continuing, or would result from the Advance of the Loan proceeds or from the application of the proceeds.

(c) Lender shall have received an Advance Request and Compliance Certificate in accordance with the requirements hereof. Each Advance Request submitted by Borrower without notification to the contrary by Borrower shall be deemed to be a representation and warranty that the conditions specified in this Section 3.02 have been satisfied on and as of the date of the applicable Advance.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

To induce Lender to enter into this Agreement and the other Loan Documents and to make the Loan, Borrower for itself and each Loan Party represents and warrants, and in the case of representations and warranties made as of the Closing Date both before and after the consummation of the Transaction, that:

4.01 Existence, Qualification and Power. Borrower and each of the Loan Parties (a) is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business as is now being conducted and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party and to consummate the Transaction to which it is a party, and (c) is duly qualified and in good standing under the Laws of each jurisdiction where its operation or properties requires such qualification, except, in the case of this clause (c), to the extent that failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

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4.02 Authorization; No Contravention; Consents. The execution, delivery and performance by Borrower and each Loan Party of each Loan Document to which it is a party, and the consummation of the Transaction, have been duly authorized by all necessary organizational action, and do not and will not (a) contravene the terms of its Organization Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under (i) any Contractual Obligation to which such Person is a party or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject, (c) violate any Law, or (d) require any approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person.

4.03 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

4.04 Financial Statements; No Material Adverse Effect.

(a) All audited Financial Statements delivered hereunder (i) were prepared in accordance with GAAP throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of Borrower as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP throughout the period covered thereby, except as otherwise expressly noted therein; (iii) show all material indebtedness and other liabilities, direct or contingent, of such Persons as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) All unaudited Financial Statements delivered hereunder (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of Borrower as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the most recent Financial Statements delivered to Lender, there has been no event or circumstance, either individually or in the

(d) Borrower has not incurred any indebtedness or other liabilities, direct or contingent, except to the extent (i) set forth in the most recent Financial Statements delivered pursuant to this Agreement, (ii) set forth on Schedule 6.01(b), or (iii) incurred since the Closing Date in accordance with the terms of this Agreement and the other Loan Documents, or (iv) incurred in the Ordinary Course of Business since the date of the most recent Financial Statements delivered pursuant to this Agreement that, individually or in the aggregate do not exceed \$50,000.

(e) As of the Closing Date, Borrower is Solvent and the Loan Parties, taken as a whole, are Solvent.

4.05 Submissions to Lender. All projections, valuations or pro forma financial statements and other information provided to Lender by Borrower, its Affiliates or any Loan Party in connection with Borrower's request for the Loan contemplated hereby is presented fairly in all material respects and, as to projections, valuations or pro forma financial statements, presents a good faith opinion as to such projections, valuations and pro forma conditions and results.

4.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Loan Party, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or against any of their properties that (a) purport to affect or pertain to this Agreement or any other Loan Document or the Transaction or (b) except as specifically disclosed in Schedule 4.06, either individually or in the aggregate, assert liabilities in excess of \$100,000, or could reasonably be expected to have a Material Adverse Effect.

4.07 No Default. No Loan Party is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document or the incurrence of Indebtedness hereunder.

4.08 Ownership of Property; Liens.

(a) Each Loan Party has good, and in the case of Real Estate, marketable title to all property (tangible and intangible) necessary to, or used in the ordinary conduct of its business, subject to Permitted Liens.

(b) Schedule 4.08(b) sets forth all patents, trademarks or copyrights filed, registered, or recorded, or as to which an application therefor is pending, with the USPTO or the USCO with respect to each Loan Party. With respect to its intellectual property (i) owned or purported to be owned by a Loan Party, the Loan Party exclusively owns such intellectual property and, without payment to a third party, possesses adequate and enforceable rights to such intellectual property as necessary for the operation of the Loan party, and (ii) licensed to the Loan Party by a third party (other than commercial off the shelf software that is made available for a total cost of less than \$5,000), the Loan Party possesses exclusive, adequate and enforceable rights to such intellectual property as necessary for the operation of the Loan Party; in the case of both (i) and (ii) above, free and clear of all Liens, other than Permitted Liens and the provisions of agreements relating to licenses, sublicenses or other agreements under which the Loan Party is granted rights by others in intellectual property.

(c) Schedule 4.08(c) sets forth the address (including street address, county and state) of all of the Premises as of the Closing Date and as the same may be updated, as of the date of the Advance. As of the Closing Date and of the Advance hereunder, with respect to each leased location, the Lease is in full force and effect, the Borrower or a Loan Party is the sole owner of the entire leasehold interest thereunder, such interest therein has not been assigned, transferred, subleased, mortgaged, hypothecated or otherwise encumbered, except for non-consensual Permitted Liens, and the Loan Parties are not in default of any material terms thereof. Borrower has delivered to Lender a true, correct and complete copy the Lease of each leased location and such Lease is the only agreement between lessor and the Borrower or Loan Party with respect to the leasing thereof.

(d) Schedule 6.02(b) sets forth, as of the Closing Date, a complete and accurate list of all Liens on the property or assets of Borrower and each Loan Party, showing the lienholder thereof, the principal amount of the obligations secured thereby and the property or assets of such Borrower subject thereto. The property and assets of Borrower, and the property upon which each Loan Party is granting a Lien in favor of Lender, is subject to no Liens other than the Lien in favor of Lender.

(e) All Real Estate owned or leased by Borrower or any Loan Party, including but not limited to all buildings and other improvements associated therewith, is (i) in good condition and repair and well maintained, ordinary wear and tear excepted; (ii) fully equipped and operational; (iii) to the Loan Parties' best knowledge, free from structural defects; and (iv) in compliance with all applicable regulations relating to public safety. The equipment, including all machinery, furniture, appliances, trade fixtures, tools, and office and record keeping equipment, of Borrower or any Loan Party now located at such locations includes all of the equipment, machinery, furniture, appliances, trade fixtures, tools, and office and record keeping equipment necessary for the proper and prudent operation of such locations as a part of the business operations of Borrower and the Loan Parties, and all such equipment is in good condition and repair and well maintained, ordinary wear and tear excepted, in each case in all material respects.

(f) Schedule 5.13 sets forth, as of the Closing Date, a complete and accurate list of all Deposit Accounts and Investment Property, including the name of the institution at which such account is held, the name of such account, the account number for such account and the nature of the interest of all Persons therein, of (i) Borrower and each Loan Party and (ii) of Affiliates and other Persons in which Borrower or any Loan Party hold an Equity Interest and over which Borrower or any Loan Party has any control or any administrative or management duties, rights or responsibilities.

4.09 Environmental Compliance.

(a) Except as disclosed in Schedule 4.09, Borrower and each Loan party (i) has not failed to comply with any Environmental Law nor failed to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law with respect to such Loan Party's operations, (ii) has not become subject to a pending claim with respect to any Environmental Liability or (iii) has not received written notice of any claim with respect to any Environmental Liability except, in each case, as has not resulted, and could not, individually or in the aggregate, reasonably be expected to result, in Environmental Liabilities on the part of the Loan Parties in excess of \$50,000.

(b) Except as otherwise set forth in Schedule 4.09, as of the Closing Date or the date of the Advance, (i) none of the Real Estate is listed or, to the knowledge of Borrower, proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; (ii) there are no and, to the knowledge of Borrower, never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any of the Real Estate; (iii) to the knowledge of the Loan Parties, there is no asbestos or asbestos-containing material on any Real Estate; and (iv) Hazardous Materials have not been released, discharged or disposed of by Borrower or any Loan Party in violation of Environmental Laws or, to the knowledge of Borrower or any Loan Party, by any other Person in violation of Environmental Laws on any Real Estate, except in the case of this clause (iv) as has not resulted and could not, individually or in the aggregate, reasonably be expected to result in, Environmental Liabilities on the part of Borrower in excess of \$50,000.

(c) Except as otherwise set forth on Schedule 4.09 or as could not individually or in the aggregate reasonably be expected to result in Environmental Liabilities in excess of \$50,000, as of the Closing Date or the date of the Advance, neither Borrower nor any Loan Party is undertaking, and neither Borrower nor any Loan Party have completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored by Borrower or any Loan Party at, or transported to or from by or on behalf of any Borrower or any Loan Party, any Real Estate, to the knowledge of Borrower, been disposed of in a manner not reasonably expected to result in Environmental Liability to any Loan Party in excess of \$50,000.

4.10 **Insurance and Casualty.** Borrower maintains insurance in compliance with Section 5.08. Schedule 5.08 sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the Closing Date. Each insurance policy listed on Schedule 5.08 is in full force and effect.

4.11 **Taxes.** Each Loan Party has filed all Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being Properly Contested and except those 2018 taxes which are past due as disclosed on and with the repayment terms set forth on Schedule 4.11. No Loan Party is party to any tax sharing agreement.

4.12 **ERISA.** No Borrower nor any Loan Party maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Plan or Pension Plan.

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4.13 **Subsidiaries; Equity Interests.** No Loan Party (a) has any Subsidiaries other than those disclosed on Schedule 4.13 (which Schedule sets forth the legal name, jurisdiction of incorporation or formation and authorized Equity Interests of each such Subsidiary), or (b) has any equity Investments in any other Person other than those specifically disclosed on Schedule 4.13 or made after the Closing Date in compliance with this Agreement and the other Loan Documents. At least 25% of the outstanding Equity Interests of Borrower is owned by the Control Group as disclosed on Schedule 4.13.

4.14 **Margin Regulations; Investment Company Act.** No Loan Party is engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. No Loan Party, any Person Controlling any Loan Party, nor any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940. None of the proceeds from the Loan have been or will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin stock or for any other purpose which might cause any of the Loan to be considered a "purpose credit" within the meaning of Regulation T, U or X of the Federal Reserve Board.

4.15 **Disclosure.** Each Loan Party has disclosed to Lender all agreements, instruments and organizational or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, each Loan Party represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

4.16 **Compliance with Laws.**

(a) Each Loan Party is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (i) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (ii) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Each Loan Party is in compliance in all material respects with, and the advances of the Loans and use of the proceeds thereof will not violate, (a) the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the "**Trading With the Enemy Act**") or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the "**Foreign Assets Control Regulations**") and any other enabling legislation or executive order relating thereto, thereto (which for the avoidance of doubt shall include, but shall not be limited to Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001) (the "**Executive Order**")) and/or (b) the Patriot Act. None of Borrowers or their Affiliates is a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations.

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ARTICLE V AFFIRMATIVE COVENANTS

Until the Termination Date, Borrower shall and, as applicable, shall cause each other Loan Party to:

5.01 **Financial Statements.** Deliver to Lender each of the following, which shall be in form and detail acceptable to Lender in its sole discretion:

(a) as soon as available, but in any event within 120 days after the end of each Fiscal Year ending December 31, 2020 and each Fiscal Year thereafter, (i) consolidated Financial Statements of Borrower, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, which shall be audited by a certified public accountant acceptable to Lender; and

(b) as soon as available, but in any event within 60 days after the end of each Fiscal Quarter, (i) unaudited Financial Statements of each Loan Party for

such Fiscal Quarter and for the portion of the Fiscal Year then elapsed, setting forth in each case in comparative form figures for the preceding Fiscal Year certified by a Responsible Officer of such Loan Party, to the effect that such statements are prepared in accordance with GAAP and fairly stated in all material respects, subject to normal year-end adjustments and the absence of footnotes; and

(c) as soon as available and in any event within 30 days of filing with the Internal Revenue Service, a copy of the federal income tax return and other governmental tax returns of each Loan Party or extension thereof, including all applicable schedules and annexes, which returns shall be prepared by a certified public accountant acceptable to Lender.

5.02 Other Information. Deliver to Lender, in form and detail reasonably satisfactory to Lender:

(a) As soon as available but in any event within 30 days after the end of each Fiscal Quarter, a Borrowing Base Certificate executed by a Responsible Officer of Borrower;

(b) Concurrently with delivery of the Financial Statements delivered following each Fiscal Quarter under Section 5.01(b) a Compliance Certificate executed by a Responsible Officer of Borrower which includes the required schedules thereto and which certifies compliance with Section 6.11 and provides a reasonably detailed calculation of financial covenants required thereby; and

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(c) Promptly, such additional information regarding the business, financial or organizational affairs of any Loan Party, or compliance with the terms of the Loan Documents, as Lender may from time to time reasonably request.

5.03 Notices. Promptly (after a Responsible Officer becomes aware, but in no event later than ten (10) Business Days after becoming aware) notify Lender of:

(a) the occurrence of any Default or Event of Default;

(b) subsequent from the date of the most recent financial statements delivered to Lender, any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of or default under a Material License or a Contractual Obligation; (ii) the threat or commencement of (or any material development in) any dispute, litigation, arbitration, or governmental investigation; or (iii) the violation or asserted violation of any applicable Law;

(c) notice of any Default or Event of Default under any Organization Document of each Loan Party;

(d) any material change in accounting policies or financial reporting practices by any Loan Party;

(e) any changes in the Persons constituting the members or senior management of Borrower or of any Loan Party;

(f) any casualty, damage or destruction to, or commencement of any condemnation or similar proceeding with respect to any the Collateral having an aggregate value in excess of \$100,000; and

(g) any bankruptcy by any lessor under a Lease of which any Loan Party has knowledge.

Each notice pursuant to this Section 5.03 may be made by electronic communication and shall be accompanied by a statement of a Responsible Officer of Borrower setting forth details of the occurrence referred to therein and stating what action Borrower have taken and proposes to take with respect thereto. Nothing in this Section shall be deemed as an approval, waiver of, or consent to, any such event or matter, where consent or approval of Lender is otherwise required.

5.04 Payment of Taxes and Claims. Pay and discharge as the same shall become due and payable, (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being Properly Contested; and (b) all lawful claims which, if unpaid, would by law become a Lien upon its property, except to the extent that any such Lien would otherwise be permitted by Section 6.02.

5.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization or formation; (b) maintain all rights, privileges, permits, licenses and franchises necessary in the normal conduct of its business or required to use and operate each of its business locations, including all of the Premises; (c) preserve or renew all of its registered intellectual property and rights to use intellectual property necessary in the normal conduct of its business; and (d) keep in full force and effect each License the expiration or termination of which could reasonably be expected to have a Material Adverse Effect (each a "Material License").

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5.06 Management.

(a) Maintain executive and management personnel with substantially the same qualifications and experience as current executive and management personnel;

(b) Provide written notice to Lender of any change in executive and management personnel; and

(c) Obtain Lender's approval, which approval shall not be unreasonably withheld, delayed or conditioned, to any change in the Persons acting as the Borrower's Chief Executive Officer or Chief Financial Officer or to any material change to such Person's duties and responsibilities.

5.07 Maintenance of Properties.

(a) Maintain, preserve and protect all of its owned and leased Real Estate and its equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted.

(b) Own and keep at its business locations all equipment, including all machinery, furniture, appliances, trade fixtures, tools, and office and record keeping equipment, and inventory, which are reasonably necessary for the proper and prudent operation of its business.

(c) Occupy and operate its business in accordance with sound business practices.

(d) Comply with its material obligations under each Lease; give Lender written notice not less than ten (10) Business Days after any Responsible Officer's knowledge of the occurrence of any material default by Loan Party or the lessor under any Lease and of any notice of default given to a Loan Party by an applicable lessor; and keep each Lease in full force and effect. Additionally, give Lender written notice not less than forty-five (45) days prior to the expiration of each Lease or termination by mutual agreement between a Loan Party and the lessor thereof.

5.08 Maintenance of Insurance. Borrower will at all times maintain with insurers reasonably believed by Borrower to be responsible and reputable insurance with respect to Borrower's properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and operating in the same or similar locations or as is required by applicable Law, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons. Without limiting the generality of the foregoing, Borrower shall at all times keep (or cause to be kept) all tangible Collateral and goods owned by those parties respectively insured against risks of fire (including so-called extended coverage), theft, collision and such other risks and in such amounts as is customary or appropriate given Borrower's assets and business activities or as Lender may request, with any loss payable to Lender, the extent of its interest therein (subject to any superior Permitted Liens), and all policies of such insurance shall contain a lender's loss payable endorsement for the benefit of Lender, on behalf of Lender (subject to any superior Permitted Liens). All policies of liability insurance required to be maintained (or caused to be maintained) hereunder by Borrower shall name Lender as an additional insured (provided, however, for the avoidance of doubt, Lender shall not be required to be named an additional insured on any errors and omissions or D&O policies). The form and substance of the insurance policies and any related endorsements shall be acceptable to Lender in its sole discretion. Without limiting the foregoing, all of the endorsements to the insurance policies to be maintained (or caused to be maintained) hereunder by Borrower shall require Lender to be provided with at least thirty (30) days' prior written notice of cancellation and contain a waiver of warranty and a waiver or subordination of subrogation clause.

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5.09 Compliance with Laws Generally; Environmental Laws. Except in each case as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) comply with the requirements of all Laws (including without limitation all applicable Environmental Laws and all franchise and related Laws) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which such requirement of Law or order, writ, injunction or decree is being Properly Contested; (b) maintain its Real Estate in compliance with all Environmental Laws; (c) obtain and renew all environmental permits necessary for its operations and properties; and (d) implement any and all investigation, remediation, removal and response actions that are required to comply with Environmental Laws pertaining to the presence, generation, treatment, storage, use, disposal, transportation or release of any Hazardous Materials on, at, in, under or about any of its Real Estate.

5.10 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP shall be made of all financial transactions and matters involving the assets, liabilities and business of the Borrower or its Subsidiaries, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over Borrower or its Subsidiaries, as the case may be.

5.11 Inspection Rights, Appraisals and Audits of Collateral; Meetings with Lender. Permit Lender or its designees or representatives from time to time, subject to reasonable notice and during normal business hours (except, in each case, when a Default or Event of Default exists), to conduct inspections of the operations and properties of the Borrower and each Loan Party or appraisals and audits (including environmental audits) of Collateral and any other assets and properties of Borrower and each Loan Party and to examine their organizational, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their affairs, finances and accounts with its directors, officers and auditors; provided that representatives of Borrower shall be given the opportunity to participate in any discussions with the auditors, and further provided that when an Event of Default exists Lender, or its employees, accountants, attorneys or agents, may do any of the foregoing at any time during normal business hours and without advance notice. Lender shall not have any duty to any Loan Party to share any results of any such inspection, examination or appraisal and audits with any Loan Party. Borrower acknowledges that all appraisals, audits and reports are prepared by or for Lender for its purposes, and Borrower shall not be entitled to rely upon them. Without limiting the foregoing, Borrower will participate and will cause its key management personnel to participate in meetings with Lender periodically during each year, which meetings shall be held at such times and such places as may be reasonably requested by Lender.

5.12 Depository Accounts and Treasury Management Services. At or prior to the Closing Date Borrower shall, and shall cause each Loan Party to, establish and maintain at all times thereafter so long as any Obligations remain outstanding, its primary depository and operating accounts, together with all Deposit Accounts of Affiliates and other Persons in which Borrower or any Loan Party hold an Equity Interest and over which Borrower or any Loan Party has any control or any administrative or management duties, rights or responsibilities, and associated treasury management services, with Lender, including all Deposit Accounts identified on Schedule 5.13 as to which related Deposit Accounts shall be established with Lender within 30 days following the Closing Date.

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5.13 Lockbox; Governmental Accounts; Sweep Account.

(a) Within thirty (30) days of the Closing Date Borrower shall, and shall cause each Loan Party to, establish and maintain at all times thereafter so long as any Obligations remain outstanding, Lockboxes as directed by and under the control of Lender. No payment from any Governmental Account Debtor shall be delivered to any Lockbox. Funds in the Lockboxes in excess of \$500,000 in the aggregate shall be withdrawn by Lender as Lender may determine from time to time, which may be as often as each Business Day, and the proceeds applied to the Line of Credit.

(b) If any Account Debtor is a Governmental Authority, including Medicare and Medicaid (each a "**Governmental Account Debtor**"), Borrower shall ensure that all collections of such Accounts shall be paid directly to the Loan Party's designated Deposit Accounts at Lender, as such accounts may be established from time to time and designated by a Loan Party as Governmental Accounts, (the "**Governmental Accounts**"). No Loan Party shall commingle payments from Governmental Account Debtors with payments from other Account Debtors. All funds deposited into the Governmental Accounts shall be transferred into the Sweep Account by the close of each Business Day pursuant to the Sweep Agreement.

(c) Not later than thirty (30) days after the Closing Date, Borrower and each Loan Party shall have delivered written instructions to all Account Debtors other than Governmental Account Debtors to deliver all payments to the Lockboxes and to all Governmental Account Debtors to deliver all payments to the Governmental Accounts. Not later than 120 days after the Closing Date, Borrower and each Loan Party shall have caused all Account Debtors other than Governmental Account Debtors to deliver all payments to the Lockboxes and have caused all Governmental Account Debtors to deliver all payments to the Governmental Accounts, and at any time on Lender's request shall close some or all of the Deposit Accounts set forth on Schedule 5.13 into which Account payments have previously been deposited. Until such time as such Deposit Accounts are closed, the funds in such Deposit Accounts shall, at least weekly or more often as requested by Lender, be withdrawn and shall be deposited into the appropriate Lockbox or, as to payments from Governmental Account Debtors, to the Primary Account. Such Deposit Accounts into which Account payments have previously been deposited shall not be used for payment of expenses of any Loan Party following that date which is thirty (30) days after the Closing Date. Loan Parties shall, upon request of Lender, cause any financial institution at which any Deposit Account is held to enter into a control agreement satisfactory to Lender.

5.14 Further Assurances. At Borrower's cost and expense, upon request of Lender, duly execute and deliver or cause to be duly executed and delivered, to Lender such further instruments, documents, certificates, financing and continuation statements, and do and cause to be done such further acts that may be reasonably necessary or

advisable in the reasonable opinion of Lender to carry out more effectively the provisions and purposes of the Loan Documents.

5.15 **Convertible Debentures.** At no time during the term of the Loan shall the subordinate convertible debentures of Borrower exceed the aggregate outstanding amount of \$5,600,000.

5.16 **Post-Closing Covenants.**

(a) **Lien Searches.** Following the Closing Date, Lender shall require updated searches of the appropriate filing offices. On or prior to 45 days from receipt of written request from Lender, Borrower shall deliver to Lender such UCC terminations, releases, amendments or certificates as Lender deems necessary in its sole discretion as a result of such searches to show that: (i) no state or federal tax liens or judgment liens have been filed and remain in effect against Borrower, (ii) no UCC financing statements have been filed and remain in effect against Borrower relating to the Collateral except those financing statements filed by Lender, and (iii) Lender has duly filed all UCC financing statements necessary to perfect the security interest in the Collateral created pursuant to the Loan Documents.

**ARTICLE VI
NEGATIVE COVENANTS**

Until the Termination Date, Borrower shall not, directly or indirectly, and shall not permit any Loan Party, directly or indirectly, to:

6.01 **Indebtedness.** Create, incur, assume or suffer to exist any Indebtedness without the prior written approval of Lender, except:

- (a) Indebtedness under the Loan Documents;
- (b) the "**Existing Indebtedness**" outstanding on the date hereof and listed on Schedule 6.01(b), provided that payments on Subordinated Indebtedness shall be permitted only in accordance with the terms thereof approved by Lender and only if there is no Event of Default hereunder;
- (c) the past due taxes outstanding on the date hereof and listed on Schedule 4.11;
- (d) Guarantees of any Loan Party in respect of Indebtedness otherwise permitted hereunder of any other Loan Party;
- (e) obligations (contingent or otherwise) of the Loan Parties existing or arising under any swap contract entered into by such Person in the Ordinary Course of Business for hedging purposes and not for purposes of speculation or taking a "market view";
- (f) the indorsement of negotiable instruments for deposit or collection or similar transactions in the Ordinary Course of Business; and
- (g) surety, performance, appeal bonds or other similar obligations incurred in the Ordinary Course of Business and permitted under Section 6.02.

Notwithstanding the preceding, Indebtedness in an aggregate amount of less than \$150,000, exclusive of Indebtedness for new or replacement equipment used in the Loan Parties' business operations, is permitted in the Ordinary Course of Business.

6.02 **Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, securing any Indebtedness, other than the following ("**Permitted Liens**"):

- (a) Liens in favor of Lender pursuant to any Loan Document;
- (b) Liens existing on the date hereof and listed on Schedule 6.02(b);
- (c) Liens for taxes, assessments or other governmental charges, not yet due and payable, or which are being Properly Contested, or which are set forth on Schedule 4.11;
- (d) Liens of carriers, warehousemen, mechanics, materialmen, repairmen, landlords or other like Liens imposed by Law and arising in the Ordinary Course of Business which are not overdue for a period of more than 30 days or which are being Properly Contested;
- (e) Liens, pledges or deposits in the Ordinary Course of Business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;
- (f) Liens on deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety bonds (other than bonds related to judgments or litigation), performance bonds and other obligations of a like nature incurred in the Ordinary Course of Business;
- (g) Liens consisting of minor imperfections of title and easements, rights-of-way, covenants, consents, reservations, encroachments, variations and zoning and other similar restrictions, charges, encumbrances or title defects affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the use by the Loan Parties in the Ordinary Course of Business of the property subject to such encumbrance;

- (h) Liens in favor of collecting banks arising under Section 4-210 of the UCC;
- (i) Liens (including the right of setoff) in favor of a bank or other depository institution arising as a matter of law encumbering deposits; and
- (j) Non-exclusive licenses of intellectual property granted to third parties in the Ordinary Course of Business.

6.03 **Investments.** Make any Investments, except: (a) Investments held by the Borrower in the form of bank deposits and other cash equivalents; (b) Investments existing as of the date hereof as set forth in Schedule 6.03 and extensions or renewals thereof, provided that no such extension or renewal shall be permitted if it would (i) increase the amount of such Investment at the time of such extension or renewal or (ii) result in a Default hereunder; (c) direct obligations of the United States that have a maturity of one year or less; (d) money market funds that invest in direct obligations of the United States; and (e) commercial paper issued by United States corporations rated "A-1" or "A-2" by Standard & Poor's Rating Service or "P 1" or "P 2" by Moody's Investors Services.

6.04 **Mergers, Dissolutions, Etc.** Merge, dissolve, liquidate, or consolidate with or into another Person.

6.05 **Dispositions; Location of Collateral.** Make any Disposition, or enter into any agreement to make any Disposition, of Collateral except (a) Dispositions of cash equivalents and Inventory in the Ordinary Course of Business, (b) Dispositions in the Ordinary Course of Business of equipment or fixed assets that are obsolete, worn out or no longer useful in the Ordinary Course of Business, and (c) such Disposition that results from an Event of Loss and is not otherwise an Event of Default so long as all proceeds are remitted to Lender for application to the Obligations or otherwise applied as approved by Lender in its sole discretion. Borrower shall not permit any Collateral or any records pertaining to the Collateral to be located in any state, jurisdiction or area in which, in the event of such location, a financing statement covering such Collateral would be required to be, but has not in fact been, filed in order to perfect the Security Interests.

6.06 **Restricted Payments.** Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except (a) Tax Distributions to allow Borrower's equity holders to meet their tax obligations on such income in a timely manner and (b) amounts paid by one or more of the Loan Parties in the Ordinary Course of Business to fund start-up costs and working capital associated with new Affiliates in which a Loan Party holds an Equity Interest which amounts shall not exceed at any time, in the aggregate, the sum of \$300,000.

6.07 **Change in Nature of Business; ERISA.** Materially change Borrower's line of business from that in which it is currently engaged, or create, establish or become liable under any Pension Plan or other Plan.

6.08 **Transactions with Affiliates.** Enter into, or suffer to exist, any transaction, arrangement or agreement of any kind with any Affiliate of any Loan Party, other than (a) those described on Schedule 6.08, as in existence on the date hereof, (b) those expressly permitted by this Agreement, and (c) others on fair and reasonable terms substantially as favorable to such Loan Party as would be obtainable by such Loan Party at the time in a comparable arm's length transaction with a Person other than an Affiliate.

6.09 **Use of Proceeds.** Use the proceeds of the Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to acquire, or refinance the acquisition of margin stock, (b) in any manner that might cause the application of such proceeds to violate Regulations T, U or X of the FRB, in each case as in effect on the date or dates of such the Loan or the use of proceeds or (c) for any purpose other than a Permitted Purpose.

6.10 **Amendments.** Without prior written notice to Lender, Borrower shall not (a) transfer its chief executive office or principal place of business or change its jurisdiction of incorporation (and shall not permit, to the extent it is legally able to do so, any Subsidiary of Borrower that is a grantor of a security interest in Collateral to do any of the foregoing), or (b) change its name or, to the extent it is legally able to do so, permit any Loan Party that is a grantor of a security interest in Collateral to change its name, or (c) amend or otherwise modify any Organization Documents of such Person, except for such amendments or other modifications required by Law or which are not adverse to the interests of Lender and which, in each instance, are fully and promptly disclosed to Lender (including copies thereof).

6.11 **Financial Covenants.**

(a) Debt Service Coverage Ratio. Permit the Debt Service Coverage Ratio as of the end of any Fiscal Quarter on a cumulative Fiscal Year to date basis to be less than the ratio set forth below:

MEASUREMENT PERIOD	RATIO
First Fiscal Quarter of 2021 and thereafter	1.50:1

(b) Minimum Operating Cash Flow. Permit the Minimum Operating Cash Flow to be less than \$1,500,000 as of the end of the Fourth Fiscal Quarter of 2020, and to be less than \$1,875,000 as of the end of the First Fiscal Quarter of 2021 and thereafter.

6.12 **Creation of New Subsidiaries.** Create or acquire any new Subsidiary after the Closing Date, unless such domestic Subsidiary is made a Guarantor with respect to the Obligations and grants Lender a first priority security interest in all of such Subsidiary's property to secure the Obligations.

6.13 **Fiscal Year.** Change its Fiscal Year end without the prior written consent of the Lender, which shall not be unreasonably withheld, conditioned or delayed.

6.14 **Controlled Substances Laws.**

(a) Enter into or, consent to any agreement that in any manner violates or could violate any Controlled Substances Laws, including, without limitation, any business, communications, financial transactions or other activities related to Controlled Substances or a Controlled Substance Use that violate or could violate any Controlled Substances Laws (collectively, "**Drug Related Activities.**")

(b) Engage in any Drug Related Activities.

(c) Make any payments to Lender from funds derived from Drug Related Activities.

For purposes of this Section, (i) "**Controlled Substances Laws**" means the Federal Controlled Substances Act (21 U.S.C. § 1801 et seq.) or other similar or related federal, state or local law, ordinance, rule, code, regulation or order; (ii) "**Controlled Substances**" means marijuana, cannabis or other controlled substances as defined in the Federal Controlled Substances Act or that otherwise are illegal or regulated under any Controlled Substances Laws; and (iii) "**Controlled Substances Use**" means any cultivation, growth, creation, production, manufacture, sale, distribution, storage, handling, possession or other use of a Controlled Substance. The provisions of this subsection shall apply notwithstanding any state or local law permitting the Controlled Substances Use or Drug Related Activities.

Borrower shall provide to Lender, from time to time, within five (5) days after Lender's request therefor, any information that Lender reasonably requests, relating to compliance with this subsection.

Notwithstanding any provision in any Loan Document to the contrary, no direct or indirect disclosure by any Loan Party to Lender or any person affiliated with Lender, and no knowledge of Lender or any person affiliated with Lender, of the existence of any Drug Related Activities or Controlled Substances Use by any Loan Party or in connection with the business activities of Borrower shall estop Lender or waive any right of Lender to invoke any remedy under the Loan Documents for violation of any provision hereof related to the prohibition of any Drug Related Activities or Controlled Substance Use.

**ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES**

7.01 Events of Default. Any of the following shall constitute an Event of Default:

- (a) Non-Payment. Any Loan Party fails to pay within three (3) days after the same becomes due, any principal or interest on the Loan, or any fee or other amount payable hereunder, under any other Loan Document; or
- (b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained (i) in any of Sections 5.03, 5.05, 5.11, 5.16 or ARTICLE VI, or (ii) in any of Sections 5.01, 5.02(a) or 5.08 and such failure continues for five (5) or more Business Days; or

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- (c) Other Defaults. Any Loan Party fails to perform or observe any other term, covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after the earlier of (i) receipt of notice of such failure by a Responsible Officer of Borrower from Lender, or (ii) any Responsible Officer of any Loan Party becomes aware, or should have become aware exercising reasonable diligence, of such failure; provided, however, if any such failure cannot reasonably be cured within the foregoing 30 day period, the Loan Party's failure to cure the same prior to expiration of such period shall not constitute an Event of Default, so long as such Loan Party has commenced and is diligently pursuing the cure thereof prior to the expiration of such period, but in no event shall such failure continue for a period of more than 60 days; or
- (d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading when made or deemed made in any respect (or in any material respect if such representation, warranty, certification or statement is not by its terms already qualified as to materiality); or
- (e) Cross-Default. Borrower or any Loan Party (i) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, and after passage of any grace period) in respect of any Indebtedness or Guarantee (other than the Obligations or the Indebtedness described in Section 7.01(f)) having an aggregate principal amount of more than \$100,000 or any Subordinated Indebtedness or (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or any other event occurs, and such event continues for more than the grace period, if any, therein specified, the effect of which is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or
- (f) Cross-Acceleration. Borrower or any Loan Party shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than the Obligations) owing to Lender or any commonly controlled Affiliate of Lender, in each case beyond the applicable grace period with respect thereto, if any; or (ii) the Borrower or any Loan Party shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which failure to make a payment, default or other event described in cause (i) or (ii) is to cause such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that clause (ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such Indebtedness.

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- (g) Insolvency Proceedings, Etc. Any Loan Party institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or any Loan Party becomes unable or admits in writing its inability or fails generally to pay its debts as they become due; or
- (h) Judgments. There is entered against any Loan Party (i) one or more final judgments or orders for the payment of money (except to the extent covered by insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments, in each case that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, such judgments or orders remain unvacated and unpaid and either (A) enforcement proceedings are commenced by any creditor upon any such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of any such judgment or order, by reason of a pending appeal or otherwise, is not in effect; or
- (i) Invalidity of Loan Documents. Any Loan Document, or any Lien granted thereunder, for any reason, other than, as expressly permitted thereunder or upon Termination Date, ceases to be in full force and effect; or any Loan Party or Affiliate thereof repudiates, challenges or contests in any manner the validity or enforceability of any Loan Document, Obligation or any Lien granted to Lender pursuant to the Security Instruments (including the perfection or priority thereof); or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or
- (j) Cessation of Business. Borrower or any Loan Party shall be prohibited or otherwise materially restrained from conducting the business theretofore conducted by it by virtue of any casualty not covered by insurance or any labor unrest for any period of 30 consecutive days and the same could reasonably be expected to have a Material Adverse Effect; or
- (k) Change of Control. There occurs any Change of Control; or
- (l) Leases. Any default or event of default under any Lease remains uncured following any applicable cure period provided for therein unless being Properly Contested by the applicable Loan Party; or, for any reason, any Lease or the right of any Loan Party to possession of the Premises subject thereto is terminated to the extent such termination has or would reasonably be expected to result in a Material Adverse Effect; or

7.02 **Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, Lender may take any or all of the following actions: (a) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower; and (b) exercise all rights and remedies available to it under the Loan Documents or applicable Law; provided, however, that upon the occurrence of Event of Default under clause (f) above, the unpaid principal amount of all outstanding Loan and all interest and other amounts as aforesaid shall automatically become due and payable without further act of Lender.

7.03 **Application of Funds.**

(a) After the exercise of any remedy provided for in Section 7.02, any amounts received on account of the Obligations shall be applied by Lender in the following order:

First, to all fees, indemnities, expenses and other amounts (including reasonable fees, charges and disbursements of counsel to Lender and amounts payable under Section 2.11) due to Lender, until paid in full;

Second, to that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest, fees and other Obligations expressly described in clauses Third through Fifth below) payable to Lender until paid in full;

Third, to that portion of the Obligations constituting accrued and unpaid interest on the Loan and other Obligations, until paid in full;

Fourth, to that portion of the Obligations constituting unpaid principal of the Loan until paid in full;

Fifth, to all other Obligations of Borrower owing under or in respect of the Loan Document that are due and payable to Lender on such date, until paid in full; and

Last, the balance, if any, after the Termination Date, to Borrower or as otherwise required by Law.

(b) For purposes of Section 7.03(a), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any proceeding under Debtor Relief Laws.

**ARTICLE VIII
MISCELLANEOUS**

8.01 **Amendments, Etc.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Borrower, or any other Loan Party therefrom, shall be effective unless in writing signed by Lender and Borrower, or the applicable Loan Party, as the case may be, and acknowledged by Lender, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

8.02 **Notices; Effectiveness; Electronic Communication.**

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone or in the case of notices otherwise expressly provided herein (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, or mailed by certified or registered mail or sent by email (including as a .pdf file) as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows, as changed pursuant to subsection (d) below:

If to Lender: Central Bank & Trust
4582 S. Ulster Street, Suite 150
Denver, CO 80237
Attention: Mary Holm, Senior Vice President
Telephone: (720) 647-5183
Email: mary.holm@centralbancorp.com

With a copy to: Shapiro Biegling Barber Otteson LLP
7979 E. Tufts Avenue, Suite 1600
Denver, CO 80237
Attention: Lisa K. Shimel, Esq.
Telephone: 720-488-5424
Email: lshimel@sbbolaw.com

If to a Loan Party: Assure Holdings Corp.
4600 S. Ulster Street, Suite 1225
Denver, CO 80237
Attention: John Farlinger, Chief Executive Officer
Telephone: (720) 287-3093
Email: john.farlinger@assureiom.com

With a copy to: Assure Holdings Corp.
4600 S. Ulster Street, Suite 1225
Denver, CO 80237
Attention: Trent Carman, Chief Financial Officer
Telephone: (720) 287-3093
Email: trent.carman@assureiom.com

Notices sent by hand or overnight courier service or by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

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(b) Electronic Communications. Notices and other communications to Lender hereunder may be delivered or furnished by electronic communication (including e mail and Internet or intranet websites) pursuant to procedures approved by Lender, provided that the foregoing shall not apply to notices to Lender pursuant to ARTICLE II if Lender has notified Borrower that it is incapable of receiving notices under such Article by electronic communication. Lender or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless Lender otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed to have been given when sent; provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed given to the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Each of Borrower and Lender may change its address, electronic mail address or telephone number for notices and other communications hereunder by notice to the other parties hereto.

(d) Reliance by Lender. Lender shall be entitled to rely and act upon any notices (including telephonic) purportedly given by or on behalf of Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Borrower shall indemnify Lender, and the Related Parties from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Borrower. All telephonic notices to and other telephonic communications with Lender may be recorded by Lender, and each of the parties hereto and any other Loan Party hereby consents to such recording.

8.03 No Waiver; Cumulative Remedies. No failure by Lender to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

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8.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. Borrower shall pay all reasonable out-of-pocket expenses (including any Extraordinary Expenses and the reasonable fees, charges and disbursements of (w) counsel for Lender, (x) outside consultants for Lender, (y) appraisers, and (z) environmental site assessments) incurred by Lender and their respective Related Persons, (i) in connection with any Loan Document, (ii) in connection with (A) the administration of the Loan, (B) the preparation, negotiation, administration, management, execution and delivery of the Loan Documents or any amendments thereof or waivers or consents thereunder (whether or not consummated), (C) the enforcement or protection of Lender's rights in connection with the Loan Documents or (D) Lender's efforts to preserve, protect, collect, or enforce the Collateral. In addition, Borrower shall pay all reasonable out-of-pocket expenses incurred by Lender, after the occurrence and during the continuance of an Event of Default.

(b) Indemnification by Loan Parties. Each Loan Party shall indemnify Lender (and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold harmless each Indemnitee from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Loan Party arising out of or relating to (i) the execution or delivery of any Loan Document, the performance by Lender of its obligations thereunder, the consummation of the transactions contemplated thereby or, the administration and enforcement of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party, or any Environmental Liability related in any way to any Loan Party, (iv) any claims of, or amounts paid by Lender to, any Person which has entered into a deposit account control agreement with Lender hereunder or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on any theory, whether brought by a third party or any Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

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(c) Hazardous Materials. Borrower shall indemnify each Indemnitee against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any outside counsel for any Indemnitee and the reasonable fees, time charges and disbursements for attorneys who are employees of any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by Borrower or any other Loan Party arising out of, in connection with: (i) any actual or alleged presence on or under any property of any Loan Party of any Hazardous Materials, or any actual or alleged releases or discharges of any Hazardous Materials onto, on, under or from the property of any Loan Party; (ii) any activity carried on or undertaken on or off the property of any Loan Party, whether prior to or during the term of the Loan Documents, and whether by any Loan Party, or any predecessor in title or any employees, agents, contractors or subcontractors of any Loan Party or any predecessor in title, or any third Persons at any time occupying or present on the property of any Loan Party, in connection with the use, handling,

treatment, processing, generation, removal, storage, decontamination, clean up, transport or disposal of any Hazardous Materials at any time located or present on or under any property of any Loan Party; or (iii) any Environmental Liability related in any way to any Loan Party. The foregoing indemnity shall further apply to any residual contamination on or under the property of any Loan Party, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. Borrower's obligations under this indemnity shall arise upon the discovery presence, use, storage, disposal, processing, generation, transportation, treatment, discharge or release of any Hazardous Materials in, on, from or with respect to the property of any Loan Party, whether or not a governmental agency has taken or threatened any action in connection therewith. Upon request of any Indemnitee, Borrower shall be bound to, defend any and all actions or proceedings that may be brought against any Indemnitee in connection with or arising out of the matters covered by this Section 8.04(c). In the event that Borrower is defending an Indemnitee, Borrower may settle a claim against the Indemnitee only with the Indemnitee's prior written consent, which consent may be withheld in the Indemnitee's sole and absolute discretion. In the event that an Indemnitee has required Borrower to defend it, such defense shall be conducted by reputable attorneys retained by Borrower, reasonably satisfactory to the Indemnitee, at Borrower's sole cost and expense. In addition, the Indemnitee shall have the right to participate in such proceedings and to be represented by attorneys of its own choosing. In such case, the Indemnitee shall be responsible for the cost of such participation unless the Indemnitee shall have reasonably concluded that the interests of the Indemnitee and of the Loan Parties in the action conflict in such a manner and to such an extent as to require, consistent with applicable standards of professional responsibility, the retention of separate counsel for Indemnitee, in which event Borrower shall pay for one separate counsel for all such Indemnitees chosen by the Indemnitees. The indemnity provided pursuant to this Section 8.04(c) shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses as result solely from the gross negligence or willful misconduct of such Indemnitee.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnitee for any special, indirect, consequential or punitive damages arising out of or relating to any Loan Document, the transactions contemplated thereby, any Loan or the use of the proceeds thereof.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

8.05 Marshalling; Payments Set Aside. Lender shall be under no obligation to marshal any assets in favor of any Loan Party or against any Obligations. To the extent that any payment by or on behalf of any Loan Party is made to Lender, or exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

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8.06 Successors and Assigns. The provisions of the Loan Documents shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations under any Loan Document without the prior written consent of Lender. Lender may participate, assign or otherwise transfer any of its rights or obligations thereunder. Nothing in any Loan Document, expressed or implied, shall be construed to confer upon any Person (other than the parties thereto, their respective successors and assigns permitted hereby, and the Related Parties of each of the Secured Parties) any legal or equitable right, remedy or claim thereunder.

8.07 Publicity. Each of the Loan Parties hereby authorize Lender to publish the name and logo of any Loan Party and the amount of the Loan provided hereunder in any "tombstone" or comparable advertisement which Lender elects to publish.

8.08 Right of Setoff. If an Event of Default shall have occurred Lender and each of its respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by Lender or any such Affiliate to or for the credit or the account of any Loan Party against any and all of the obligations of Borrower now or hereafter existing under this Agreement or any other Loan Document irrespective of whether or not Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of Borrower may be contingent or unmatured or are owed to a branch or office of Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of Lender and its respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that Lender or its respective Affiliates may have. Lender agrees to notify Borrower promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

8.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "**Maximum Rate**"). If Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loan or, if it exceeds such unpaid principal, refunded to Borrower. In determining whether the interest contracted for, charged, or received by Lender or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

8.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement and each other Loan Document by telecopy or other electronic means shall not be effective as delivery of a manually executed counterpart thereto.

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8.11 Survival; Release of Security Following Termination. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by Lender, regardless of any investigation made by Lender or on its behalf and notwithstanding that Lender may have had notice or knowledge of any Default, and shall continue in full force and effect as long as the Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

In connection with the termination of this Agreement and the release and termination of the security interests in the Collateral, Lender may require such indemnities and collateral security as it shall reasonably deem necessary or appropriate to protect Lender against loss on account of credits previously applied to the Obligations that may subsequently be reversed or revoked.

8.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and

enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.13 **Time is of the Essence.** Time is of the essence with respect to the payment and performance of Borrower's indebtedness, liabilities and obligations under this Agreement.

8.14 **Attorneys' Fees and Expenses.** Borrower shall pay Lender its reasonable attorneys' fees and other costs and expenses incurred before trial, at trial and on appeal in the collection or enforcement of this Agreement or the other Loan Documents or in any litigation pertaining to the negotiation, execution or delivery of this Agreement or the other Loan Documents, the payment and performance of any indebtedness, liability or obligation or the enforcement of any right or remedy described herein or therein, or any claim, defense, setoff or counterclaim arising or asserted in connection herewith or therewith.

8.15 **Entire Agreement.** This Agreement and the other Loan Documents represent the complete and integrated understanding between the parties pertaining to the subject matter thereof. All other prior and contemporaneous discussions, negotiations and agreements, written or oral, express or implied, are of no further force and effect to the extent inconsistent therewith.

8.16 **Drafting.** Each party acknowledges that such party and its counsel, after negotiation and consultation, have reviewed and revised this Agreement. As such, the terms of this Agreement will be fairly construed and the usual rule of construction, to the effect that any ambiguities herein should be resolved against the drafting party, will not be employed in the interpretation of this Agreement or any amendments, modifications or exhibits hereto or thereto.

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8.17 **No Third Party Benefit.** This Agreement, and the agreements, representations, warranties, and indemnifications contained herein are for the sole benefit of the parties hereto and their permitted successors, assigns and participants, if any, and shall not be construed for the benefit of any other party.

8.18 **Governing Law; Jurisdiction; Etc.**

(a) **Governing law.** This agreement shall be governed by, and construed in accordance with, the law of the State of Colorado without regard to conflicts of law principles.

(b) **Submission to Jurisdiction.** Each Loan Party irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of Colorado sitting in the City and County of Denver and of the United States District Court of the District of Colorado, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this agreement or any other loan document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such state court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Borrower or its properties in the courts of any jurisdiction.

(c) **Waiver of Venue.** Each Loan Party irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) **Service of Process.** Each party hereto irrevocably consents to service of process by hand, overnight courier service or by mail in the manner provided for notices in Section 8.02. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

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8.19 **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

8.20 **PATRIOT Act Notice.** Lender is subject to the PATRIOT Act and hereby notifies Borrower that pursuant to the requirements of the PATRIOT Act it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the PATRIOT Act.

8.21 **No Advisory or Fiduciary Responsibility.** Each Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between each Loan Party, on the one hand, and the Lender, on the other hand; (ii) each Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate and is not receiving any such advice from Lender; (iii) each Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated by the other Loan Documents; (iv) Lender is and has been acting solely as a principal and not as an advisor, agent or fiduciary for any Loan Party or any of its Affiliates or any other Person, and (v) Lender has no obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents. To the fullest extent permitted by law, each Loan Party hereby waives and releases any claims that it may have against Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

8.22 **Attachments.** Any exhibits, schedules and annexes attached hereto are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein; except, that, in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

[Remainder of page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

ASSURE HOLDINGS CORP., a Nevada corporation

By: /s/ Trent Carman

Name: Trent Carman

Title: Chief Financial Officer

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing was subscribed and sworn to before me this 12 day of August, 2020, by Trent Carman as Chief Financial Officer of ASSURE HOLDINGS CORP., a Nevada corporation.

Witness my hand and official seal

My commission expires: 12.17.22

[SEAL]

/s/ Trisha Combs

Notary Public

TRISHA COMBS
NOTARY PUBUC - STATE OF COLORADO
NOTARY ID 20064037838
MY COMMISSION EXPIRES DEC 17, 2022

Signature Page to Loan Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LENDER:

CENTRAL BANK & TRUST, part of Farmers & Stockmens Bank

By: /s/ Mary Holm

Mary Holm, Senior Vice President

Signature Page to Loan Agreement

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "**Guaranty**") is made as of the 12th day of August, 2020, by those certain undersigned parties, along with each party from time to time made a party hereto (collectively, "**Guarantors**") and CENTRAL BANK & TRUST, part of Farmers & Stockmens Bank ("**Lender**").

1. The Loan Agreement and Note. This Guaranty is executed in connection with a Loan Agreement dated August 12, 2020, as the same is amended, restated or supplemented from time to time (the "**Loan Agreement**") between Lender and ASSURE HOLDINGS CORP., a Nevada corporation ("**Borrower**"), pursuant to which Lender is making a Loan as set forth in the Loan Agreement (the "**Loan**") to Borrower evidenced by Borrower's promissory note of even date herewith in the stated principal amount of \$6,500,000 (the "**Note**"). Unless otherwise defined herein, any capitalized terms used herein shall have the meanings assigned to such terms in the Loan Agreement. The Loan Agreement, the Note, the Security Agreement and all other documents executed in connection with, or as security for, the Loan are hereinafter referred to as the "**Loan Documents**."

2. Purpose and Consideration. The execution and delivery of this Guaranty by Guarantors is a condition to the making of the Loan to Borrower, is made in order to induce Lender to make the Loan, and is made in recognition that Lender will be relying upon this Guaranty in making the Loan and performing any other obligations it may have under the Loan Agreement. Additional parties may join into this Guaranty by executing and delivering to Lender a certain Joinder to Guaranty Agreement in substantially the form attached as Exhibit A ("**Joinder**"), and such Joinder will be incorporated herein by reference as if such party originally executed this Guaranty.

3. Joint and Several. The representations, warranties, covenants and agreements of Guarantors herein are made jointly and severally.

4. Guaranty. Guarantors hereby guarantee absolutely, primarily, unconditionally and irrevocably the full and timely payment of all indebtedness evidenced by or arising under the Note, as and when the same becomes due, whether at maturity, by acceleration, or otherwise, all fees payable by Borrower in connection with the Loan, and any advances made by Lender under the authority of any of the Loan Documents, including any sums expended by Lender for the benefit of Borrower or for the benefit of any security provided under any of the Loan Documents, including, without limitation, taxes, assessments, insurance premiums, and costs of maintenance, repair or restoration. Borrower's obligations to make payments under the Note and all of Borrower's other obligations under the Loan Documents are sometimes collectively referred to herein as the "**Obligations**." Guarantors agree that the guarantee set forth in the first sentence above is a guarantee of payment and not of collection, and that there is no limitation on the amount of Guarantors' liability under this Guaranty.

5. Guaranty Is Independent and Absolute. The obligations of Guarantors hereunder are independent of the obligations of Borrower and any other Guarantors or other person who may become liable with respect to the Obligations. Guarantors are jointly and severally liable with Borrower for the full and timely payment of all of the Obligations. Guarantors expressly agree that a separate action or actions may be brought and prosecuted against Guarantors, whether or not any action is brought against Borrower, or any other person for any Obligations guaranteed hereby and whether or not Borrower, or any other person is joined in any action against any Guarantors. Guarantors further agree that Lender shall have no obligation to proceed against any security for the Obligations prior to enforcing this Guaranty against any or all guarantors, and that Lender may pursue or omit to pursue any and all rights and remedies Lender has against any person or with respect to any security in any order or simultaneously or in any other manner. All rights of Lender and all obligations of Guarantors hereunder shall be absolute and unconditional irrespective of: (a) any lack of validity or enforceability of the Note and the Loan Agreement, or any other Loan Document, and (b) any other circumstances which might otherwise constitute a defense available to, or a discharge of, Borrower in respect of the Obligations.

6. Authorizations to Lender. Guarantors authorize Lender, without notice or demand and without affecting Guarantors' liability hereunder, from time to time, to: (a) renew, extend, accelerate or otherwise change the time for payment of, change, amend, alter, cancel, compromise or otherwise modify the terms of the Note, including any increase in the rate or rates of interest thereunder agreed to by Borrower, and to grant any indulgences, forbearances, or extensions of time; (b) renew, extend, change, amend, alter, cancel, compromise or otherwise modify any of the terms, covenants, conditions or provisions of any of the Loan Documents or any of the Obligations; (c) apply any security and direct the order or manner of sale thereof as Lender, in Lender's discretion, may determine; (d) proceed against Borrower or Guarantors with respect to any or all of the Obligations without first foreclosing against any security therefor; (e) exchange, release, surrender, impair or otherwise deal in any manner with, or waive, release or subordinate any security interest in, any security for the Obligations; (f) release or substitute Borrower or any one or more of any other guarantor, any indorser, or any other party who may be or become liable with respect to the Obligations, without any release or reduction in liability being deemed made of any guarantor or any other such person; and (g) accept a conveyance or transfer to Lender of all or any part of any security in partial satisfaction of the Obligations, or any of them, without releasing Borrower, any guarantor, or any indorser or other party who may be or become liable with respect to the Obligations, from any liability for the balance of the Obligations.

7. Application of Payments Received by Lender. Any sums of money Lender receives from or for the account of Borrower (other than regular installment payments under the Note when Borrower is not in default under any of the Loan Documents) shall be applied by Lender in accordance with the Loan Agreement.

8. Waivers by Guarantors. In addition to all waivers expressed in any of the Loan Documents, all of which are incorporated herein by Guarantors, Guarantors hereby waive: (a) presentment, demand, protest and notice of protest, notice of dishonor and of non-payment, notice of acceptance of this Guaranty, and diligence in collection; (b) notice of the existence, creation, or incurring of any new or additional Obligations under or pursuant to any of the Loan Documents; (c) any right to require Lender to proceed against, give notice to, or make demand upon Borrower or any other guarantor; (d) any right to require Lender to proceed against or exhaust any security or to proceed against or exhaust any security in any particular order; (e) any right to require Lender to pursue any remedy of Lender; (f) any right to direct the application of any security held by Lender; (g) any right of subrogation and any right to enforce any remedy which Lender may have against Borrower, any right to participate in any security now or hereafter held by Lender, and any right to reimbursement from Borrower for amounts paid to Lender by any guarantor; (h) benefits, if any, of Guarantors under any anti-deficiency statutes or single-action legislation; (i) any defense arising out of any disability or other defense of Borrower, including bankruptcy, dissolution, liquidation, cessation, impairment, modification, or limitation, from any cause, of any liability of Borrower, or of any remedy for the enforcement of such liability; (j) any statute of limitations affecting the liability of Guarantors hereunder; (k) any right to plead or assert any election of remedies by Lender; and (l) any other defenses available to a surety under applicable law.

9. Subordination by Guarantors. Guarantors hereby agree that any indebtedness of Borrower to Guarantors, whether now existing or hereafter created, shall be and is hereby subordinated to the indebtedness of Borrower to Lender under the Loan Documents. Guarantors shall not accept or seek to receive any amounts from Borrower on account of any indebtedness of Borrower to Guarantors until such time as the Obligations have been paid and satisfied in full.

10. Bankruptcy Reimbursements. Guarantors agree that if any amounts paid to Lender by Borrower or any other party liable for payment and satisfaction of the Obligations are recovered from Lender in any bankruptcy proceeding, Guarantors shall reimburse Lender immediately on demand for all amounts so recovered from Lender, together with interest thereon at the Default Rate from the date such amounts are so recovered until repaid in full to Lender, and for this purpose this Guaranty shall survive

repayment of the Loan. Without limiting the foregoing, Guarantors shall pay all costs and expenses incurred by Lender in connection with any bankruptcy proceeding of Borrower or any other party liable for payment and satisfaction of the Obligations, including attorneys' fees and expenses.

11. Service of Process on Guarantors. Guarantors covenant that, for so long as this Guaranty remains in effect, Guarantors will be subject to service of process for the purposes of any suit, action, or proceeding brought in the State of Colorado to enforce Guarantors' obligations under this Guaranty.

12. Financial Statements. Guarantors will, for so long as any of the Obligations remain unsatisfied, furnish to Lender, at the times when Borrower is required to cause Guarantors to provide financial statements, state and federal income tax returns, and such other financial statements of Guarantors as are required under the Loan Agreement, certified by Guarantors as being true and correct in all respects. All contingent obligations of Guarantors shall be disclosed in such financial statements, and all such financial statements shall be prepared in accordance with generally accepted accounting principles, applied on a consistent basis, or on another basis satisfactory to Lender in its reasonable discretion. Guarantors represent and warrant that: (a) each financial statement that has been supplied to Lender truly and completely discloses Guarantors' financial condition as of the date of the statement, (b) there has been no material adverse change in Guarantors' financial condition subsequent to the date of the most recent financial statements supplied to Lender, (c) Guarantors have no contingent obligations except as disclosed in such financial statements, and (d) all such financial statements have been prepared in accordance with generally accepted accounting principles, applied on a consistent basis, or on another basis satisfactory to Lender in its reasonable discretion.

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13. Additional Representations and Warranties. Guarantors represent and warrant to Lender that (a) no Guarantor is in default under any mortgage, deed of trust, security agreement, loan or credit agreement, or guarantee by which such Guarantor is or shall become bound; (b) there are no actions, suits or proceedings, pending or, to the best of any Guarantor's knowledge threatened, against or affecting Guarantors, or affecting the validity or enforceability of any of the Loan Documents to which Guarantors are a party, at law or in equity, or before or by any governmental authority; and (c) none of Guarantors is in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority. Guarantors further represent, warrant, covenant and agree to and with Lender that each Guarantor is a Loan Party and each Guarantor undertakes, agrees to and is bound by all agreements, covenants, representations, warranties, terms, conditions and provisions of the Loan Agreement which apply to a Loan Party.

14. Assignability. This Guaranty shall be binding upon Guarantors and each of Guarantors' heirs, representatives, successors, and assigns and shall inure to the benefit of Lender and Lender's successors and assigns. This Guaranty shall follow the Note and other Loan Documents which are for the benefit of Lender; and, in the event the Note and other such Loan Documents, or any of them, are negotiated, sold, transferred, assigned, or conveyed by Lender in whole or in part, this Guaranty shall be deemed to have been sold, transferred, assigned, or conveyed by Lender to the holder or holders of the Note and other such Loan Documents, with respect to the Obligations contained therein, and such holder or holders may enforce this Guaranty as if such holder or holders had been originally named as Lender hereunder.

15. Payment of Costs of Enforcement. In the event any action or proceeding is brought to enforce this Guaranty, Guarantors agree to pay all costs and expenses of Lender in connection with such action or proceeding, including, without limitation, all reasonable attorneys' fees incurred by Lender.

16. Notices. Any notice required or permitted to be given by Guarantors or Lender under this Agreement shall be in writing and shall be given in accordance with the provisions of Section 8.02 of the Loan Agreement to the appropriate party at its address set forth below:

If to Lender:	Central Bank & Trust 4582 S. Ulster Street, Suite 150 Denver, CO 80237 Attention: Mary Holm, Senior Vice President Telephone: (720) 647-5183 Email: mary.holm@centralbankcorp.com
With a copy to:	Shapiro Biegging Barber Otteson LLP 7979 E. Tufts Avenue, Suite 1600 Denver, CO 80237 Attention: Lisa K. Shimel, Esq. Telephone: 720-488-5424 Email: lshimel@sbbolaw.com

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If to Guarantors:	c/o Assure Holdings Corp. 4600 S. Ulster Street, Suite 1225 Denver, CO 80237 Attention: John Farlinger, Chief Executive Officer Telephone: (720) 287-3093 Email: john.farlinger@assureiom.com
With a copy to:	c/o Assure Holdings Corp. 4600 S. Ulster Street, Suite 1225 Denver, CO 80237 Attention: Trent Carman, Chief Financial Officer Telephone: (720) 287-3093 Email: trent.carman@assureiom.com

17. Severability of Provisions. If any provision hereof or of any other Loan Document shall, for any reason and to any extent, be invalid or unenforceable, then the remainder of the document in which such provision is contained, the application of the provision to other persons, entities or circumstances, and any other document referred to herein shall not be affected thereby but instead shall be enforceable to the maximum extent permitted by law.

18. Waiver. Neither the failure of Lender to exercise any right or power given hereunder or to insist upon strict compliance by Borrower, Guarantors, or any other person with any of its, his or her obligations set forth herein or in any of the Loan Documents nor any practice of Borrower or Guarantors at variance with the terms hereof or of any of the Loan Documents shall constitute a waiver of Lender's right to demand strict compliance with the terms and provisions of this Guaranty.

19. Term. This Guaranty shall survive repayment in full of the Loan and remain in effect until such time as all payments received by Lender are no longer subject

to recovery in any bankruptcy proceeding.

20. Applicable Law. This Guaranty and the rights and obligations of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Colorado.

21. Waiver of Jury Trial. EACH GUARANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH GUARANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, Guarantors have executed this Guaranty as of the day and year first above written.

ASSURE HOLDINGS, INC., a Colorado corporation

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS UTAH, LLC, a Utah limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

DNS PROFESSIONAL READING LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING ARIZONA, LLC, a Arizona limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

DNS LOUISIANA, LLC, a Louisiana limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING COLORADO, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

DNS UTAH, LLC, a Utah limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Guaranty Agreement

IN WITNESS WHEREOF, Guarantors have executed this Guaranty as of the day and year first above written.

ASSURE NEUROMONITORING LOUISIANA, LLC, a Louisiana limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE EQUIPMENT LEASING, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING MICHIGAN, LLC, a Michigan limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

VELOCITY REVENUE CYCLE, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Manager

ASSURE NEUROMONITORING PENNSYLVANIA, LLC, a Pennsylvania limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING GEORGIA, LLC, a Georgia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING SOUTH CAROLINA, LLC, a South Carolina limited liability company

By: /s/ Trent Carman

ASSURE NEUROMONITORING MINNESOTA LLC, a Minnesota limited liability company

By: /s/ Trent Carman

Name: Trent Carman
Title: Chief Financial Officer

Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Guaranty Agreement

IN WITNESS WHEREOF, Guarantors have executed this Guaranty as of the day and year first above written.

ASSURE NEUROMONITORING TEXAS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING NEVADA LLC, a Nevada limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING TEXAS HOLDINGS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING OKLAHOMA, LLC, a Oklahoma limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING UTAH, LLC, a Utah limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING TENNESSEE LLC, a Tennessee limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING VIRGINIA, LLC, a Virginia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Guaranty Agreement

IN WITNESS WHEREOF, Guarantors have executed this Guaranty as of the day and year first above written.

ASSURE NETWORKS ARIZONA, LLC, a Arizona limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS GEORGIA, LLC, a Georgia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS COLORADO, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS MINNESOTA LLC, a Minnesota limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

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By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS NEVADA LLC, a Nevada limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

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By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

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By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Guaranty Agreement

IN WITNESS WHEREOF, Guarantors have executed this Guaranty as of the day and year first above written.

ASSURE NETWORKS PENNSYLVANIA, LLC, a Pennsylvania limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS TENNESSEE LLC, a Tennessee limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS SOUTH CAROLINA, LLC, a South Carolina limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS VIRGINIA, LLC, a Virginia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS TEXAS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS TEXAS HOLDINGS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature page to Guaranty Agreement

Exhibit A to Guaranty Agreement

JOINDER TO GUARANTY AGREEMENT

The undersigned hereby agrees to become a party to and Guarantor under the Guaranty Agreement in favor of CENTRAL BANK & TRUST, part of Farmers & Stockmens Bank, and agrees to be subject to and comply with all terms and conditions therein, and such terms and conditions are incorporated by reference, effective as of the date set forth below.

GUARANTOR:

_____, a

By: _____
Name: _____
Title: _____
Dated: _____

Exhibit A to Guaranty Agreement

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "**Agreement**"), is entered into as of August 12, 2020, by ASSURE HOLDINGS CORP., a Nevada corporation ("**Borrower**") and those certain undersigned parties, along with each party from time to time made a party hereto (together with Borrower, "**Grantors**"), in favor of CENTRAL BANK & TRUST, part of Farmers & Stockmens Bank (together with its successors and assigns, if any, the "**Lender**").

PRELIMINARY STATEMENTS

A. Pursuant to the Loan Agreement, dated as of even date herewith, by and among Borrower and Lender (as modified, amended, restated or supplemented from time to time, the "**Loan Agreement**"), Lender has agreed to extend credit to and or for the account of Borrower (the "**Loan**"). Capitalized terms used in this Agreement and not otherwise defined in this Agreement shall have the meanings given to those terms in the Loan Agreement or in the UCC; provided that terms used herein which are defined in the UCC on the date hereof shall continue to have the same meaning notwithstanding any replacement or amendment of such statute except as Lender may otherwise determine

B. It is a condition precedent to Lender making the Loan to Borrower, pursuant to the Loan Agreement, that Grantors shall have executed and delivered to Lender this Agreement and granted to Lender a security interest in and Lien on (1) all personal property and fixtures of Grantors (subject to the limitations set forth herein) and (2) all Equity Interests held by each Grantor, together with all income from such Equity Interests (the "**Assigned Interests**").

C. Additional parties may join into this Agreement by executing and delivering to Lender a Joinder to Security Agreement in substantially the form attached as Exhibit A ("**Joinder**"), and such Joinder will be incorporated herein by reference as if such party originally executed this Agreement.

D. Each of Grantors other than Borrower are wholly owned Subsidiaries of Borrower and all of the Grantors are mutually dependent on each other in the conduct of their respective business as an integrated operation, with credit needed from time to time by each Grantor often being provided through financing obtained by the other Grantors and the ability to obtain such financing being dependent on the successful operations of all Grantors as a whole.

E. Each Grantor has determined that the execution, delivery and performance of this Agreement directly benefits, and is in the best interest of, such Grantor.

NOW, THEREFORE, in consideration of the premises and the agreements herein, the statements above, and in the other Loan Documents, Grantors hereby jointly and severally agree with Lender, as follows:

AGREEMENT

1. **Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below:

"**Assigned Interests**" shall have the meaning set forth in Preliminary Statement B, above.

"**Excluded Account**" means any Deposit Account which is used solely (i) to fund payroll, 401(k) and other employee benefit plans, (ii) as a withholding tax account or (iii) as a trust or fiduciary account.

"**Extraordinary Expenses**" means all costs, expenses, liabilities or advances that Lender may incur or make during a Default or Event of Default, or during the pendency of a proceeding of any Loan Party under any Debtor Relief Laws.

"**Intellectual Property**" means all past, present and future trade secrets, know-how and other proprietary information; trademarks, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including copyrights for computer programs) and copyright registrations or applications for registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights, unpatented inventions (whether or not patentable); patent applications and patents; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

"**Issuer**" means those such Issuers as identified on Exhibit B, as the same may be supplemented, amended, modified or restated from time to time.

"**Pledged Equity**" means the Equity Interests listed on Exhibit B, as the same may be supplemented, amended, modified or restated from time to time, together with any other Equity Interests, certificates, options or rights of any nature whatsoever in respect of the Equity Interests of any Person that may be issued or granted, or held by, any Grantor while this Agreement is in effect.

Reference is hereby made to Section 1.02 of the Loan Agreement, the terms of which are hereby incorporated by reference herein as if fully set forth herein.

2. **Grant of Security Interest.** As collateral security for the payment, performance

and observance of all of the Obligations, and including any extensions or renewals or changes in form of the Loan Agreement, and all costs and expenses of collection, including, without limitation, attorneys' fees and Extraordinary Expenses, Grantors hereby pledge, assign and grant to Lender a continuing security interest in all of the following property of Grantors, wherever located; and whether now or hereafter acquired (all being collectively referred to herein as the "**Collateral**"): (a) all Accounts; (b) all Inventory; (c) all Equipment; (d) all Goods; (e) all Chattel Paper (whether tangible or electronic); (f) all Deposit Accounts and all cash; (g) all Documents; (h) all General Intangibles (including, without limitation, all Payment Intangibles and Intellectual Property); (i) all Instruments; (j) all Investment Property; (k) all Letter-of-Credit Rights; (l) all titled vehicles; (m) all Supporting Obligations; (n) all Commercial Tort Claims; (o) all other tangible and intangible personal property of Grantors (whether or not subject to the UCC); (p) Pledged Equity; (q) all Proceeds including all Cash Proceeds and all noncash Proceeds, and all products of any and all of the foregoing Collateral; and (r) all collateral security and guaranties given by any Person with respect to any of the foregoing.

3. **Assignment of Right to Receive Distributions.** As collateral security for the payment, performance and observance of all of the Obligations, and including any extensions or renewals or changes in form of the Loan Agreement, and all costs and expenses of collection, including, without limitation, attorneys' fees and Extraordinary Expenses, subject to Section 7(c) each Grantor hereby grants, transfers, and assigns to Lender all of Grantor's right, title and interest now owned or later acquired in and to the right to withdraw or receive distributions or any other proceeds from the Pledged Equity, including from the Assigned Interests, pursuant to the Equity Interests, or applicable Laws, including, but not limited to, Proceeds from sale, transfer, refinancing, or other conveyances, and income, earnings, shares, profits, distributions, and other amounts earned by, accruing for the benefit of, or otherwise allocable to any Grantor's interest.

4. **Limitations.** The term "Collateral" shall not include, and no Grantor is pledging, nor granting a security interest hereunder in, any Excluded Accounts.

5. **Representations and Warranties.** Each Grantor jointly and severally represents and warrants as follows:

(a) **Legal Name and Formation.** As of the date of execution hereof and as of the date of any supplement, amendment, modification or restatement thereof, Schedule I hereto sets forth (i) the exact legal name of each Grantor, (ii) the state or jurisdiction of organization of each Grantor, and (iii) the type of organization of each Grantor.

(b) **Litigation.** As of the date of execution hereof, there is no pending or, to the knowledge of any Grantor, threatened action, suit, proceeding or claim before any court or other Governmental Authority or any arbitrator, or any order, judgment or award by any court or other Governmental Authority or any arbitrator, that could reasonably be expected to adversely affect the grant by any Grantor, or the perfection, of the security interest purported to be created hereby in any material portion of the Collateral, or the exercise by Lender of any of its rights or remedies hereunder.

(c) **Location of Inventory and Equipment.** Except for Inventory and Equipment sold or otherwise disposed of in accordance with the terms of the Loan Agreement, all Equipment and Inventory now existing are, and all Equipment and Inventory hereafter existing will be, located at the Premises.

(d) **Pledged Equity.** (i) That the Pledged Equity pledged hereunder constitutes all of the issued and outstanding Equity Interests of each Issuer (identified in Exhibit B) owned by each Grantor; (ii) that all of the Pledged Equity has been duly and validly issued; (iii) that none of the Pledged Equity is a security under the UCC; (iv) that none of the Pledged Equity is certificated except as noted on Exhibit B; (v) that each Grantor is the record and beneficial owner of, and has good and marketable title to, the Pledged Equity pledged hereunder, free of any and all liens or options in favor of, or claims of, any other Person; and (vi) that Grantor does not have any obligation to make further payments for its purchase of its Pledged Equity or contributions to the issuer thereof solely by reason of its ownership of any Pledged Equity or its status as a member of the issuer.

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(e) **Grantor Location.** Each Grantor's chief place of business and chief executive office and the place where such Grantor keeps its material Records concerning Accounts and all originals of all Chattel Paper and Instruments are located at the addresses specified therefor in Schedule I hereto (as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof).

(f) **Non-Contravention.** The exercise by Lender of any of its rights and remedies hereunder will not contravene any law or any contractual restriction binding on or otherwise affecting any Grantor or any of its properties and will not result in, or require the creation of, any Lien upon or with respect to any of its properties (other than as set forth in this Agreement).

(g) **No Further Action.** No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for (i) the grant by any Grantor of the security interest purported to be created hereby in the Collateral, (ii) the exercise by Lender of any of its rights and remedies hereunder or (iii) perfection of the security interest purported to be created hereby in the Collateral, except (A) for the filing under the Uniform Commercial Code as in effect in the applicable jurisdiction of the financing statements described in Schedule I hereto, (B) with respect to any action that may be necessary to obtain control of Collateral constituting Deposit Accounts, Electronic Chattel Paper, Investment Property or Letter-of-Credit Rights, the taking of such actions, and (C) Lender's having possession of all Documents, Chattel Paper, Instruments and cash constituting Collateral (subclauses (A), (B), and (C), each a "**Perfection Requirement**" and collectively, the "**Perfection Requirements**").

(h) **Valid Lien.** This Agreement creates a legal, valid and enforceable security interest in favor of Lender, for the benefit of Lender, in the Collateral, as security for the Obligations. Upon compliance with the Perfection Requirements, Lender's Lien on the Collateral will be a perfected, first priority security interest, subject in priority only to the Permitted Liens.

(i) **Commercial Tort Claims.** As of the date hereof, no Grantor holds any Commercial Tort Claims or is aware of any such pending claims.

(j) **Depository Accounts.** Each Grantor agrees to establish and maintain at all times so long as any Obligations remain outstanding, its primary depository and operating accounts, and associated treasury management services, with Lender.

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6. **Covenants as to the Collateral.** Prior to the Termination Date, unless Lender shall otherwise consent in writing:

(a) **Location of Equipment and Inventory.** Grantors shall give Lender not less than 30 days prior written notice of any change in any Grantor's chief executive office and principal place of business or of any new location of Collateral.

(b) **Provisions Concerning the Accounts.** Each Grantor will, except as otherwise provided in this subsection (b), continue to collect, at its own expense, all amounts due or to become due under the Accounts and all payment rights arising under Chattel Paper, Instruments and Payment Intangibles. Lender shall have the right at any time, upon the occurrence and during the continuance of an Event of Default, to notify the Account debtor or obligors under any Accounts of the assignment of such Accounts to Lender and to direct such Account debtor or obligors to make payment of all amounts due or to become due to Grantors thereunder directly to Lender or its designated agent and, upon such notification and at the expense of Grantors and to the extent permitted by law, to enforce collection of any such Accounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as Grantors might have done. While an Event of Default exists, all amounts and proceeds received by Grantors in respect of the Accounts shall be received in trust for the benefit of Lender hereunder and upon notice of Lender, shall be segregated from other funds of Grantors and shall be forthwith paid over to Lender or its designated Lender in the same form as so received (with any necessary indorsement) to be held as cash collateral.

(c) **Intellectual Property.**

(i) Grantors shall have the duty, with respect to Intellectual Property that is necessary in the conduct of Grantors' business, to protect and

diligently enforce and defend at Grantors' expense such Intellectual Property and register any such Intellectual Property with the applicable filing office to the extent such registration is necessary to preserve Grantors' interest therein. Grantor further agrees not to abandon any Intellectual Property that is necessary in the conduct of Grantors' business.

(ii) Grantors acknowledge and agree that the Lender shall have no duties with respect to any Intellectual Property of Grantors and no obligation to take any steps to preserve rights in the Collateral consisting of Intellectual Property against any other Person, but Lender may do so at its option from and after the occurrence and during the continuance of an Event of Default.

(iii) For the purpose of enabling Lender to exercise rights and remedies hereunder, at such time as, and to the extent that, Lender shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, Grantors hereby (A) grant to Lender an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to Grantors) to use, assign, license or sublicense any Intellectual Property now or hereafter owned by any Grantor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof; and (B) assign as collateral security to Lender, to the extent assignable, all of its rights to any Intellectual Property now or hereafter licensed or used by any Grantor.

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(d) Control. Grantors hereby agree to take any or all action that may be necessary or that Lender may reasonably request in order for Lender to perfect and protect its security interest in the Collateral in a first lien position (subject only to the Permitted Liens) for purposes of carrying out the intent of this Agreement.

(e) Pledged Equity. If any Grantor becomes entitled to receive or shall receive any certificate, option or rights in respect to Equity Interests of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any Pledged Equity, or otherwise in respect thereof, said Grantor shall accept the same as the agent of Lender, hold the same in trust for Lender and deliver the same forthwith to Lender in the exact form received, duly indorsed by said Grantor to Lender, if required, together with an undated instrument of transfer covering such certificate duly executed in blank by said Grantor and with, if Lender so requests, signature guaranteed, to be held by Lender as additional Collateral. Grantor shall not take any action to cause any membership interest comprising the Pledged Equity to be or become a security within the meaning of, or to be governed by Article 8 of the Uniform Commercial Code and shall not cause or permit any Issuer of any Pledged Equity to "opt in" or to take any other action seeking to elect or treat its membership interest comprising any Pledged Equity as a security or to cause any membership interest comprising any Pledged Equity to become certified.

(f) Disposition. Grantors shall not make any Disposition, or enter into any agreement to make any Disposition, of Collateral except (a) Dispositions of cash equivalents and Inventory in the Ordinary Course of Business, (b) Dispositions in the Ordinary Course of Business of equipment or fixed assets that are obsolete, worn out or no longer useful in the Ordinary Course of Business, and (c) such Disposition that results from an Event of Loss and is not otherwise an Event of Default so long as all proceeds are remitted to Lender for application to the Obligations or otherwise applied as approved by Lender in its sole discretion. Further, Grantor shall not vote to enable, or take any other action to permit, any Issuer to issue any Equity Interest of any nature or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Equity Interests of any nature of any Issuer.

(g) Organizational Changes. Without limiting Section 6.10 of the Loan Agreement, upon not less than ten (10) days' prior written notice to Lender accompanied by a new Schedule I hereto, indicating such change, no Grantor shall change (A) its name, identity or organizational structure, (B) its jurisdiction of incorporation or organization as set forth in Schedule I hereto or (C) its chief executive office as set forth in Schedule I hereto.

7. **Additional Provisions Concerning the Collateral.**

(a) With respect to leased Premises, each Grantor shall use commercially reasonable efforts to cause the landlord(s) in respect of such leased Premises to sign a landlord's waiver in form and substance acceptable to Lender. The requirements of this subsection may be waived at the option of Lender.

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(b) Grantors hereby (i) authorize Lender at any time and from time to time prior to the termination of the Loan Agreement to file, one or more financing or continuation statements and amendments thereto, relating to the Collateral (including, without limitation, any such financing statements that describe the Collateral as "all assets" or "all personal property" (or words of similar effect)); (ii) ratify such authorization to the extent that Lender has filed any such financing statements, continuation statements, or amendments thereto, prior to the date hereof; and (iii) authorize Lender to record this security agreement or other such documents required with the United States Copyright Office or United States Patent and Trademark Office relating to Intellectual Property that has an application pending or been or will be registered.

(c) Each Grantor hereby irrevocably appoints Lender as its attorney-in-fact and proxy, with full authority and power of substitution in the place and stead of said Grantor and in the name of said Grantor or otherwise, from time to time in Lender's discretion, to take any action and to execute any instrument that Lender may deem necessary or advisable to accomplish the purposes of this Agreement. THIS POWER AND PROXY IS COUPLED WITH AN INTEREST AND IS IRREVOCABLE UNTIL THE TERMINATION DATE. THIS POWER AND PROXY SHALL BE EFFECTIVE AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY INVESTMENT PROPERTY ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF THE INVESTMENT PROPERTY OR ANY OFFICER OR LENDER THEREOF). Grantors ratify all actions taken by Lender pursuant to this power and proxy granted. All prior proxies granted by Grantors with respect to the subject matter hereof are hereby revoked.

(d) So long as no Event of Default has occurred and is continuing, Grantor shall be permitted to receive all Proceeds, including dividends and distributions paid in respect of the Pledged Equity to the extent permitted by the Loan Agreement, provided that all such Proceeds shall be deposited into the Primary Account, and to exercise all voting and other rights with respect to the Pledged Equity; provided, that no vote shall be cast or other right exercised or action taken which would have a Material Adverse Effect or which would be inconsistent with or result in any violation of any provision of the Loan Agreement, this Agreement or any other Loan Document.

(e) On each date on which a Compliance Certificate is required to be delivered pursuant to the Loan Agreement, each Grantor shall provide Lender updates to the Schedules and Exhibits hereto in order to make such Schedules and Exhibits complete and correct as of such date and, upon the request of Lender, the applicable Grantor shall promptly cause to be prepared, executed, and delivered to Lender supplemental schedules and exhibits to the applicable Loan Documents.

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8. **Remedies Upon Default.** If any Event of Default shall have occurred and be continuing:

(a) Lender may exercise in respect of the Collateral, in addition to any other rights and remedies provided for in any Loan Document or otherwise available to it, all of the rights and remedies of a secured party upon default under the UCC (whether or not the UCC applies to the affected Collateral), and also may (i) take control of the Collateral, including, without limitation, transfer into Lender's name or into the name of its nominee or nominees (to the extent Lender has not theretofore done so) and thereafter receive all payments made thereon, give all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof, (ii) require Grantors to, and each Grantor hereby agrees that it will at its expense and upon request of Lender forthwith, assemble all or part of the Collateral as directed by Lender and make it available to Lender at a place or places to be designated by Lender that is reasonably convenient to both parties, and Lender may enter into and occupy any premises owned or leased by Grantors where the Collateral or any part thereof is located or assembled for a reasonable period in order to effectuate Lender's rights and remedies hereunder or under law, without obligation to Grantors in respect of such occupation, and (iii) without notice except as specified below and without any obligation to prepare or process the Collateral for sale, (A) sell the Collateral or any part thereof in one or more parcels at public or private sale, for cash, on credit or for future delivery, and upon such terms as Lender may deem commercially reasonable and/or (B) lease, license or otherwise dispose of the Collateral or any part thereof upon such terms as Lender may reasonably deem commercially reasonable. Grantors agree that, to the extent notice of sale or any other disposition of the Collateral shall be required by law, at least 10 days' prior notice to the Grantor of the time and place of any public sale or the time after which any private sale or other disposition of the Collateral is to be made shall constitute reasonable notification. Lender shall not be obligated to make any sale or other disposition of Collateral regardless of notice of sale having been given. Lender may adjourn any sale by announcement prior to or at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Grantor hereby waives any claims against Lender arising by reason of the fact that the price at which the Collateral may have been sold at a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Obligations, even if Lender accepts the first offer received and does not offer the Collateral to more than one offeree, and waives all rights that Grantors may have to require that all or any part of the Collateral be marshaled upon any sale (public or private) thereof; provided, however, the foregoing is not a waiver of any non-waivable provisions of the UCC, including the provisions of UCC §9-610(b). Grantors hereby acknowledge that (i) any such sale of the Collateral by Lender shall be made without warranty, (ii) Lender may specifically disclaim any warranties of title, possession, quiet enjoyment or the like, (iii) Lender may bid the Obligations (which bid may be, in whole or in part, in the form of cancellation of indebtedness), if permitted by law, for the purchase, lease, license or other disposition of the Collateral or any portion thereof for the account of Lender and (iv) such actions set forth in clauses (i), (ii) and (iii) above shall not adversely affect the commercial reasonableness of any such sale of the Collateral. In addition to the foregoing, (x) upon written notice to Grantors from Lender, Grantors shall cease any use of the Intellectual Property for any purpose described in such notice and (y) Lender may, at any time and from time to time, upon 10 days' prior notice to Grantors, license, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any of the Intellectual Property.

(b) In the event that the proceeds of any such sale, collection or realization are insufficient to pay all amounts to which Lender is legally entitled, Grantors shall be jointly and severally liable for the deficiency, together with interest thereon at the Default Rate, together with the costs of collection and the reasonable fees, costs, expenses and other client charges of any attorneys employed by Lender to collect such deficiency.

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(c) Grantors hereby acknowledge that if Lender complies with any applicable requirements of law in connection with a disposition of the Collateral, such compliance will not adversely affect the commercial reasonableness of any sale or other disposition of the Collateral. Additionally, each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Equity valid and binding and in compliance with applicable law.

(d) Any sums paid upon or in respect of the Pledged Equity upon liquidation or dissolution of any Issuer shall be paid over to Lender and held as additional Collateral; and, in the case of any distribution of capital shall be made on or in respect of the Pledged Equity or any property shall be distributed upon or with respect to the Pledged Equity pursuant to recapitalization or reclassification of the capital of any Issuer or pursuant to reorganization thereof, the property so distributed shall, unless otherwise subject to a perfected Lien in favor of Lender, be delivered to Lender to be held by it hereunder as additional Collateral.

(e) Any sum of money or property paid or distributed in respect to the Pledged Equity shall be received by Grantor, and held in trust for Lender, segregated from other funds of such Grantor until delivered to Lender, as additional Collateral.

(f) Lender shall have the right to receive any and all dividends and distributions, payments or other Proceeds paid in respect of the Pledged Equity and make application thereof to the Obligations in such order as Lender may determine.

(g) Lender shall have any and all voting and other rights pertaining to the Pledged Equity at any meeting of holder of the Equity Interests of the relevant Issuers or otherwise (or by written consent), and any and all rights of conversion, exchange, and subscription and any other rights, privileges or options pertaining to such Pledged Equity as if Lender were the absolute owner thereof, all without liability except to account for property actually received by it, but Lender shall have no duty to Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in doing so.

(h) Grantor hereby authorizes and instructs each Issuer of any Pledged Equity of Grantor to (i) comply with any instruction received by it from Lender in writing that states that an Event of Default has occurred and is continuing, without any other or further instructions from Grantor, and Grantor agrees that each Issuer shall be fully protected in so complying and (ii) unless otherwise permitted hereby, such Issuer shall pay any dividends, distributions or other payments with respect to the Pledged Equity directly to Lender.

9. **Notices, Etc.** All notices and other communications provided for hereunder shall be given in accordance with the notice provision of the Loan Agreement

10. **Security Interest Absolute; Joint and Several Obligations.**

(a) All rights of Lender, all Liens and all obligations of the Grantors hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Loan Agreement or any other Loan Document, (ii) any change in the time, manner or place of payment of, or in any other term in respect of, all or any of the Obligations, or any other amendment or waiver of or consent to any departure from the Loan Agreement or any other Loan Document, (iii) any exchange or release of, or non-perfection of any Lien on any Collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations, or (iv) any other circumstance that might otherwise constitute a defense available to, or a discharge of, Grantors in respect of the Obligations (other than defense of payment). All authorizations and agencies contained herein with respect to any of the Collateral are irrevocable and powers coupled with an interest.

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(b) Grantors hereby waive, to the extent permitted by applicable law, (i) promptness and diligence, (ii) notice of acceptance and notice of the inurrence of any Obligation by Grantors, (iii) notice of any actions taken by Lender, any Guarantor or any other Person under any Loan Document or any other agreement, document or instrument relating thereto, (iv) all other notices, demands and protests, and all other formalities of every kind in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this subsection (b), might constitute grounds for relieving Grantors of any obligations hereunder and (v) any requirement that Lender protect, secure, perfect or insure any security interest or other lien on any property subject thereto or exhaust any right or take any action against Grantors or any other Person or any collateral.

(c) All of the obligations of Grantors hereunder are joint and several. Lender may, in its sole and absolute discretion, enforce the provisions hereof against any of Grantors and shall not be required to proceed against all Grantors jointly or seek payment from Grantors ratably. In addition, Lender may, in its sole and absolute discretion, select the Collateral of any one or more of Grantors for sale or application to the Obligations, without regard to the ownership of such Collateral, and shall not be required to make such selection ratably from the Collateral owned by all of Grantors. The release or discharge of any Grantor by Lender shall not release or discharge any other Grantor from the obligations of such Person hereunder.

11. **Miscellaneous.**

(a) No amendment of any provision of this Agreement shall be effective unless it is in writing and signed by the parties hereto. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by a duly authorized officer of the party against whom the waiver is enforceable. Grantors hereby waive any and all claims of promissory estoppel; or amendment or waiver by acts or inaction.

(b) This Agreement and every part hereof shall be effective upon delivery to Lender, without further act, condition or acceptance by Lender, shall be binding upon the Grantor, and upon the heirs, legal representatives, successors and assigns thereof, and shall inure to the benefit of the Lender and its respective successors, legal representatives and assigns. None of the rights or obligations of Grantors hereunder may be assigned or otherwise transferred without the prior written consent of Lender, and any such assignment or transfer absent such consent shall be null and void.

(c) Without limiting comparable provisions of the Loan Agreement, this Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantors for liquidation or reorganization, should any Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment or performance of the Obligations, or any part thereof, is, pursuant to applicable law (or any settlement agreement), rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

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(d) THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF COLORADO, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT THE VALIDITY AND PERFECTION OR THE PERFECTION AND THE EFFECT OF PERFECTION OR NON-PERFECTION OF THE SECURITY INTEREST CREATED HEREBY, OR REMEDIES HEREUNDER, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAW OF A JURISDICTION OTHER THAN THE STATE OF COLORADO.

(e) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(f) In addition to and without limitation of any of the foregoing, this Agreement shall be deemed to be a Loan Document and shall otherwise be subject to all of terms and conditions contained in Article VII of the Loan Agreement, incorporated by reference.

(g) Each Grantor irrevocably and unconditionally waives any right it may have to claim or recover in any legal action, suit or proceeding with respect to this Agreement any special, exemplary, punitive or consequential damages.

(h) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

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(i) Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

(j) This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which shall be deemed an original, but all of such counterparts taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart.

[Signatures appear on following pages]

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IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed and delivered by its officer thereunto duly authorized, as of the date first above written.

BORROWER:

ASSURE HOLDINGS CORP., a Nevada corporation

By: /s/ Trent Carman

Name: Trent Carman

Signature Page to Security Agreement

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed and delivered by its officer thereunto duly authorized, as of the date first above written.

GRANTORS:

ASSURE HOLDINGS, INC., a Colorado corporation

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS UTAH, LLC, a Utah limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

DNS PROFESSIONAL READING LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING ARIZONA, LLC, a Arizona limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

DNS LOUISIANA, LLC, a Louisiana limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING COLORADO, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

DNS UTAH, LLC, a Utah limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Security Agreement

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed and delivered by its officer thereunto duly authorized, as of the date first above written.

GRANTORS:

ASSURE NEUROMONITORING LOUISIANA, LLC, a Louisiana limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE EQUIPMENT LEASING, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING MICHIGAN, LLC, a Michigan limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

VELOCITY REVENUE CYCLE, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Manager

ASSURE NEUROMONITORING PENNSYLVANIA, LLC, a Pennsylvania limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING GEORGIA, LLC, a Georgia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING SOUTH CAROLINA, LLC, a South Carolina limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING MINNESOTA LLC, a Minnesota limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Security Agreement

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed and delivered by its officer thereunto duly authorized, as of the date first above written.

GRANTORS:

ASSURE NEUROMONITORING TEXAS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING TEXAS HOLDINGS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING UTAH, LLC, a Utah limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING NEVADA LLC, a Nevada limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING OKLAHOMA, LLC, a Oklahoma limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING TENNESSEE LLC, a Tennessee limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NEUROMONITORING VIRGINIA, LLC, a Virginia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Security Agreement

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GRANTORS:

ASSURE NETWORKS ARIZONA, LLC, a Arizona limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS COLORADO, LLC, a Colorado limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS LOUISIANA, LLC, a Louisiana limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS MICHIGAN, LLC, a Michigan limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS GEORGIA LLC, a Georgia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS MINNESOTA LLC, a Minnesota limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS NEVADA LLC, a Nevada limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS OKLAHOMA, LLC, a Oklahoma limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Security Agreement

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed and delivered by its officer thereunto duly authorized, as of the date first above written.

GRANTORS:

ASSURE NETWORKS PENNSYLVANIA, LLC, a Pennsylvania limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS SOUTH CAROLINA, LLC, a South Carolina limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS TEXAS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS TENNESSEE LLC, a Tennessee limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS VIRGINIA, LLC, a Virginia limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

ASSURE NETWORKS TEXAS HOLDINGS, LLC, a Texas limited liability company

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

Signature Page to Security Agreement

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be executed and delivered by its officer thereunto duly authorized, as of the date first above written.

LENDER:

CENTRAL BANK & TRUST, part of Farmers & Stockmens Bank

By: /s/ Mary Holm
Mary Holm, Senior Vice President

Signature Page to Security Agreement

PROMISSORY NOTE

\$6,500,000

Denver, Colorado
August 12, 2020

FOR VALUE RECEIVED, and at the times hereinafter specified, the undersigned ("**Borrower**") hereby promises to pay to the order of CENTRAL BANK & TRUST, part of Farmers & Stockmens Bank ("**Lender**"), at the office of Lender, at 4582 S. Ulster Street, Suite 150, Denver, CO 80237, or at such other address as may be designated from time to time hereafter by Lender, the principal sum of SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000), or so much thereof as shall have been advanced by Lender to or for the benefit of Borrower, together with interest on the principal balance outstanding from time to time, as hereinafter provided, in lawful money of the United States of America.

This Promissory Note ("**Note**") is executed and delivered in connection with that certain Loan Agreement of even date herewith between Borrower and Lender as the same may be modified, amended, restated or supplemented from time to time ("**Loan Agreement**"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement. The holder of this Note is entitled to all of the rights, remedies, benefits and security provided for in the Loan Agreement and all other Loan Documents.

During the term of the Loan, (a) interest on the outstanding principal balance of this Note shall accrue at the interest rates and in the manner set forth in the Loan Agreement, and (b) Borrower shall make payments as set forth in the Loan Agreement. If not sooner paid, the entire unpaid principal indebtedness, all accrued and unpaid interest, and all other sums payable in connection with this Note shall be due and payable in full on the Maturity Date.

Interest shall be computed on the basis of a 360-day year, calculated for the actual number of days elapsed.

Whenever any payment to be made hereunder is due on a day other than a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest.

Borrower may prepay this Note in whole or in part.

Unless otherwise agreed or required by applicable law, all payments hereunder will be applied as set forth in Section 7.03 of the Loan Agreement. If any payment is not paid when due hereunder, then the entire outstanding balance hereunder, including the interest component of the delinquent payment, shall bear interest from the date such payment was due until such payment is paid at a rate equal to the Default Rate. In addition, upon the applicable maturity date of all or any part hereof, by acceleration or otherwise, the entire balance of principal, interest, and other sums due shall bear interest from the Maturity Date until paid at the Default Rate.

Any default in payment of any sum required hereunder or performance of any other covenant or agreement herein contained that constitutes an Event of Default under the Loan Agreement shall also constitute an Event of Default hereunder and under each document securing or executed in connection with the Loan Agreement or this Note, and any Event of Default under any of such documents shall constitute an Event of Default hereunder. Upon the occurrence of any Event of Default, the entire balance of principal, accrued interest, and other sums owing hereunder shall, at the option of Lender, become at once due and payable without notice or demand.

The rights or remedies of Lender as provided in this Note, the Security Agreement, the other Loan Documents and applicable law shall be cumulative and concurrent and may be pursued singly, successively, or together against Borrower, the property described in the Security Agreement, any guarantor hereof, and any other funds, property, or security held for the payment hereof or otherwise, at the sole discretion of Lender. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release of said rights or remedies or of the rights to exercise them at any later time.

Borrower and all parties now or hereafter liable for the payment hereof, primarily or secondarily, directly or indirectly, and whether as indorser, guarantor, surety, or otherwise, hereby severally (a) waive presentment, demand, protest, notice of protest or dishonor or both, and all other demands or notices of any sort whatever with respect to this Note, (b) waive any defenses that might be available to a surety or accommodation maker, (c) consent to impairment or release of collateral, extensions of time for payment, and acceptance of partial payments before, at, or after maturity, (d) waive any right to require Lender to proceed against any security for this Note before proceeding hereunder, (e) consent to the release of any other party liable hereunder, without diminishing or in any way affecting their liability hereunder, and (f) agree to pay all reasonable costs and expenses, including attorneys' fees and expenses, which may be incurred in the collection of this Note or any part thereof or in preserving, securing possession of, and realizing upon any security for this Note.

It is expressly stipulated and agreed to be the intent of Lender and Borrower at all times to comply with the applicable law governing the highest lawful interest rate. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Note or under any of the other Loan Documents, or, contracted for, charged, taken, reserved or received with respect to the loan evidenced thereby, or if acceleration of the maturity of the Note, any prepayment by Borrower, or any other circumstance whatsoever, results in Borrower having paid any interest in excess of that permitted by applicable law, then it is the express intent of Borrower and Lender that all excess amounts theretofore collected by Lender be credited on the principal balance of the Note (or, if the Note have been or would thereby be paid in full, refunded to Borrower), and the provisions of the Note and other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder. The right to accelerate maturity of the Note does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the indebtedness evidenced hereby or by the Note shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the rate or amount of interest on account of such indebtedness does not exceed the maximum rate or amount of interest permitted under applicable law. The term "applicable law" as used herein shall mean any federal or state law applicable to the Loans.

If any provision hereof or of any other document securing or related to the indebtedness evidenced hereby is, for any reason and to any extent, invalid or unenforceable, then neither the remainder of the document in which such provision is contained, nor the application of the provision to other persons, entities, or circumstances, nor any other document referred to herein, shall be affected thereby, but instead shall be enforceable to the maximum extent permitted by law.

Each provision of this Note shall be and remain in full force and effect notwithstanding any negotiation or transfer hereof to any other holder.

This Note may not be amended, modified, or changed, nor shall any waiver of any provision hereby be effective except only by an instrument in writing and signed by

the party against whom enforcement of any waiver, amendment, change, modification, or discharge is sought.

The provisions thereof and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the internal laws of the State of Colorado, and to the extent they preempt such laws, the laws of the United States. Borrower consents to the exercise of personal jurisdiction over Borrower in Colorado. The District Court of the City and County of Denver, Colorado shall be the sole and exclusive jurisdiction and venue applicable to the resolution of all disputes arising under this Note and the Loan Documents.

BORROWER, BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY DISPUTE ARISING IN CONNECTION WITH THIS NOTE OR ANY OF THE LOAN DOCUMENTS, OR IN ANY WAY RELATED TO THE NEGOTIATION, ADMINISTRATION, MODIFICATION, EXTENSION OR COLLECTION OF THE LOAN. BORROWER HAS CONFERRED SPECIFICALLY WITH LENDER WITH RESPECT TO THIS WAIVER, AND HAS AGREED TO THIS WAIVER AFTER CONSULTATION WITH ITS COUNSEL AND WITH FULL UNDERSTANDING OF THE IMPLICATIONS HEREOF.

[The remainder of this page has been left blank intentionally.]

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

BORROWER:

ASSURE HOLDINGS CORP., a Nevada corporation

By: /s/ Trent Carman
Name: Trent Carman
Title: Chief Financial Officer

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing was subscribed and sworn to before me this 12 day of August, 2020, by Trent Carman as Chief Financial Officer of ASSURE HOLDINGS CORP., a Nevada corporation.

Witness my hand and official seal

My commission expires: 12.17.22

[SEAL]

TRISHA COMBS
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20064037838
MY COMMISSION EXPIRES DEC 17, 2022

Notary Public

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the “**Agreement**”), dated as of ___, 2020, by and among Assure Holdings Corp., a Nevada corporation (the “**Company**”), and each purchaser identified on Exhibit A hereto (each, including its successors and assigns, a “**Purchaser**” and collectively, the “**Purchasers**”). Capitalized terms used herein but not otherwise defined shall have the meanings given to them in Section 1.5.

RECITALS

A. On the terms and subject to the conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Rule 506(b) of Regulation D promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

B. The Company has authorized, upon the terms and conditions stated in this Agreement, the sale and issuance (the “**Offering**”) of an aggregate of 10,000,000 immediately separable Units (each, a “**Unit**” and, collectively, the “**Units**”), with each Unit consisting of: (i) one share of Company Common Stock (the “**Unit Shares**”) and (ii) a Warrant (as hereinafter defined) to acquire one share of Company Common Stock (the “**Warrant Shares**” and, together with the Unit Shares, the “**Shares**”).

C. At the Closing, each Purchaser, severally and not jointly, wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, the number of Units as hereafter specified on Exhibit A annexed hereto.

D. The Company has engaged The Benchmark Company, LLC as its placement agent (the “**Placement Agent**”) for the offering of the Units on a “best efforts” basis.

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 each Purchaser agree as follows:

ARTICLE I
PURCHASE AND SALE

1.1 Authorization of Sale of Shares. The Company shall issue and sell to each Purchaser, and each Purchaser shall, severally and not jointly, purchase from the Company, such number of Units set forth opposite their respective names on Exhibit A, at a price per Unit equal to \$0.64 (the “**Price Per Unit**” and the total purchase price for the Units to be paid by each Purchaser, the “**Unit Purchase Price**”).

1.2 Closing. Subject to the terms and conditions set forth in this Agreement, the closing of the purchase and sale of the Units to the Purchasers by the Company (the “**Closing**”) will occur two business days following the satisfaction or waiver of the conditions set forth in Sections 5.1 and 5.2, or at such other time and place or on such date as the parties may agree upon (the “**Closing Date**”). The Closing shall take place at the offices of Olshan Frome Wolosky LLP, 1325 Avenue of the Americas, 15th Floor, New York, New York 10019, or at such other place as the parties may agree upon.

1.3 Payment. On the Closing Date, (a) each Purchaser shall pay to the Company its Unit Purchase Price in United States dollars and in immediately available funds, by wire transfer to the Company’s account as set forth in instructions previously delivered to each Purchaser, (b) the Company shall irrevocably instruct the Transfer Agent to deliver to each Purchaser the number of Unit Shares set forth opposite such Purchaser’s name on Exhibit A hereto, and (c) the Company shall issue to each Purchaser a warrant substantially in the form attached hereto as Exhibit B (each, a “**Warrant**” and, collectively, the “**Warrants**”) pursuant to which such Purchaser shall have the right to acquire the number of Warrant Shares set forth opposite such Purchaser’s name on Exhibit A hereto on the terms set forth in each Warrant, and in the case of clauses (b) and (c), duly executed on behalf of the Company and registered in the name of such Purchaser as set forth on the Stock Registration Questionnaire included as Exhibit C hereto. The Warrants issued and sold at the Closing shall have an initial exercise price equal to the Warrant Exercise Price.

1.4 Closing Deliverables.

(a) Company. Unless other arrangements have been made with a Particular Purchaser, on or prior to the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) a copy of the irrevocable instructions to the Transfer Agent instructing the Transfer Agent to deliver, on an expedited basis, the number of Unit Shares set forth opposite such Purchaser’s name on Exhibit A hereto, registered in the name of such Purchaser as set forth on the Stock Registration Questionnaire included as Exhibit C;

(ii) a Warrant, registered in the name of such Purchaser as set forth on the Stock Registration Questionnaire included as Exhibit C, to purchase up to the number of shares of Company Common Stock set forth opposite such Purchaser’s name on Exhibit A hereto (such Warrant to be delivered as promptly as practicable after the Closing Date but in no event more than five (5) Trading Days after the Closing Date);

(iii) an opinion of counsel to the Company in form and substance reasonably satisfactory to the Purchasers; and

(iv) the Registration Rights Agreement, duly executed by the Company.

(b) Purchasers. Unless other arrangements have been made with a particular Purchaser, on or prior to the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company the following (the “**Purchaser Documents**”):

(i) a fully completed and duly executed Stock Registration Questionnaire in the form attached hereto as Exhibit C;

(ii) the Registration Rights Agreement, duly executed by each Purchaser;

(iii) unless such Purchaser is a director or an executive officer (as such term is defined in Rule 501(f) of Regulation D promulgated by the U.S. Securities and Exchange Commission (the “**Commission**”) under the Securities Act) of the Company as of the Closing Date, a fully completed and duly executed Accredited Investor Qualification Questionnaire in the form attached hereto as Exhibit E;

(iv) a fully completed and duly executed Bad Actor Questionnaire in the form attached hereto as Exhibit F; and

(v) the Unit Purchase Price by wire transfer to the account specified by the Company.

1.5 Defined Terms Used in This Agreement. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated:

“**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls or is controlled by or under common control with such Person. For the purposes of this definition, “**control**,” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms of “**affiliated**,” “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Business Day**” means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the state of New York generally are authorized or required by law or other government actions to close.

“**Company Common Stock**” means the Company’s common stock, par value \$0.001 per share.

“**Common Stock Equivalents**” means any securities of the Company or any subsidiary which would entitle the holder thereof to acquire at any time Company Common Stock, including without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into, exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Company Common Stock.

“**Confidentiality Agreements**” means any confidentiality agreements previously entered into by the Company and one or more of the Purchasers.

“**Escrow Agent**” means any bank or financial institution retained by the Company to hold the Unit Purchase Price.

“**Lock-Up Agreements**” means any lock-up agreements previously entered into by the Company and the entities or persons set forth on Schedule I hereto.

“**OTC Markets Group**” means OTC Markets Group, Inc., the operator of OTCQB and other quotation marketplaces.

“**OTCQB**” means the OTCQB® Venture Market operated by the OTC Markets Group.

“**Person**” means an individual or a corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

“**Personal Information**” means any information about a person (whether an individual or otherwise) required to be disclosed to a securities commission or other securities regulatory authority or stock exchange, whether pursuant to a form or request made by such commission, regulatory authority or stock exchange, and includes information contained in this Agreement (including, for greater certainty, the schedules incorporated by reference herein).

“**Registration Rights Agreement**” means that certain Registration Rights Agreement, dated as of the Closing Date, by and between the Company and the Purchasers, in the form of Exhibit D attached to this Agreement.

“**Securities**” means the Units, the Warrants and the Shares.

“**Trading Day**” means a trading day in which trading occurs on the Nasdaq Stock Market, LLC or the New York Stock Exchange, Inc., or the TSX Venture Exchange Inc.

“**Transaction Documents**” means this Agreement, the Warrants, the Registration Rights Agreement and the schedules and exhibits attached hereto and thereto.

“**Transfer Agent**” means Computershare Trust Company of Canada, the current transfer agent of the Company, with a mailing address of 510 Burrard Street, 3rd Floor, Vancouver, B.C. V6C 3B9, Canada, and any successor transfer agent of the Company.

“**TSXV**” means the Toronto Stock Exchange Venture Exchange.

“**Warrant Exercise Price**” means \$0.78 per Warrant Share, subject to adjustment as provided in the Warrants.

“**\$**” means United States dollars.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE COMPANY

¹The Company hereby represents and warrants to the Purchasers and to the Placement Agent as of the date hereof and as of the Closing Date as follows:

2.1 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 and as described in the reports filed by the Company with the OTCQB and the TSXV pursuant to the reporting requirements of the respective trading market, the applicable securities commission or securities regulatory authority in Canada (the “**Canadian Securities Regulators**”), and, to the extent applicable, the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), since January 1, 2019 through the date hereof, including, without limitation, the Company’s most recent quarterly report for the quarterly period ended June 30, 2020, filed with the OTC Markets Group (the “**OTC Quarterly Report**”). Section 2.1 of the Disclosure Schedule sets forth a list of the Company’s subsidiaries. The Company is qualified to do business as a foreign corporation 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. For the purposes of this Agreement, “**Material Adverse Effect**” means any (i) effect on the business, operations, properties, financial condition or prospects of the Company that is material and adverse to the Company and its subsidiaries, taken as a whole, and (ii) any condition, circumstance or situation that would adversely affect the validity of the Transaction Documents or the ability of the Company to perform any of its obligations thereunder.

2.2 Authorization: Enforcement. The Company has the requisite corporate power and authority to enter into and perform the Transaction Documents, to issue and sell the Securities to be issued by the Company in accordance with the terms hereof and to perform its obligations under the Transaction Documents. 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, its board of directors or stockholders is required therefor. When executed and delivered by the Company, this Agreement and the other Transaction Documents shall each constitute 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, 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. The Company's board of directors has adopted resolutions authorizing and approving the transactions contemplated by the Transaction Documents, including the issuance of the Securities to be issued by the Company pursuant to this Agreement and the other Transaction Documents and the performance by the Company of its obligations hereunder and thereunder.

2.3 Issuance of Securities. The Unit Shares have been duly authorized and, when issued and paid for in accordance with the terms hereof, will be validly issued, fully paid and nonassessable and free and clear of any preemptive or similar rights. In addition, the Unit Shares will be free and clear of all liens, claims, charges, security interests or agreements, pledges, assignments, covenants, restrictions or other encumbrances created by, or imposed by, the Company (collectively, "Encumbrances") and rights of refusal of any kind imposed by the Company (other than restrictions on transfer under applicable securities laws) and the holder of the Unit Shares shall be entitled to all rights accorded to a holder of Company Common Stock. The issuance and sale of the Warrants has been duly authorized by all necessary corporate action. The Warrant Shares have been duly authorized and, when issued upon the due exercise of the Warrants, will be validly issued, fully paid and nonassessable and free and clear of any preemptive or similar rights. In addition, the Warrant Shares will be free and clear of all Encumbrances and rights of refusal of any kind imposed by the Company (other than restrictions on transfer under applicable securities laws). The Company has reserved and will reserve, at all times that the Warrants remain outstanding, such number of shares of Company Common Stock sufficient to enable the full exercise of the then outstanding Warrants.

2.4 No Conflicts: Governmental Approvals. The execution, delivery and performance of the Transaction Documents by the Company, the sale and issuance of the Securities and the performance by the Company of its obligations thereunder do not and will not (i) violate any provision of the Company's articles of incorporation or bylaws as currently in effect, (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 or any subsidiary is a party or by which the Company's or any subsidiary's properties or assets are bound, or (iii) result in a violation of any Canadian or U.S. federal, state or local statute, rule, regulation, order, judgment or decree (including Canadian and U.S. federal and state securities laws and regulations) applicable to the Company or by which any property or asset of the Company or any subsidiary is bound or affected. The Company is not required under Canadian or U.S. federal, state or local 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 this Agreement and the other Transaction Documents or issue and sell the Securities to be issued by the Company in accordance with the terms hereof and thereof, other than filings that have been made or consents that have been obtained pursuant to the rules and regulations of the OTCQB or TSXV trading markets, applicable Canadian or U.S. state or provincial securities laws and post-sale filings pursuant to applicable Canadian or U.S. federal or state securities laws which the Company undertakes to file or obtain within the applicable time periods and the filings required to be made pursuant to this Agreement.

2.5 Capitalization. The issued and outstanding shares of capital stock of the Company have been validly issued, are fully paid and nonassessable and are not subject to any preemptive rights, rights of first refusal or similar rights. The Company has an authorized, issued and outstanding capitalization as set forth in the OTC Quarterly Report (other than the grant of additional awards under the Company's existing equity incentive plans or changes in the number of outstanding shares of Company Common Stock due to the issuance of shares upon the exercise or conversion of securities exercisable for, or convertible or exchangeable into, shares of Company Common Stock outstanding) previously issued and outstanding. Except as disclosed in the Company's most recent OTC Annual Report or OTC Quarterly Report, the Company does not have outstanding any options to purchase, or any rights or warrants to subscribe for, or any securities or obligations convertible into, or exchangeable for, or any contracts or commitments to issue or sell, any shares of capital stock or other securities (other than the grant of additional awards under the Company's equity incentive plans).

2.6 Disclosure Documents, Financial Statements. Since January 1, 2019, the Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the OTC Markets Group or TSXV pursuant to the reporting requirements of the respective trading market, the Canadian Securities Regulators, and, to the extent applicable, the Exchange Act (the "Disclosure Documents"). At the times of their respective filing, all such Disclosure Documents complied in all material respects with the requirements of the OTCQB trading market, the TSXV trading market or the Exchange Act and the rules and regulations of the Commission promulgated thereunder. At the times of their respective filings, such Disclosure Documents did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the Disclosure Documents complied in all material respects with applicable accounting requirements and the published rules and regulations of the OTCQB trading market, the TSXV trading market, the Canadian Securities Regulators, the Commission or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles in the United States applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such 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 and its subsidiaries 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 recurring year-end audit adjustments).

2.7 Accountants. Squar Milner LLP, as reported in the OTC Annual Report, was, at the time such report was issued, an independent registered public accounting firm with respect to the Company and is subject to oversight by the Public Company Accounting Oversight Board. Except as pre-approved in accordance with the requirements set forth in Section 10A of the Exchange Act and described in the Disclosure Documents, Squar Milner LLP has not engaged in any non-audit services prohibited by subsection (g) of Section 10A of the Exchange Act on behalf of the Company or its subsidiaries.

2.8 Internal Controls. The Company has established and maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and

appropriate action is taken with respect to any differences.

2.9 Disclosure Controls. The Company has established and maintains disclosure controls and procedures (as such term is defined in Rules 13a-15 and 15d-15 under the Exchange Act or by the Canadian Securities Regulators) that (A) are designed to ensure that material information required to be disclosed by the Company in the reports it files and submits in its Disclosure Documents is accumulated and communicated to the management of the Company, including its principal executive officer and its principal financial officer, as appropriate, to allow timely decisions regarding required disclosure to be made; (B) provide for the periodic evaluation of the effectiveness of such disclosure controls and procedures as of the end of the period covered by the Company's most recent annual or quarterly report filed with the Commission; and (C) are effective in all material respects to perform the functions for which they were established. Since January 1, 2019, there have been no significant changes in internal controls or in other factors with respect to the Company that could significantly affect the Company's internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses. The Company is in compliance in all material respects with all provisions currently in effect and applicable to the Company of the Sarbanes-Oxley Act of 2002, and all rules and regulations promulgated thereunder or implementing the provisions thereof.

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2.10 No Material Adverse Change. Except as disclosed in the Disclosure Documents, since December 31, 2019, the Company has not (i) experienced or suffered any Material Adverse Effect, (ii) incurred any material 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 or (iii) declared, made or paid any dividend or distribution of any kind on its capital stock.

2.11 No Undisclosed Events or Circumstances. Except as disclosed in the Disclosure Documents, since December 31, 2019, except for the consummation of the transactions contemplated herein, no event or circumstance has occurred or exists with respect to the Company or its businesses, properties, prospects, 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.

2.12 Litigation. Except as disclosed in the Disclosure Documents, no action, suit, proceeding or investigation is currently pending or, to the knowledge of the Company, has been threatened in writing against the Company that: (i) concerns or questions the validity of this Agreement; (ii) concerns or questions the right or authority of the Company to enter into the Transaction Documents and to perform its obligations thereunder; or (iii) is reasonably likely to have a Material Adverse Effect. The Company is neither a party to nor subject to the provisions of any material order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or that the Company intends to initiate that would have a Material Adverse Effect.

2.13 Compliance. The Company is not in violation of any provision of the Company's articles of incorporation or bylaws as currently in effect. Neither the Company nor any subsidiary, (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any subsidiary under), nor has the Company or any subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any order of any court, arbitrator or governmental body applicable to it or to which it or its respective properties are subject, or (iii) is or has been in violation of any statute, rule or regulation of any governmental authority, including without limitation all Canadian and U.S. federal, state and local laws applicable to its business, except in each case for such defaults or violations as have not had, and could not reasonably be expected to have, a Material Adverse Effect, individually or in the aggregate.

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2.14 Listing and Maintenance Requirements. Except as set forth in the Disclosure Documents, the Company is, and has no reason to believe that it will not, upon the issuance of the Securities hereunder, continue to be, in compliance with the requirements of the OTCQB and the TSXV trading markets for continued listing of the Company Common Stock thereon and the Company has not received any notification that, and has no knowledge that the OTC Markets Group or the TSXV is contemplating terminating such listing. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the OTCQB or the TSXV in any material respect.

2.15 Investment Company Act. The Company is not and, after giving effect to the offering and sale of the Securities, will not be an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940.

2.16 Private Placement. Neither the Company nor its Affiliates, nor, to the Company's knowledge, any Person acting on its or their behalf, (i) 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 the Securities hereunder, (ii) has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under any circumstances that would require registration of the sale and issuance by the Company of the Securities under the Securities Act or (iii) has issued any shares of Company Common Stock or shares of any series of preferred stock or other securities or instruments convertible into, exchangeable for or otherwise entitling the holder thereof to acquire shares of Company Common Stock which would be integrated with the sale of the Securities to the Purchasers for purposes of the Securities Act or of any applicable stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange or automated quotation system on which any of the securities of the Company are listed or designated, nor will the Company or any of its Affiliates take any action or steps that would require registration of any of the Securities under the Securities Act or cause the offering of the Securities to be integrated with other offerings. Assuming the accuracy of the representations and warranties of the Purchasers, the offer and sale of the Securities to be issued by the Company to the Purchasers pursuant to this Agreement will be exempt from the registration requirements of the Securities Act. None of the Company, any of its predecessors, any director, executive officer, other officer of the Company participating in the offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act but excluding the underwriters, their U.S. Affiliates, any selling group member or any person acting on any of their behalf, as to whom the Company makes no representation, warranty or covenant) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i)-(viii) under the Securities Act (a "Disqualification Event"). The Company has exercised reasonable care to determine: (i) the identity of each person that is an Issuer Covered Person; and (ii) whether any Issuer Covered Person is subject to a Disqualification Event. 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 Company security or solicited any offers to buy any security, under circumstances that would adversely affect reliance by the Company on Section 4(a)(2) for the exemption from registration for the transactions contemplated hereby or would require registration of the Securities under the Securities Act.

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2.17 No Manipulation of Stock. The Company has not taken and will not, in violation of applicable law, take, any action outside the ordinary course of business designed to or that might reasonably be expected to cause or result in unlawful manipulation of the price of the Company Common Stock.

2.18 Brokers and Finders. Other than the Placement Agent, neither the Company nor any of the officers, directors or employees of the Company has employed any broker or finder in connection with the transaction contemplated by this Agreement.

2.19 OFAC. Neither the Company nor, to the Company's knowledge, any director, officer, agent, employee, Affiliate or person acting on behalf of the Company, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department.

2.20 Shell Company Status. The Company is not, and has never been, an issuer identified in Rule 144(i)(1).

2.21 Questionable Payments. Neither the Company nor any of its subsidiaries nor, to the Company's knowledge, any of their respective current or former stockholders, directors, officers, employees, agents or other Persons acting on behalf of the Company or any subsidiary, has on behalf of the Company or any subsidiary or in connection with their respective businesses: (a) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; (b) made any direct or indirect unlawful payments to any governmental officials or employees from corporate funds; (c) established or maintained any unlawful or unrecorded fund of corporate monies or other assets; (d) made any false or fictitious entries on the books and records of the Company or any subsidiary; or (e) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment of any nature

2.22 Transactions with Affiliates. Except as disclosed in the Disclosure Documents, none of the officers or directors of the Company and, to the Company's knowledge, none of the employees of the Company or any subsidiary is presently a party to any transaction with the Company or any subsidiary (other than as holders of stock options and/or warrants, and for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the Company's knowledge, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner

2.23 Disclosures. Neither the Company nor any Person acting on its behalf has provided the Purchasers or their agents or counsel with any information that constitutes or might constitute material, non-public information, other than the terms of the transactions contemplated hereby. The written materials delivered to the Purchasers in connection with the transactions contemplated by the Transaction Documents do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

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2.24 FDA. The Company is not subject to the rules and regulations of the U.S. Food and Drug Administration.

2.25 No Fiduciary. The Company acknowledges that none of the Purchasers is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, and any advice or other guidance provided by any Purchaser or any of its representatives and agents with respect to this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Purchaser's entry into such transactions. The Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation by the Company and its representatives and agents.

2.26 Reliance. The Company understands that the foregoing representations and warranties shall be deemed material and to have been relied upon by the Purchasers and the Placement Agent.

ARTICLE III REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASERS

Each Purchaser, for itself and for no other Purchaser, hereby represents, warrants and covenants to the Company and to the Placement Agent as follows:

3.1 Authorization and Power. Such Purchaser has the requisite power and authority to enter into and perform the Transaction Documents and to purchase the Securities being sold to it hereunder. The execution, delivery and performance of this Agreement by such Purchaser and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate limited liability company or limited partnership action, and no further consent or authorization of such Purchaser or its board of directors, stockholders or other governing body is required. When executed and delivered by such Purchaser, this Agreement shall constitute a valid and binding obligation of such Purchaser, enforceable against such Purchaser 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.

3.2 [Reserved]

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3.3 Purchaser Sophistication: Accredited Investor. At the time such Purchaser was offered the Securities, as of the date hereof, and on each date on which it exercises the Warrants, such Purchaser (a) is knowledgeable, sophisticated and experienced in making, and is qualified to make decisions with respect to, investments in shares presenting an investment decision like that involved in the purchase of the Securities, including investments in securities issued by the Company and investments in comparable companies, and has requested, received, reviewed and considered all information it deemed relevant in making an informed decision to purchase the Securities; (b) in connection with its decision to purchase the Securities, relied only upon the Disclosure Documents, other publicly available information, and the representations and warranties of the Company contained herein; (c) is an "accredited investor" pursuant to Rule 501 of Regulation D under the Securities Act; (d) is acquiring the Securities for its own account for investment only and with no present intention of distributing any of the Securities or any arrangement or understanding with any other persons regarding the distribution of the Securities in violation of the Securities Act notwithstanding, however, to such Purchaser's right at all times to sell or otherwise dispose of all or any part of such Securities in compliance with applicable federal and state securities laws; and provided, that nothing contained herein shall be deemed a representation or warranty by such Purchaser to hold the Securities for any period of time; (e) has not been organized, reorganized or recapitalized specifically for the purpose of investing in the Securities; (f) will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire to take a pledge of) any of the Securities except in compliance with the Securities Act and applicable Canadian provincial and U.S. state securities laws; (g) understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of the Securities Act and state securities laws, and that the Company is relying upon the truth and accuracy of, and such Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Securities; (h) understands that its investment in the Securities involves a significant degree of risk, including a risk of total loss of such Purchaser's investment (provided that such acknowledgment in no way diminishes the representations, warranties and covenants made by the Company hereunder); and (i) understands that no Canadian or U.S. federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

3.4 Restricted Shares. Such Purchaser acknowledges that the Securities are restricted securities and must be held indefinitely unless subsequently registered

under the Securities Act or (if the Purchaser is not selling the Securities pursuant to Rule 144 promulgated under the Securities Act) the Company receives an opinion of counsel reasonably satisfactory to the Company that such registration is not required. Such Purchaser is aware of the provisions of Rule 144 promulgated under the Securities Act which provide a safe harbor for the limited resale of stock purchased in a private placement subject to the satisfaction of certain conditions (if applicable), including, among other things, the existence of a public market for the stock, the availability of certain current public information about the Company, the resale occurring after certain holding periods have been met, the sale being conducted through a “broker’s transaction” or a transaction directly with a “market maker” and the number of shares of the stock being sold during any three-month period not exceeding specified limitations. Such Purchaser further acknowledges and understands that the Company may not be satisfying the current public information requirement of Rule 144 at the time such Purchaser wishes to sell the Securities and, if so, such Purchaser may be precluded from selling the Securities under Rule 144 even if the required holding period has been satisfied.

3.5 Residency. Such Purchaser is a resident of or an entity organized under the jurisdiction specified below its address on Exhibit A hereto. The Purchaser is not a resident of or an entity organized under the laws of Canada or a jurisdiction therein.

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3.6 [Reserved]

3.7 Stock Legends. Such Purchaser acknowledges that certificates evidencing the Securities shall bear a restrictive legend in substantially the following form (and including related stock transfer instructions and record notations):

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 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (B) IN ACCORDANCE WITH RULE 144, OR (C) 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 OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY.

3.8 No Legal, Tax or Investment Advice. Such Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to such Purchaser in connection with the purchase of the Securities constitutes legal, tax or investment advice. Such Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Securities.

3.9 No General Solicitation; Pre-Existing Relationship. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine, e-mail or by electronic means on the internet, or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement. Such Purchaser also represents that such Purchaser was contacted regarding the sale of the Units by the Company or the Placement Agent (or an authorized agent or representative of the Company or the Placement Agent) with which such Purchaser had a substantial pre-existing relationship.

3.10 Purchase Entirely for Own Account. The Securities to be received by such Purchaser hereunder will be acquired for such Purchaser’s own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the Securities Act, and such Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the Securities Act without prejudice, however, to such Purchaser’s right at all times to sell or otherwise dispose of all or any part of such Securities in compliance with applicable Canadian and U.S. federal and state securities laws. Nothing contained herein shall be deemed a representation or warranty by such Purchaser to hold the Securities for any period of time.

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3.11 Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

3.12 Disclosure of Information. Such Purchaser has had an opportunity to receive all information related to the Company requested by it and to ask questions of and receive answers from the Company and the Placement Agent regarding the Company, its business and the terms and conditions of the offering of the Securities. Such Purchaser acknowledges receipt of copies of the Disclosure Documents (or access thereto via the OTC Markets Group or the TSXV). Neither such inquiries nor any other due diligence investigation conducted by such Purchaser shall modify, limit or otherwise affect such Purchaser’s right to rely on the Company’s representations and warranties contained in this Agreement.

3.13 Interested Stockholders. Each Purchaser that is an “Interested Stockholder” (as such term is defined in Section 78.423 of the Nevada Revised Statutes) represents and warrants that either (a) it has been an Interested Stockholder for at least three years prior to the date hereof or (b) the transaction that resulted in such Purchaser becoming an Interested Stockholder was approved by the Company’s board of directors or a duly authorized committee thereof.

3.14 No Rule 506 Disqualifying Activities. Such Purchaser has not taken any of the actions set forth in, and is not subject to, the disqualification provisions of Rule 506(d)(1) under the Securities Act.

3.15 Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon the Company or such Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of such Purchaser.

3.16 Regulation M. Such Purchaser is aware that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of Company Common Stock and other activities with respect to Company Common Stock.

3.17 Canadian Distribution. The Purchaser acknowledges that the Securities have not been qualified for distribution by a prospectus in Canada and may not be offered or sold in Canada during the course of the distribution except pursuant to a prospectus filed with a securities commission in Canada or pursuant to an exemption from the prospectus requirements.

3.18 Personal Information. The Purchaser acknowledges that this Agreement requires the Purchaser to provide certain Personal Information to the Company and

its agents and advisers as reasonably necessary in connection with the Offering. Such information is being collected and will be used by the Company for the purposes of completing the Offering of the Securities, which includes, without limitation, determining the Purchaser's eligibility to purchase the Securities under applicable Canadian and U.S. securities laws and completing filings required by the applicable securities commission or other securities regulatory authority. The Purchaser agrees that the Purchaser's Personal Information may be disclosed by the Company to: (i) stock exchanges and applicable securities regulatory authorities, including the applicable securities commission; (ii) the Company's Transfer Agent; (iii) the applicable taxing authorities; and (iv) any of the other parties involved in the proposed Offering, including legal counsel, and may be included in record books in connection with the Offering. By executing and delivering this Agreement, the Purchaser consents to the foregoing collection, use, and disclosure of the Purchaser's Personal Information. The Purchaser also consents to the filing of copies or originals of any of the Purchaser Documents described in Section 1.4(b) hereof as may be required to be filed with any stock exchange or securities commission in connection with the transactions contemplated hereby.

3.19 **Prohibited Transactions.** Since the earlier of (a) such time as such Purchaser was first contacted by the Company or any other Person acting on behalf of the Company regarding the transactions contemplated hereby or (b) thirty (30) days prior to the date hereof, neither such Purchaser nor any Affiliate of such Purchaser which (x) had knowledge of the transactions contemplated hereby, (y) has or shares discretion relating to such Purchaser's investments or trading or information concerning such Purchaser's investments, including in respect of the Securities, or (z) is subject to such Purchaser's review or input concerning such Affiliate's investments or trading (collectively, "**Trading Affiliates**") has, directly or indirectly, effected or agreed to effect any short sale, whether or not against the box, established any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) with respect to the Company Common Stock, granted any other right (including, without limitation, any put or call option) with respect to the Company Common Stock or with respect to any security that includes, relates to or derived any significant part of its value from the Common Stock or otherwise sought to hedge its position in the Securities (each, a "**Prohibited Transaction**"). Prior to the earliest to occur of (i) the termination of this Agreement, (ii) the Effective Date or (iii) the Effectiveness Deadline (as such terms are defined in the Registration Rights Agreement), such Purchaser shall not, and shall cause its Trading Affiliates not to, engage, directly or indirectly, in a Prohibited Transaction. Such Purchaser acknowledges that the representations, warranties and covenants contained in this Section 3.19 are being made for the benefit of the Purchasers as well as the Company and that each of the other Purchasers shall have an independent right to assert any claims against such Purchaser arising out of any breach or violation of the provisions of this Section 3.19.

ARTICLE IV COVENANTS OF THE PARTIES

4.1 **Agreement to Lock-Up.** The Company shall cause its officers and directors and holders of 5% or more of the outstanding shares of Company Common Stock to enter into Lock-Up Agreements with the Company and the Placement Agent pursuant to which they will agree that they will not, without the prior written consent of the Company and the Placement Agent, during the period commencing on the Closing Date and ending on the date that is sixty (60) days after the date of the Company's final prospectus is first filed pursuant to Rule 424(b)(3) under the Securities Act with respect to the registration with the Commission of the Shares for resale, offer, sell, contract to sell, pledge, grant any option to purchase or otherwise dispose of any Securities, or any securities convertible into or exercisable or exchangeable for, or any rights to purchase or otherwise acquire, any Company Common Stock held by such person or entity or acquired by such person or entity after the date hereof, or that may be deemed to be beneficially owned by such person or entity; provided, that (a) this Section 4.1 shall not apply to any transfer of Securities by a Purchaser to its Affiliates, provided that as a condition of such transfer, such Affiliate agrees in writing to be bound by the provisions of this Section 4.1 to the same extent as such Purchaser; (b) this Section 4.1 shall not apply to any shares of Company Common Stock being offered in the prospectus included in the registration statement covering the resale of the Shares in accordance with the Registration Rights Agreement; and (c) this Section 4.1 shall not apply to the sale of up to \$600,000 worth of Company Common Stock by Preston Parsons, the founder of the Company, to enable him to satisfy outstanding tax obligations.

4.2 **Further Transfers.** Each Purchaser covenants that the Securities will only be sold, offered for sale, pledged, loaned, or otherwise disposed of pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act, and in compliance with any applicable state securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, the Company may require such Purchaser to provide to the Company an opinion of counsel selected by such Purchaser, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration under the Securities Act.

4.3 **No Integration.** The Company shall not, and shall use its commercially reasonable efforts to ensure that no Affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Securities pursuant to this Agreement in a manner that would require the registration under the Securities Act of the sale of the Securities to the Purchasers, or that will be integrated with the offer or sale of the Securities pursuant to this Agreement for purposes of the rules and regulations of the OTC Markets Group or the TSXV such that it would require stockholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction. The Purchasers shall take no action to become a group such that any transactions contemplated by this Agreement would require shareholder approval prior to Closing.

4.4 **Removal of Legends.** In connection with any sale or disposition of the Securities by a Purchaser pursuant to Rule 144 or pursuant to any other exemption under the Securities Act such that the Purchaser acquires freely tradable shares and upon compliance by the Purchaser with the requirements of this Agreement, the Company shall or, in the case of Company Common Stock, shall cause the Transfer Agent for the Company Common Stock to issue replacement certificates representing the Securities sold or disposed of without restrictive legends. Upon the earlier of (i) registration for resale pursuant to the Registration Rights Agreement or (ii) the Unit Shares becoming freely tradable by a non-affiliate pursuant to Rule 144 the Company shall (A) deliver to the Transfer Agent irrevocable instructions that the Transfer Agent shall reissue a certificate representing Unit Shares without legends upon receipt by such Transfer Agent of the legended certificates for such shares, together with either (1) a customary representation by the Purchaser that Rule 144 applies to the shares of Common Stock represented thereby or (2) a statement by the Purchaser that such Purchaser will sell (or, in the case of any Affiliate of the Company has sold) has sold the shares of Company Common Stock represented thereby in accordance with the Plan of Distribution contained in the Registration Statement, and (B) cause its counsel to deliver to the Transfer Agent one or more blanket opinions to the effect that the removal of such legends in such circumstances may be effected under the Securities Act. From and after the earlier of such dates, upon an Purchaser's written request, the Company shall promptly cause certificates evidencing the Purchaser's Securities to be replaced with certificates which do not bear such restrictive legends, and Warrant Shares subsequently issued upon due exercise of the Warrants shall not bear such restrictive legends provided the provisions of either clause (i) or clause (ii) above, as applicable, are satisfied with respect to such Warrant Shares. When the Company is required to cause an unlegended certificate to replace a previously issued legended certificate, if: (1) the unlegended certificate is not delivered to a Purchaser within three (3) Trading Days of submission by that Purchaser of a legended certificate and supporting documentation to the Transfer Agent as provided above and (2) prior to the time such unlegended certificate is received by the Purchaser, the Purchaser, or any third party on behalf of such Purchaser or for the Purchaser's account, purchases (in an open market transaction or otherwise) shares of Company Common Stock to deliver in satisfaction of a sale by the Purchaser of shares represented by such certificate (a "**Buy-In**"), then the Company shall pay in cash to the Purchaser (for costs incurred either directly by such Purchaser or on behalf of a third party) the amount by which the total purchase price paid for Company Common Stock as a result of the Buy-In (including brokerage commissions, if any) exceeds the proceeds received by such Purchaser as a result of the sale to which such Buy-In relates. The Purchaser shall provide the Company written notice indicating the amounts payable to the Purchaser in respect of the Buy-In.

4.5 Subsequent Equity Sales; Registration Statements.

(a) From the date hereof until ninety (90) days after the Closing Date, without the consent of the Required Purchasers, neither the Company nor any subsidiary shall issue shares of Company Common Stock or Common Stock Equivalents. Notwithstanding the foregoing, the provisions of this Section 4.5(a) shall not apply to (i) the issuance of the Securities, (ii) the issuance of Company Common Stock or Common Stock Equivalents upon the conversion or exercise of any securities of the Company or a subsidiary outstanding on the date hereof, provided that the terms of such security are not amended after the date hereof to decrease the exercise price or increase the Company Common Stock or Common Stock Equivalents receivable upon the exercise, conversion or exchange thereof or (iii) the issuance of any Company Common Stock or Common Stock Equivalents pursuant to any Company equity incentive plan approved by the Company's stockholders and in place as of the date hereof or proposed for approval at the Company's 2020 annual meeting of shareholders.

(b) From the date hereof until the earlier of (i) two years after the Closing Date or (ii) such time as Purchasers, collectively, beneficially own less than five percent (5%) of the Company Common Stock, the Company shall be prohibited from effecting or entering into an agreement to effect any "**Variable Rate Transaction**". The term "**Variable Rate Transaction**" shall mean a transaction in which the Company issues or sells (i) any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive additional shares of Company Common Stock either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the shares of Company Common Stock at any time after the initial issuance of such debt or equity securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Company Common Stock or (ii) enters into any agreement, including, but not limited to, an equity line of credit, whereby the Company may sell securities at a future determined price. For the avoidance of doubt, the issuance of a security which is subject to customary anti-dilution protections, including where the conversion, exercise or exchange price is subject to adjustment as a result of stock splits, reverse stock splits and other similar recapitalization or reclassification events, shall not be deemed to be a "**Variable Rate Transaction**".

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(c) The Company shall not, and shall use its commercially reasonable efforts to ensure that no Affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Purchasers, or that will be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any trading market such that it would require stockholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

(d) The Company shall not, from the date hereof until ninety (90) days after the Effective Date, prepare and file with the SEC a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than (i) a Registration Statement pursuant to the Registration Rights Agreement, (ii) any registration statement or post-effective amendment to a registration statement (or supplement thereto) relating to the Company's employee benefit plans registered on Form S-8 or, in connection with an acquisition, on Form S-4, or (iii) a registration statement covering a firm commitment underwritten public offering by the Company of its shares of Company Common Stock that will result in the listing of such shares for trading on the Nasdaq Stock Market or the New York Stock Exchange.

4.6 Equal Treatment of Purchasers. 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 the Transaction Documents unless the same consideration is also offered to all of the parties to the Transaction Documents. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

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ARTICLE V
CONDITIONS TO CLOSING

5.1 Conditions Precedent to the Obligations of the Purchasers. The obligation of the Purchasers to acquire the Securities at the Closing is subject to the satisfaction or waiver by the Purchasers, at or before the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Company contained in Article II shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date, and, the representations and warranties made by the Company in Article II hereof not qualified as to materiality shall be true and correct in all material respects as of the date hereof and the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date.

(b) Performance. The Company shall have performed and complied, in all material respects, with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company on or before the Closing, including, without limitation, the delivery by the Company of the items contemplated by Section 1.4(a).

(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 that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(d) No OTCQB or TSXV Objection. The OTC Markets Group or the TSXV shall have raised no objection to the consummation of the transactions contemplated by the Transaction Documents in the absence of stockholder approval of such transactions.

(e) Registration Rights Agreement. The Company shall have executed and delivered the Registration Rights Agreement, and the Registration Rights Agreement shall be in full force and effect.

(f) Lock-Up Agreements. The Placement Agent shall have received copies of the Lock-up Agreements executed by each entity or person listed on Schedule I.

(g) Approval of TSXV. The TSXV shall have conditionally approved the issuance of the Securities.

5.2 Conditions Precedent to the Obligations of the Company. The obligation of the Company to issue the Securities at the Closing is subject to the satisfaction

or waiver by the Company, at or before the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of each Purchaser contained in Article III shall be true and correct in all respects as of the Closing (unless as of a specific date therein in which case they shall be accurate as of such date).

(b) Performance. Each Purchaser shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by such Purchaser at or prior to the Closing, including, without limitation, the delivery by each Purchaser of the items contemplated by Section 1.4(b).

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(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 that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(d) No OTCQB or TSXV Objection. The OTC Markets Group or the TSXV shall have raised no objection to the consummation of the transactions contemplated by the Transaction Documents in the absence of stockholder approval of such transactions.

(e) Registration Rights Agreement. Each Purchaser shall have executed and delivered the Registration Rights Agreement, and the Registration Rights Agreement shall be in full force and effect.

(f) Lock-Up Agreements. The Placement Agent shall have received copies of the Lock-up Agreements executed by each entity or person listed on Schedule I.

(g) Approval of TSXV. The TSXV shall have conditionally approved the issuance of the Securities.

ARTICLE VI TERMINATION

6.1 Termination. In addition to the provisions of Section 7.6, in the event that the Closing shall not have occurred with respect to a Purchaser on or before ten (10) Business Days from the date hereof due to the Company's or such Purchaser's failure to satisfy the conditions set forth in Section 5 above (and the nonbreaching party's failure to waive such unsatisfied condition(s)), the nonbreaching party shall have the option to terminate this Agreement with respect to such breaching party at the close of business on such date without liability of any party to any other party.

ARTICLE VII MISCELLANEOUS

7.1 Survival of Warranties. Unless otherwise set forth in this Agreement, the representations and warranties of the Company and the Purchasers contained in or made pursuant to this Agreement shall survive the Closing and the delivery of the Securities.

7.2 No Finder's Fees. The Company agrees to indemnify and to hold harmless the Purchasers from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of this transaction (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible

7.3 Fees and Expenses. 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.

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7.4 Entire Agreement. The Transaction Documents, together with the Exhibits and Schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede 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; provided, however, that any Confidentiality Agreements previously entered into between the Company and any Purchasers shall remain in full force and effect. At or after the Closing, and without further consideration, the Company will execute and deliver to the Purchasers, and the Purchasers will execute and deliver to the Company, such further documents as may be reasonably requested in order to give practical effect to the intention of the parties under the Transaction Documents.

7.5 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 specified in this Section 7.5 prior to 4:00 p.m. (Eastern 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 specified in this Section on a day that is not a Trading Day or later than 4:00 p.m. (Eastern time) on any Trading Day, (c) the Trading Day following the date of deposit with a nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses, facsimile numbers and email addresses for such notices and communications are those set forth below, or such other address or facsimile number as may be designated in writing hereafter, in the same manner, by any such Person:

If to the Company:

Assure Holdings Corp.
4600 South Ulster Street, Suite 1225
Denver, CO 80237
Attention: John Allen Farlinger, Chairman & CEO
Email: john.farlinger@assureiom.com
Fax No.:

with copies (which copies shall not constitute notice to the Company) to:

Dorsey & Whitney LLP
1400 Wewatta Street, Suite 400
Denver, CO 80202
Attention: Kenneth G. Sam, Esq.
Email: sam.kenneth@dorsey.com
Fax No.: (416) 367-7371

If to the Purchasers:

To their respective addresses as set forth on Exhibit A attached hereto.

7.6 Amendments; Waivers. This Agreement and any term hereof may be amended, terminated or waived only with the written consent of the Company and (i) with respect to an amendment, termination or waiver prior to the Closing, (X) each Purchaser which, together with its Affiliates, has agreed to purchase at least 25% of the Units to be issued at the Closing and (Y) the Purchasers obligated to purchase a majority of the Units to be issued at the Closing, and (ii) with respect to an amendment, termination or waiver after the Closing, (X) each Purchaser who, together with its Affiliates, beneficially owns at least 9.99% of the Shares and (Y) the Purchasers beneficially owning at least a majority of the Unit Shares then beneficially owned by all Purchasers (collectively in each of clauses (i) and (ii), the “**Required Purchasers**”). 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 subsequent default 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.

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7.7 Construction. 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. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

7 . 8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser; provided, however, that no such consent shall be required in connection with any assignment (i) occurring by operation of law in connection with any merger or consolidation to which the Company is a party, (ii) in connection with the acquisition of all or substantially all of the assets of the Company or (iii) any other similar business combination transaction involving the Company. A Purchaser may assign its rights under this Agreement in connection with the sale or transfer of some or all of its Securities provided, that (i) as a condition of such sale or transfer, such transferee agrees in writing to be bound by all of the terms and conditions of this Agreement as a party hereto and (ii) such sale or transfer shall have been made in accordance with the applicable securities laws.

7 . 9 Persons Entitled to Benefit of Agreement. Except for the Placement Agent, this Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

7.10 Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the conflict of law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the state and federal courts located in the State of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. If any party hereto shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then, the prevailing party in such action or proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

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7.11 Counterparts; Execution. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

7.12 Severability. If any provision hereof should be held invalid, illegal or unenforceable in any respect, then, to the fullest extent permitted by law, (a) all other provisions hereof shall remain in full force and effect and shall be liberally construed in order to carry out the intentions of the parties as nearly as may be possible, and (b) the parties shall use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of such provision(s) in this Agreement.

7.13 Adjustments in Share Numbers and Prices. In the event of any stock split, subdivision, dividend or distribution payable in shares of Company Common Stock (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly shares of Company Common Stock), combination or other similar recapitalization or event occurring after the date hereof, each reference in any Transaction Document to a number of shares or a price per share shall be deemed to be amended to appropriately account for such event.

[Signature pages to follow]

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

THE COMPANY:

ASSURE HOLDINGS CORP.

By: _____

Name: John Allen Farlinger
Title: Chairman and Chief Executive Officer

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

PURCHASERS:

[PURCHASER]

By: _____

Name:

Title:

Address for Notice:

Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

Attention: _____

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this “**Agreement**”) is made and entered into as of ___, 2020, by and among Assure Holdings Corp., a Nevada corporation (the “**Company**”), and the purchasers set forth on Schedule 1 hereto (each, a “**Purchaser**” and, collectively, the “**Purchasers**”), and shall become effective as of the Closing (as defined in the Purchase Agreement, defined below).

RECITALS

A In connection with the Securities Purchase Agreement, by and among the Company and the Purchasers, dated as of ___, 2020 (the “**Purchase Agreement**”), the Company has agreed, upon the terms and conditions stated in the Purchase Agreement, to issue and sell to each Purchaser on the Closing Date immediately separable Units, with each Unit consisting of: (i) one share of Common Stock (the “**Unit Shares**”) and (ii) a Warrant to acquire one share of Common Stock (the “**Warrant Shares**”) and, together with the Unit Shares, the “**Shares**”).

B To induce the Purchasers to execute and deliver the Purchase Agreement, the Company has agreed to provide certain registration rights under the Securities Act, and applicable state securities laws.

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 each Purchaser agree as follows:

ARTICLE I
DEFINITIONS

Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

“**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls or is controlled by or under common control with such Person. For the purposes of this definition, “**control**,” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “**affiliated**,” “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Board**” means the Board of Directors of the Company.

“**Business Day**” means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the state of New York generally are authorized or required by law or other government actions to close.

“**Closing Date**” means the date of the closing of the acquisition and issuance of the Company Shares pursuant to the Purchase Agreement.

“**Commission**” means the U.S. Securities and Exchange Commission.

“**Effectiveness Date**” means the date the Registration Statement has been declared effective by the Commission.

“**Effectiveness Deadline**” means the date which is the earlier of (x) (i) in the event that the Registration Statement is not subject to a full review by the Commission, ninety (90) calendar days after the Closing Date or the Qualification Date, as applicable, or (ii) in the event that the Registration Statement is subject to a full review by the Commission, one hundred twenty (120) calendar days after the Closing Date or the Qualification Date, as applicable, and (y) the fifth (5th) Business Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be reviewed or will not be subject to further review; provided, however, that (i) if the Effectiveness Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Deadline shall be extended to the next Business Day on which the Commission is open for business, and (ii) the Effectiveness Deadline shall be extended for an additional sixty (60) calendar days if the Registration Statement is not declared effective by the SEC on or before February 11, 2021 and in such event the liquidated damages penalty for failure to have the Registration Statement declared effective by the Effectiveness Deadline will not commence until the end of such sixty (60) day period.

“**Effectiveness Failure**” shall have the meaning set forth in Section 2.2.

“**Effectiveness Period**” shall have the meaning set forth in Section 2.1(a).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Failure**” or “**Failures**” shall have the meaning set forth in Section 2.2.

“**Filing Date**” or “**Filing Deadline**” means the thirtieth (30th) calendar day following the Closing Date; provided, however, that if the Filing Date falls on a day that is not a Business Day, then the Filing Date shall be extended to the next Business Day.

“**Filing Failure**” shall have the meaning set forth in Section 2.2.

“**Holder**” or “**Holders**” means the holder or holders, as the case may be, from time to time of Registrable Securities.

“**Indemnified Party**” shall have the meaning set forth in Section 5.3(a).

“**Indemnifying Party**” shall have the meaning set forth in Section 5.3(a).

“**Losses**” shall have the meaning set forth in Section 5.1.

“**Person**” means an individual or a corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

“**Proceeding**” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“**Prospectus**” means any prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to any such Prospectus, including post-effective amendments, and all material incorporated by reference in such Prospectus.

“**Registrable Securities**” means (i) the Unit Shares issued to the Purchasers and (ii) the Warrant Shares issued or issuable to the Purchasers upon exercise of the Warrants; provided, however, that the applicable Holder has completed and delivered to the Company a Selling Stockholder Questionnaire; and provided further that such securities shall no longer be deemed Registrable Securities if (i) such securities have been sold pursuant to a Registration Statement, (ii) such securities have been sold in compliance with Rule 144, or (iii) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected holders (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, and all Warrants are exercised by “cashless exercise” as provided in the Warrants), as reasonably determined by the Company, upon the advice of counsel to the Company and the Transfer Agent has issued certificates for such Registrable Securities to the holder thereof, or as such holder may direct, without any restrictive legend.

“**Registration Delay Payments**” shall have the meaning set forth in Section 2.2.

“**Registration Statement**” means the registration statements and any additional registration statements contemplated by Article II, including (in each case) the related Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference in such registration statement.

“**Rule 144**” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

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“**Rule 415**” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Selling Stockholder Questionnaire**” means a questionnaire in the form attached as Annex B hereto, or such other form of questionnaire as may reasonably be requested by the Company from time to time.

“**Transaction Documents**” means this Agreement, the Purchase Agreement, the Warrants and the schedules and exhibits attached hereto and thereto.

“**Unit Purchase Price**” means the total purchase price for the Shares to be paid by each Purchaser pursuant to the Purchase Agreement.

ARTICLE II REGISTRATION

2.1 Registration Obligations: Filing Date Registration.

(a) As promptly as practicable following the Closing Date, the Company shall use reasonable best efforts to prepare and file with the Commission a Registration Statement covering the resale of the Registrable Securities as would permit the sale and distribution of all the Registrable Securities from time to time pursuant to Rule 415 in the manner reasonably requested by the Holder. The Registration Statement shall be on Form S-1. The Registration Statement shall contain the “Plan of Distribution” section in substantially the form attached hereto as Annex A, subject to any Commission comments; provided, however, that no Purchaser shall be named as an “underwriter” in the Registration Statement without the Purchaser’s prior written consent. Such Registration Statement also shall cover, to the extent allowable under the Securities Act and the rules promulgated thereunder (including Rule 416), such indeterminate number of additional shares of Company Common Stock resulting from stock splits, stock dividends or similar transactions with respect to the Registrable Securities. Such Registration Statement shall not include any shares of Company Common Stock or other securities for the account of any other holder without the prior written consent of the Required Holders (as defined in Section 7.3 hereof). The Company shall use reasonable best efforts to cause the Registration Statement filed by it to be declared effective under the Securities Act as promptly as practicable after the filing thereof but in any event prior to the Effectiveness Deadline, and, subject to Section 3.1(m) hereof, to keep such Registration Statement continuously effective under the Securities Act until such date as all Registrable Securities covered by such Registration Statement have ceased to be Registrable Securities (the “**Effectiveness Period**”). By 4:00 p.m., Eastern time, on the Business Day following the Effective Date, the Company shall file with the Commission in accordance with Rule 424(b)(3) under the Securities Act the final prospectus to be used in connection with sales pursuant to such Registration Statement.

(b) Promptly following the date (the “**Qualification Date**”) upon which the Company becomes eligible to use a registration statement on Form S-3 to register the Registrable Securities for resale, but in no event more than thirty (30) days after the Qualification Date (the “**Qualification Deadline**”), the Company shall file a registration statement on Form S-3 covering the Registrable Securities (or a post-effective amendment on Form S-3 to the registration statement on Form S-1) (a “**Shelf Registration Statement**”) and shall use commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective as promptly as practicable thereafter.

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(c) If at any time the Commission takes the position that the offering of some or all of the Registrable Securities in the Registration Statement is not eligible to be made on a delayed or continuous basis under the provisions of Rule 415 under the Securities Act or requires any Purchaser to be named as an “underwriter”, the Company shall use its best efforts to persuade the Commission that the offering contemplated by the Registration Statement is a bona fide secondary offering and not an

offering “by or on behalf of the issuer” as defined in Rule 415 and that none of the Purchasers is an “underwriter”. The Purchasers shall have the right to participate or have their counsel participate in any meetings or discussions with the Commission regarding the Commission’s position and to comment or have their counsel comment on any written submission made to the Commission with respect thereto. No such written submission shall be made to the Commission to which the Purchasers’ counsel reasonably objects. In the event that, despite the Company’s best efforts and compliance with the terms of this Section 2.1(c), the Commission refuses to alter its position, the Company shall (i) remove from the Registration Statement such portion of the Registrable Securities (the “**Cut Back Shares**”) and/or (ii) agree to such restrictions and limitations on the registration and resale of the Registrable Securities as the Commission may require to assure the Company’s compliance with the requirements of Rule 415 (collectively, the “**SEC Restrictions**”); provided, however, that the Company shall not agree to name any Purchaser as an “underwriter” in such Registration Statement without the prior written consent of such Purchaser. Any cut-back imposed on the Purchasers pursuant to this Section 2.1(c) shall be allocated among the Purchasers on a pro rata basis and shall be applied first to any Warrant Shares, unless the SEC Restrictions otherwise require or provide or the Purchasers otherwise agree. No liquidated damages shall accrue as to any Cut Back Shares until such date as the Company is able to effect the registration of such Cut Back Shares in accordance with any SEC Restrictions (such date, the “**Restriction Termination Date**” of such Cut Back Shares). From and after the Restriction Termination Date applicable to any Cut Back Shares, all of the provisions of this Section 2 (including the liquidated damages provisions) shall again be applicable to such Cut Back Shares; provided, however, that (i) the Filing Deadline and the Qualification Deadline for the Registration Statement including such Cut Back Shares shall be ten (10) Business Days after such Restriction Termination Date, and (ii) the Effectiveness Deadline shall be the 60th day immediately after the Restriction Termination Date. The Company will file such additional Registration Statements at the earliest practicable date on which the Company is permitted by SEC Restrictions to file such additional Registration Statements related to the Registrable Securities, each registering the Rule 415 Amount, seriatim, until all of the Registrable Securities have been registered.

2.2 **Effect of Failure to File Registration Statement.** If (i)(X) a Registration Statement covering all of the Registrable Securities required to be covered thereby and required to be filed by the Company pursuant to this Agreement is not filed with the Commission by the Filing Deadline or (Y) a Shelf Registration Statement is not filed with the Commission by the Qualification Deadline (a “**Filing Failure**”), (ii) such Registration Statement or the Shelf Registration Statement, as applicable, is not declared effective by the Commission on or before the Effectiveness Deadline (an “**Effectiveness Failure**”), or (iii) after a Registration Statement has been declared effective by the Commission, such Registration Statement is not available for sales of the Registrable Securities for any reason (including without limitation by reason of a stop order, or the Company’s failure to update the Registration Statement), but excluding any Allowed Delay (as defined below) (a “**Maintenance Failure**” and collectively with a Filing Failure and an Effectiveness Failure, the “**Failures**” and each, a “**Failure**”), then the Company will make pro rata payments to each Purchaser, as liquidated damages and not as a penalty, in an amount equal to 1.00% of the aggregate Unit Purchase Price paid by such Purchaser pursuant to the Purchase Agreement for each 30-day period or pro rata for any portion thereof until such Failure is cured. Such payments shall constitute the Purchasers’ exclusive monetary remedy for any Failure, but shall not affect the right of the Purchasers to seek injunctive relief. The payments to which a Purchaser shall be entitled pursuant to this Section 2.2 are referred to herein as “**Registration Delay Payments.**” Registration Delay Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Registration Delay Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Registration Delay Payments is cured. In the event the Company fails to make Registration Delay Payments in a timely manner, such Registration Delay Payments shall bear simple interest at the rate of three percent (3.0%) of such unpaid Registration Delay Payment per annum (pro rated for shorter periods) until paid in full.

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ARTICLE III REGISTRATION PROCEDURES

3.1 **Registration Procedures.** In connection with the Company’s registration obligations hereunder, the Company shall:

(a) Prepare and file with the Commission such amendments, including post-effective amendments, to the Registration Statement as may be necessary to keep the Registration Statement continuously effective (subject to Section 3.1(l)) as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements, if necessary, in order to register for resale under the Securities Act all of the Registrable Securities; cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; respond promptly to any comments received from the Commission with respect to the Registration Statement or any amendment thereto and promptly provide the Holders true and complete copies of all correspondence from and to the Commission relating to such Registration Statement; and comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by the Registration Statement during the applicable period in accordance with the intended methods of disposition by the Holders thereof set forth in the Registration Statement as so amended or in such Prospectus as so supplemented.

(b) At the time the Commission declares the Registration Statement effective, each Holder shall be named as a selling stockholder in the Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of Registrable Securities included in the Registration Statement in accordance with applicable law, subject to the terms and conditions hereof.

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(c) Promptly notify the Holders of Registrable Securities (i)(A) when a Registration Statement, a Prospectus or any Prospectus supplement or pre- or post-effective amendment to the Registration Statement is filed; (B) when the Commission notifies the Company whether there will be a “review” of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and if requested by such Holders, furnish to them a copy of such comments and the Company’s responses thereto and (C) with respect to the Registration Statement or any post-effective amendment filed by the Company, when the same has become effective; (ii) of any request by the Commission or any other Federal or state governmental authority for amendments or supplements to the Registration Statement or Prospectus or for additional information of the Company; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities of the Company for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event that makes any statement made in the Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Use reasonable best efforts to avoid the issuance of, and, if issued, to obtain the withdrawal of, (i) any order suspending the effectiveness of the Registration Statement or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any U.S. jurisdiction.

(e) If requested by the Required Holders (as defined in Section 7.3 hereof), (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as such Holders reasonably request to be included therein unless the inclusion of such information would reasonably be expected to expose the Company to liability under federal and state securities laws and regulations and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(f) Furnish to each Holder, without charge and upon request, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, and, to the extent requested by such Person, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission, provided, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the Commission's EDGAR system.

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(g) Promptly deliver to each Holder, without charge, as many copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request; and the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto to the extent permitted by federal and state securities laws and regulations.

(h) Cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities of the Company to be sold pursuant to a Registration Statement.

(i) Upon the occurrence of any event contemplated by Section 3.1(c)(v), as promptly as practicable prepare a supplement or amendment, including a post-effective amendment, to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither the Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Use reasonable best efforts to cause all Registrable Securities relating to the Registration Statement to be listed on the TSXV and OTCQB (as such terms are defined in the Purchase Agreement) or any subsequent securities exchange, quotation system or market, if any, on which similar securities issued by the Company are then listed or traded.

(k) The Company may require each selling Holder to furnish to the Company information regarding such Holder and the distribution of such Registrable Securities as is required by law to be disclosed in the Registration Statement, and the Company may exclude from such registration the Registrable Securities of any such Holder who fails to furnish such information within fifteen (15) days after receiving such request.

(l) For not more than thirty (30) consecutive calendar days or for a total of not more than sixty (60) days in any twelve (12) month period, the Company may suspend the use of any Prospectus included in any Registration Statement contemplated by this Section 3.1(l) in the event that the Company determines in good faith that such suspension is necessary to (A) delay the disclosure of material non-public information concerning the Company, the disclosure of which at the time is not, in the good faith opinion of the Company, in the best interests of the Company or (B) amend or supplement the affected Registration Statement or the related Prospectus so that such Registration Statement or Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus in light of the circumstances under which they were made, not misleading (an "Allowed Delay"); provided, that the Company shall promptly (a) notify each Holder in writing of the commencement of an Allowed Delay, but shall not (without the prior written consent of an Holder) disclose to such Holder any material non-public information giving rise to an Allowed Delay, (b) advise the Holder in writing to cease all sales under the Registration Statement until the end of the Allowed Delay and (c) use commercially reasonable efforts to terminate an Allowed Delay as promptly as practicable.

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(m) The Company shall use reasonable best efforts to register or qualify, or cooperate with the Holders of the Registrable Securities included in the Registration Statement in connection with the registration or qualification of, the resale of the Registrable Securities under applicable securities or "blue sky" laws of such states of the United States as any such Holder requests in writing and to do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Registrable Securities covered by the Registration Statement; provided, however, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action that would subject it to general service of process or to taxation in any jurisdiction to which it is not then so subject.

(n) The Company will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement (which need not be audited) satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder, no later than forty-five (45) days after the end of a 12-month period (or ninety (90) days, if such period is a fiscal year) beginning with the Company's first fiscal quarter commencing after the effective date of the Registration Statement.

3.2 Holder Obligations.

(a) At least five (5) Business Days prior to the first anticipated filing date of a Registration Statement, the Company shall notify each Holder in writing of the information the Company requires from each such Holder if such Holder elects to have any of such Holder's Registrable Securities included in such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of a particular Holder that (i) such Holder furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it as shall be reasonably required to effect the effectiveness of the registration of such Registrable Securities, and (ii) the Holder execute such documents in connection with such registration as the Company may reasonably request.

(b) Each Holder covenants and agrees by its acquisition of such Registrable Securities that (i) it will not sell any Registrable Securities under the Registration Statement until it has received copies of the Prospectus as then amended or supplemented as contemplated in Section 3.1(g) and notice from the Company that such Registration Statement and any post-effective amendments thereto have become effective as contemplated by Section 3.1(c)(i)-(ii) and its officers, directors or Affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with sales of Registrable Securities pursuant to the Registration Statement.

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(c) Upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3.1(c)(ii)-(v) or Section 3.1(l), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement contemplated by Section 3.1(i), or until it is advised in writing by the Company that the use of the applicable Prospectus may

be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement.

ARTICLE IV REGISTRATION EXPENSES

4.1 Registration Expenses. All reasonable fees and expenses incident to the performance of or compliance with this Agreement by the Company (excluding underwriters' discounts and commissions and all fees and expenses of legal counsel, accountants and other advisors for any Purchaser except as specifically provided below), except as and to the extent specified in this Section 4.1, shall be borne by the Company whether or not a Registration Statement is filed by the Company or becomes effective and whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the TSXV, OTCQB and each other securities exchange or market on which Registrable Securities are required hereunder to be listed, (B) with respect to filings required to be made by the Company with the Financial Industry Regulatory Authority and (C) in compliance with state securities or "blue sky" laws by the Company or with respect to Registrable Securities, (ii) messenger, telephone and delivery expenses, (iii) fees and disbursements of counsel for the Company, (iv) Securities Act liability insurance, if the Company so desires such insurance, and (v) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, including, without limitation, the Company's independent public accountants. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any underwriting, broker or similar fees or commissions of any Purchaser or, except to the extent provided for above or in the Transaction Documents, any legal fees or other costs of the Purchasers.

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ARTICLE V INDEMNIFICATION

5.1 Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, its permitted assignees, officers, directors, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Company Common Stock), underwriters, investment advisors and employees, each Person who controls any such Holder or permitted assignee (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, and the respective successors, assigns, estate and personal representatives of each of the foregoing, to the fullest extent permitted by applicable law, from and against any and all claims, losses, damages, liabilities, penalties, judgments, costs (including, without limitation, costs of investigation) and expenses (including, without limitation, reasonable attorneys' fees and expenses) (collectively, "**Losses**"), arising out of or relating to any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any Prospectus, as supplemented or amended, if applicable, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, except (i) to the extent, but only to the extent, that such untrue statements or omissions or alleged untrue statements or omissions are based upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use in such Registration Statement, such Prospectus or in any amendment or supplement thereto or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was furnished in writing by such Holder expressly for use therein (it being understood that each Holder has approved Annex A hereto for this purpose); or (ii) in the case of an occurrence of an event of the type specified in Section 3.1(c)(ii)-(v), the use by a Holder of an outdated or defective Prospectus, but only if and to the extent that the Company has advised the Holder that it no longer meets the requirements for the use of Rule 172 and as a result thereof the Holder is required to deliver a current Prospectus to any transferee of Registrable Securities and has provided a copy of a current Prospectus to the Holder prior to the sale or transfer of Registrable Securities giving rise to such Losses. The Company shall notify such Holder promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 5.3(a) hereof) and shall survive the transfer of the Registrable Securities by the Holder.

5.2 Indemnification by Holders. Each Holder and its permitted assignees shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, and the respective successors, assigns, estate and personal representatives of each of the foregoing, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, as supplemented or amended, if applicable, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission or alleged untrue statement or omission is contained in or omitted from any information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, and that such information was reasonably relied upon by the Company for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was furnished in writing by such Holder expressly for use therein (it being understood that each Holder has approved Annex A hereto for this purpose). In no event shall the liability of a Holder be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5.2 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue statement or omission) received by such Holder upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

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5.3 Conduct of Indemnification Proceedings.

(a) If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party promptly shall notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party.

(b) An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel (which shall be reasonably acceptable to the Indemnifying Party) that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, the Indemnifying Party shall be responsible for reasonable fees

and expenses of no more than one counsel (together with appropriate local counsel) for the Indemnified Parties). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is or could have been a party, unless such settlement (i) includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

(c) All reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section 5.3) shall be paid to the Indemnified Party, as incurred, within twenty (20) Business Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

5.4 Contribution.

(a) If a claim for indemnification under Section 5.1 or 5.2 is unavailable to an Indemnified Party because of a failure or refusal of a governmental authority to enforce such indemnification in accordance with its terms (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 5.3, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section 5.4 was available to such party in accordance with its terms.

(b) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5.4 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In no event shall the contribution obligation of a Holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5.4 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

(c) The indemnity and contribution agreements contained in this Article V are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

**ARTICLE VI
RULE 144**

6 . 1 Rule 144. With a view to making available to the Holders the benefits of Rule 144 (or its successor rule) and any other rule or regulation of the Commission that may at any time permit the Holders to sell shares of Common Stock to the public without registration, the Company covenants and agrees to: (i) make and keep public information available, as those terms are understood and defined in Rule 144, until the earlier of (A) six months after such date as all of the Registrable Securities may be sold without restriction by the holders thereof pursuant to Rule 144 or any other rule of similar effect or (B) such date as all of the Registrable Securities shall have been resold pursuant to a Registration Statement, Rule 144 or otherwise in a transaction in which the transferee receives freely tradable shares; (ii) file with the Commission in a timely manner all reports and other documents required of the Company under the Exchange Act; and (iii) furnish to each Holder upon request, as long as such Holder owns any Registrable Securities, (A) a written statement by the Company that it has complied with the reporting requirements of the 1934 Act, (B) a copy of the Company's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, and (C) such other information as may be reasonably requested in order to avail such Holder of any rule or regulation of the Commission that permits the selling of any such Registrable Securities without registration. In the event that the Company fails to comply with the requirements of this Section 6.1 after the 180th day after the Closing Date, the Company will make pro rata payments to each Holder, as liquidated damages and not as a penalty, in an amount equal to 1.00% of the aggregate Unit Purchase Amount paid by such Holder pursuant to the Purchase Agreement for each 30-day period or pro rata for any portion thereof until such failure is cured or until such time as there are no more Registrable Securities; provided, however, that only Holders that have not sold or otherwise disposed of all of their Registrable Securities prior to such failure shall be entitled to receive liquidated damages pursuant to this Section 6.1. Such payments shall constitute the Holder's exclusive monetary remedy for such events, but shall not affect the right of the Holders to seek injunctive relief. Such payments shall be made to each Holder in cash no later than three (3) Business Days after the end of each 30-day period.

**ARTICLE VII
MISCELLANEOUS**

7 . 1 Effectiveness. The Company's obligations hereunder shall be conditioned upon the occurrence of the Closing under the Purchase Agreement, and this Agreement shall not be effective until such Closing. If the Purchase Agreement shall be terminated prior to the Closing, then this Agreement shall be void and of no further force or effect (and no party hereto shall have any rights or obligations with respect to this Agreement).

7 . 2 Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each non-breaching Holder and Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

7.3 Entire Agreement; Amendment. This Agreement and the other Transaction Documents contain the entire understanding and agreement of the parties with respect to the matters covered hereby and, except as specifically set forth herein or therein, neither the Company nor any Holder make any representation, 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. This Agreement and any term hereof may be amended, terminated or waived only with the written consent of the Company and (x) any Holder who, together with its Affiliates, beneficially owns at least 9.99% of the Registrable Securities and (y) the Holders of at least a majority of all outstanding Registrable Securities then held by all Holders (the “**Required Holders**”). Any amendment or waiver effected in accordance with this Section 7.3 shall be binding upon each Holder (and their permitted assigns).

7.4 No Inconsistent Agreements. The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company’s securities under any agreement in effect on the date hereof.

7.5 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 specified in this Section prior to 4:00 p.m. (Eastern 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 e-mail address specified in this Section on a day that is not a Trading Day or later than 4:00 p.m. (Eastern time) on any Trading Day, (c) the Trading Day following the date of deposit with a nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses, facsimile numbers and email addresses for such notices and communications are those set forth below, or such other address or facsimile number as may be designated in writing hereafter, in the same manner, by any such Person:

If to the Company:

Assure Holdings Corp.
4600 South Ulster Street, Suite 1225
Denver, CO 80237
Attention: John Allen Farlinger, Chairman & CEO
Email: john.farlinger@assureiom.com
Fax No.:

with copies (which copies shall not constitute notice to the Company) to:

Dorsey & Whitney LLP
1400 Wewatta Street, Suite 400
Denver, CO 80202
Attention: Kenneth G. Sam, Esq.
Email: sam.kenneth@dorsey.com
Fax No.: (416) 367-7371

If to the Purchasers:

To their respective addresses as set forth on Schedule 1 attached hereto.

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7.6 Waivers. No waiver by either 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 provision, 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.

7.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns and shall inure to the benefit of each Holder and its successors and assigns. The Company may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the Holders of at least a majority of all Registrable Securities then outstanding.

7.8 Assignment of Registration Rights. The rights of each Holder hereunder, including the right to have the Company register for resale Registrable Securities in accordance with the terms of this Agreement, shall be assignable by each Holder of all or a portion of the Registrable Securities if: (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment, (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the Registrable Securities with respect to which such registration rights are being transferred or assigned to such transferee or assignee, (iii) following such transfer or assignment the further disposition of such securities by the transferee or assignees is restricted under the Securities Act and applicable state securities laws to the extent required, (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this Section 7.8, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions of this Agreement, and (v) such transfer shall have been made in accordance with the requirements of applicable law. The rights to assignment shall apply to the Holders (and to subsequent) successors and assigns.

7.9 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

7.10 Termination. This Agreement shall terminate at the end of the Effectiveness Period, except that Articles IV and V and this Article VII shall remain in effect in accordance with their terms.

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7.11 Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the conflict of law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the state and federal courts located in the State of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. If any party hereto shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then, the prevailing party in such action or proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

7.12 Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

7.13 Severability. If any provision hereof should be held invalid, illegal or unenforceable in any respect, then, to the fullest extent permitted by law, (a) all other provisions hereof shall remain in full force and effect and shall be liberally construed in order to carry out the intentions of the parties as nearly as may be possible and (b) the parties shall use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of such provision(s) in this Agreement.

7.14 Construction. 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. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

[Signature pages to follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed by their respective authorized officers as of the date first above written.

THE COMPANY:

ASSURE HOLDINGS CORP.

By: _____
Name: John Allen Farlinger
Title: Chairman and Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed by their respective authorized officers as of the date first above written.

PURCHASERS:

[PURCHASER]

By: _____
Name: _____
Title: _____

**ANNEX A
PLAN OF DISTRIBUTION**

The selling stockholders, which as used herein includes donees, pledgees, transferees or other successors-in-interest selling shares of common stock previously issued and the shares of common stock issuable upon exercise of the warrants, or interests in shares of common stock received after the date of this prospectus from a selling stockholder as a gift, pledge, partnership distribution or other transfer, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of common stock or interests in shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. The selling stockholders may sell their shares of our common stock pursuant to this prospectus at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

The selling stockholders may use any one or more of the following methods when disposing of shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock or warrants owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our common stock or interests therein, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The aggregate proceeds to the selling stockholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling stockholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering.

The selling stockholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock or interests therein may be “underwriters” within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Selling stockholders who are “underwriters” within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

To the extent required, the shares of our common stock to be sold, the names of the selling stockholders, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We have agreed to indemnify the selling stockholders against liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

We have agreed with the selling stockholders to keep the registration statement of which this prospectus constitutes a part effective until such time as the shares offered by the selling stockholders have been effectively registered under the Securities Act and disposed of in accordance with such registration statement, the shares offered by the selling stockholders have been disposed of pursuant to Rule 144 under the Securities Act or the shares offered by the selling stockholders may be resold pursuant to Rule 144 without restriction or limitation (including without the requirement to be in compliance with Rule 144(c)(1)) or another similar exemption under the Securities Act.

ASSURE HOLDINGS CORP.

STOCK OPTION PLAN

APPROVED BY THE SHAREHOLDERS AND ADOPTED BY THE BOARD OF DIRECTORS ON DECEMBER 10, 2020

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PART 1
INTERPRETATION

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

"**Administrator**" has the meaning ascribed thereto in Section 3.1 hereof.

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 -*Prospectus Exemptions*, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Corporation or the Plan.

"**Associate**" means, where used to indicate a relationship with any Person,

- (a) any relative, including the spouse, son or daughter, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person;
- (b) any partner, other than a limited partner, of that Person;
- (c) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity; or
- (d) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than ten (10) percent of the voting rights attached to all outstanding voting securities of the Corporation.

"**Blackout Period**" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by such person, including any period when such person has material undisclosed information with respect to the Corporation, but excluding any period during which a regulator has halted trading in the Corporation's securities.

"**Board**" means the board of directors of the Corporation, as constituted at any time.

"**Business Day**" means any day on which the TSX Venture Exchange is open for business/other than a Saturday, Sunday or any other day on which the principal chartered banks located in Denver, Colorado are not open for business.

"**Cause**" means:

With respect to any Optionee, unless the applicable Option Agreement states otherwise:

- (a) if the Optionee is a party to an employment or service agreement with the Corporation or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
- (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the Optionee's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law:
 - (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude;
 - (ii) material fiduciary breach with respect to the Corporation or an Affiliate;
 - (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates;
 - (iv) gross negligence or willful misconduct with respect to the Corporation or an Affiliate;
 - (v) material violation of Applicable Laws; or

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- (vi) the willful failure of the Optionee to properly carry out their duties on behalf of the Corporation or to act in accordance with the reasonable direction of the Corporation.

With respect to any Director, unless the applicable Option Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (a) gross misconduct or neglect;
- (b) willful conversion of corporate funds;
- (c) false or fraudulent misrepresentation inducing the director's appointment; or

- (d) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Administrator, in its absolute discretion, shall determine the effect of all matters and questions relating to whether an Optionee has been discharged for Cause.

"Committee" means a committee of the Board appointed in accordance with Section 3.2 hereof.

"Corporation" means Assure Holdings Corp. and its Affiliates.

"Consultant" means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company, that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation, other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between the Corporation or an Affiliate and the individual or the company, as the case may be;
- (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and
- (d) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation.

"Director" means a member of the Board.

"Disability" means unless an employment agreement or the applicable Option Agreement says otherwise, that the Optionee:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an Officer or Employee of the employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Administrator. The Administrator may rely on any determination that an Optionee is disabled for purposes of benefits under any long-term disability plan maintained by the Corporation or any Affiliate in which an Optionee participates.

"Disinterested Shareholder Approval" means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a shareholders' meeting other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.

"Eligible Charitable Organization" means:

- (a) an individual who is considered an Employee of the Corporation or its subsidiary under the Income Tax Act (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);

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- (b) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an Employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source; or
- (c) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an Employee of the Corporation, but for whom income tax deductions are not made at source.

"Employee" means any person, including an Officer or Director, employed by the Corporation or an Affiliate. Mere service as a Director or payment of a director's fee by the Corporation or an Affiliate shall not be sufficient to constitute "employment" by the Corporation or an Affiliate.

"Exchange" means the TSX Venture Exchange, or any other stock exchange on which the Corporation's Shares are listed for trading.

"Exchange Policies" mean the policies set forth in the Exchange's Corporate Finance Manual, as amended from time to time.

"Exercise Price" means the price at which a Share may be purchased upon the exercise of an Option.

"Expiry Date" means the date on which an Option's Term expires, and after which an Option shall not be exercisable.

"Fair Market Value" means, unless otherwise required by any applicable accounting standard for the Company's desired accounting for Options or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Shares on the Exchange for the twenty trading days immediately prior to the Grant Date and (ii) the closing price of the Shares on the Exchange on the trading day immediately prior to the Grant Date.

"Grant Date" means the date on which the Board adopts a resolution, or takes other appropriate action, expressly granting an Option to an Optionee that specifies the key terms and conditions of the Option or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"Guardian" means the guardian, if any, appointed for an Optionee.

"Incentive Stock Option" or "ISO" means an Option to purchase Shares granted under Section 6 herein and that is designated as an Incentive Stock Option and is intended to meet the requirements of section 422 of the U.S. Internal Revenue Code, or any successor provision.

"Insider" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"Investor Relations Activities" has the meaning ascribed thereto in the Exchange Policies.

"**Leave of Absence**" means any period during which, pursuant to the prior written approval of the Optionee's employer or by reason of Disability, the Optionee is considered to be on an approved leave of absence or on Disability and does not provide any services to their employer.

"**Management Company Employee**" means an individual employed by a Person providing management services to the Corporation (other than Investor Relations Activities), which are required for the ongoing successful operation of the business of the Corporation.

"**Officer**" means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Corporation or its subsidiaries, and includes a Management Company Employee that provides the services of such Officer.

"**Option**" means an option to purchase Shares granted pursuant to the provisions of this Plan.

"**Option Agreement**" means a written agreement between the Corporation and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule "A" hereto.

"**Optionee**" means the recipient of an Option granted by the Corporation pursuant to the Plan.

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"**Person**" means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person.

"**Plan**" means this stock option plan of the Corporation, as amended from time to time.

"**Rule 144**" means Rule 144 as promulgated under the U.S. Securities Act.

"**Shares**" means the common shares without par value in the capital of the Corporation.

"**Significant Shareholder**" means a person who at the time of a grant of an ISO to such person owns (or is deemed to own pursuant to section 424(d) of the U.S. Internal Revenue Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Corporation or any of its Affiliates.

"**Successor**" means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions.

"**Tax Act**" means the Income Tax Act (Canada), as amended from time to time.

"**Term**" means the period of time during which an Option is exercisable.

"**Terminating Event**" means:

- (a) the dissolution or liquidation of the Corporation, or
- (b) a material change in the capital structure of the Corporation that is deemed to be a Terminating Event pursuant to Section 8.1 or 8.5 hereof.

"**Termination of Continuous Service**" means the date on which a Optionee ceases to be a Director, Officer, Employee or Consultant as a result of a termination of employment or retention with the Corporation or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, an Optionee's employment or retention with the Corporation or an Affiliate shall be considered to have terminated effective on the last day of the Optionee's actual and active employment or retention with the Corporation or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Optionee or the Corporation or Affiliate, and whether with or without advance notice to the Optionee. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Optionee's last day of actual and active employment or retention shall be considered as extending the Optionee's period of employment or retention for the purposes of determining their entitlement under the Plan. An Optionee's transfer of employment to another employer within the Corporation or an Affiliate will not be considered a Termination of Continuous Service.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

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

PART 2 ESTABLISHMENT AND PURPOSE OF THE PLAN

2.1 **Establishment of the Plan.** The Corporation hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to eligible Optionees. The Plan is designed to be a "rolling" stock option plan under Exchange Policies, reserving at any one time a maximum of 10% of the issued Shares of the Corporation for the exercise of Options.

2.2 **Principal Purposes.** The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract new Directors, Officers, Employees and Consultants to the Corporation.

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2.3 **Benefit to Shareholders.** This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of the highest caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

**PART 3
ADMINISTRATION**

- 3.1** **Board or Committee.** This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the "Administrator".
- 3.2** **Appointment of Committee.** The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.
- 3.3** **Quorum and Voting.** A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee who are disinterested Persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no such member shall act upon the granting of an Option to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to him).
- 3.4** **Powers of Administrator.** Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:
- (a) administer this Plan in accordance with its express terms;
 - (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
 - (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;
 - (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
 - (e) determine the duration and purposes of a Leave of Absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
 - (f) do the following with respect to the granting of Options:
 - (i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement);
 - (iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:
 - (A) the consent of the Optionee; and
 - (B) if applicable, the approval of the Exchange and/ or Disinterested Shareholder Approval;
 - (iv) determine when Options shall be granted;
 - (v) determine the Exercise Price of each Option, and
 - (vi) determine the number of Shares subject to each Option; and

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- (g) make all other determinations necessary or advisable for administration of this Plan.
- 3.5** **Obtain Regulatory Approvals.** In administering this Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.
- 3.6** **Annual Shareholder Approval.** This Plan must receive approval of the Corporation's shareholders annually at the Corporation's annual general meeting. Evidence that the majority of the shareholders are in favour of a proposal to approve the Plan or any amendment thereto is not sufficient.
- 3.7** **Administration by Administrator.** All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Corporation and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

**PART 4
ELIGIBILITY**

- 4.1** **General Eligibility.** Options may be granted to an Eligible Charitable Organization or a Director, Officer, Employee or Consultant of the Corporation or its subsidiary at the time the Option is granted. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan. An Incentive Stock Option may be granted only to an employee (including a director or officer who is also an employee) of the Corporation (or of any parent or subsidiary of the Corporation). For purposes of granting Incentive Stock Options only, the term "employee" means an employee for purposes of the U.S. Internal Revenue Code, and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the U.S. Internal Revenue Code.
- 4.2** **No Violation of Laws.** No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.
- 4.3** **Optionees to be Named.** No Options shall be granted unless and until the Options have been allocated to a particular Optionee(s).

PART 5
SHARES SUBJECT TO THIS PLAN

- 5.1 Maximum Number of Shares Reserved Under Plan.** The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Corporation's issued and outstanding Shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 8 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Corporation prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options. Notwithstanding the foregoing, the maximum aggregate number of Shares which may be reserved for issuance as Incentive Stock Options granted under this Plan and all other plans of the Corporation and of any parent or subsidiary of the Corporation shall not exceed 3,497,123.
- 5.2 Sufficient Authorized Shares to be Reserved.** If the constituting documents of the Corporation limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.
- 5.3 Disinterested Shareholder Approval.** Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:
- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;
 - (b) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;

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- (c) the issuance to any one Optionee, within any 12 month period, of an aggregate number of Options exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;
- (d) any individual Option grant that would result in any of the limitations set out in sections 5.3 (a), (b) or (c) being exceeded; or
- (e) any amendment to Options held by Insiders that would have the effect of decreasing the Exercise Price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such Person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the Person was not an Insider

- 5.4 Number of Shares Subject to this Plan.** Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.
- 5.5 Expiry of Option.** If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

PART 6
TERMS AND CONDITIONS OF OPTIONS

- 6.1 Option Agreement.** Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:
- (a) the number of Shares subject to purchase pursuant to such Option;
 - (b) the Grant Date;
 - (c) the Term;
 - (d) the Exercise Price;
 - (e) the Option is not assignable or transferable; and
 - (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan. The terms of the Award Agreement shall specify whether or not such Option is intended to be an Incentive Stock Option (ISO). No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Corporation. The Corporation will not grant Incentive Stock Options in which the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options are exercisable for the first time during any calendar year (under this Plan and all other plans of the Corporation and of any parent or subsidiary of the Corporation) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the U.S Internal Revenue Code.
- 6.2 Exchange Restrictions of Reservations.** Notwithstanding any other provision hereof, for so long as the Shares are listed on the Exchange, the number of Shares reserved for issuance to:
- (a) any one Optionee pursuant to Options granted to such Optionee during any 12 month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;
 - (b) any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Options are granted;
 - (c) all Optionees who are engaged or employed in Investor Relations Activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Shares, calculated at the date such Options are granted; and

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(d) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Corporation, calculated at the date such Options are granted.

6.3 **Exercise Price.** The Option Exercise Price of each Option shall be determined by the Administrator on the Grant Date, subject to all applicable regulatory requirements, and shall be specified in the Option Agreement. The Exercise Price shall be stated and payable in United States dollars. Disinterested Shareholder Approval will be obtained for any reduction in the Option's Exercise Price if the Person granted the Option is an Insider of the Corporation at the time of the proposed amendment. The Option Exercise Price shall be no less than the Fair Market Value of a Share on the Grant Date, and no less than 110% of Fair Market Value of Share on the Grant Date with respect to Incentive Stock Options granted to a Significant Shareholder).

6.4 **Maximum Term of Ten Years.** Subject to section 6.5, the maximum Term of an Option granted shall be ten (10) years from the Grant Date; provided that the maximum term of an ISO granted to a Significant Shareholder shall be five years from the Grant Date.

6.5 **Blackout Period.** The Term of an Option shall be automatically extended if the Expiry Date falls within a Blackout Period or within ten (10) Business Days of the end of the Blackout Period provided that: (i) the Blackout Period is imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the extension is not more than ten (10) Business Days from the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Corporation or Optionee is also subject to a cease trade order or similar trading restriction. Notwithstanding the foregoing, in the case of any Option held by a United States taxpayer, such Option may not be extended beyond the Option's Expiry Date.

6.6 **Vesting Schedule.** No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the date it is granted.

Notwithstanding the foregoing, for Options granted to Optionees who provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Option Vested
3 months after Grant Date	25%
6 months after Grant Date	50%
9 months after Grant Date	75%
12 months after Grant Date	100%

6.7 **Acceleration of Vesting.** The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion, unless such Options are granted to an Optionee who provides Investor Relations Activities and such acceleration would result in a vesting period of less than 12 months, or with more than 1/4 of the options granted vesting in any three month period.

6.8 **Hold Periods.** In addition to any resale restrictions under any Applicable Laws, if the Exercise Price is set at a discount to the Market Price (as defined in Exchange Policies), the Option Agreements and the certificates representing any Shares realized on the exercise thereof will bear the following legend:

"WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [insert date that is four months and one day after the grant of the Options]."

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6.9 **Form for Non-Individuals.** If a proposed Optionee is a corporation or is otherwise not an individual, it must provide the Exchange with a completed Form 4F - *Certification and Undertaking Required from a Company Granted an Incentive Stock Option*, or any amended or replacement form.

6.10 **Bona Fide Optionee.** By execution of an Option Agreement, the Optionee represents that he, she or it is a bona fide Director, Officer, Employee or Consultant, as the case may be. It will be the joint responsibility of the Corporation and the Optionee that the Optionee is and will remain a bona fide Employee, Consultant or Management Company Employee.

6.11 **Termination of Continuous Service.** Unless otherwise determined by the Administrator, in its discretion, or as provided in this Part 6 or pursuant to the terms provided in an Option Agreement or in an employment agreement the terms of which have been approved by the Administrator, all rights to purchase Shares pursuant to an Option shall expire and terminate immediately upon the Optionee's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionee is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionee of such termination for Cause. If an Optionee who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Corporation) for any reason, whether voluntary or involuntary, other than death or permanent disability, such Incentive Stock Option shall cease to be qualified as an Incentive Stock Option as of the date that is three months after the date of cessation of employment (or upon the expiration of the term of such Incentive Stock Option, if earlier). If an Optionee who has been granted Incentive Stock Options ceases to be employed by the Corporation (or by any parent or subsidiary of the Corporation) because of the death or permanent disability of such Optionee, such Optionee, such Incentive Stock Option will cease to be qualified as an Incentive Stock Option as of the date that is one year after the date of death or permanent disability, as the case may be (or upon the expiration of the term of such Incentive Stock Option, if earlier). For purposes of this Section, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the U.S. Internal Revenue Code.

6.12 **Death, Disability or Leave of Absence.** Unless otherwise provided in an Option Agreement, in the event of an Optionee's Termination of Continuous Service as a result of the Optionee's death, Disability or a Leave of Absence, then:

(a) the unvested part of any Option held by the Optionee shall expire and terminate immediately on the Optionee's Termination of Continuous Service; and

- (b) the vested part of any Option held by the Optionee may be exercised in accordance with Part 7 at any time during the period that terminates on the earlier of:
 - (i) the Option's Expiry Date; and
 - (ii) the 90th day after the Optionee's Termination of Continuous Service.

Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.

6.13 Resignation or Termination Without Cause. Unless otherwise provided in an Option Agreement, in the event of an Optionee's Termination of Continuous Service as a result of the Optionee's voluntary resignation or termination by the Employer for any reason other than for Cause, then:

- (a) the unvested part of any Option held by the Optionee shall expire and terminate immediately on the Optionee's Termination of Continuous Service; and
- (b) the vested part of any Option held by the Optionee may be exercised in accordance with Part 7 at any time during the period that terminates on the earlier of:
 - (i) the Option's Expiry Date; and
 - (ii) the 30th day after the Optionee's Termination of Continuous Service.

Any Option that remains unexercised shall be immediately forfeited upon the termination of such period.

6.14 Vesting. Options held by a Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

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6.15 Majority Agreement. If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.

6.16 Non-Transferable. Except as provided otherwise in this Part 6, Options are non-assignable and non-transferable.

6.17 US Securities Act.

- (a) Options granted to all eligible Optionees must be exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws, which may include Rule 701 and/or Section 4(a)(2) of the U.S. Securities Act.
- (b) None of the Options or any Shares issuable upon exercise of the Option have been or are expected to be registered under the U.S. Securities Act or any applicable state securities laws, and will be granted or issued pursuant to exemptions from such registration or qualification requirements.
- (c) Unless the Options and/or any Shares issuable upon exercise of the Options have been registered under the U.S. Securities Act, such securities will be deemed "restricted securities" as defined in Rule 144 and will bear a U.S. restricted legend to such effect set forth in Section 6.17(d). Each Optionee has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Corporation, the resale occurring following the required holding period under Rule 144 following the exercise of the Options. An "affiliate" as defined in the U.S. Exchange Act, including an officer, director, or owner of 10% or greater of the Corporation, shall be restricted so that the number of Shares an affiliate may sell during any three-month period cannot exceed the great of 1% of the outstanding Shares of the same class being sold, or the greater of 1% or the average reported weekly trading volume during the four weeks preceding the filing of a notice of sale on Form 144, or if no such notice is required, the date of receipt of the order to execute the transaction.
- (d) Unless the Options and the Shares issuable upon exercise of the Options are registered under the U.S. Securities Act, the certificates representing the Shares will bear a legend in substantially the form set forth below:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN AND PROVINCIAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO CLAUSES (B), (C) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES, EXCEPT AS PERMITTED BY THE U.S. SECURITIES ACT."

PART 7 EXERCISE OF OPTION

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Part 6 hereof, an Optionee may exercise an Option, prior to the Expiry Date thereof, by giving written notice thereof to the Corporation at its principal place of business or as otherwise indicated by the Corporation in writing, in accordance with Schedule "B" hereto.

7.2 Payment of Exercise Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Exercise Price to the extent the Option is so exercised, and full payment of any amounts the Corporation determines must be withheld for tax purposes from the Optionee pursuant to the Option Agreement. Such payment shall be in lawful money of the United States (USD) in cash or by certified cheque.

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- 7.3 **Issuance of Stock Certificate.** As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Corporation shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.
- 7.4 **Monitoring Trading.** An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Corporation, within five Business Days of each trade.
- 7.5 **US Dollars.** The Exercise Price shall be stated and payable in United States dollars.

PART 8 ADJUSTMENTS TO OPTIONS

- 8.1 **Alteration of Capital.** In the event of any material change in the outstanding Shares of the Corporation prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the Exercise Price of such shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Corporation is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan. Adjustments with respect to Options of United States taxpayers shall be made in accordance with the requirements of sections 409A and 424 of the U.S. Internal Revenue Code, as applicable.
- 8.2 **No Fractions.** No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.
- 8.3 **Terminating Events.** Subject to Section 8.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.
- 8.4 **Notice of Terminating Event.** The Administrator shall give notice to Optionees not less than 30 days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.
- 8.5 **General Offer for Shares.** Notwithstanding anything else herein to the contrary, in the event (i) an offer to purchase the Shares shall be made to the holders of the Shares generally, unless the Board determines that such offer will not result in any change in control of the Corporation, or (ii) of a sale of all or substantially all of the assets of the Corporation, or (iii) the sale, pursuant to an agreement with the Corporation, of securities of the Corporation pursuant to which the Corporation is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Corporation shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and such event shall be deemed to be a Terminating Event.
- 8.6 **Determinations to be made by Administrator.** Adjustments and determinations under this Part 8 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

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PART 9 TERMINATION AND AMENDMENT OF PLAN

- 9.1 **Termination of Plan.** The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to section 8.1. The Administrator may terminate this Plan at such other time and on such conditions as the Administrator may determine, provided that no such termination shall be effected if do so would affect the rights of then existing Optionees, without the approval of such Optionees.
- 9.2 **Power of Administrator to Amend Plan.** The Administrator may, subject to the approval of the Exchange, amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Corporation to comply with or to avail the Corporation and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.
- Notwithstanding the above, the Corporation may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval, provided that: (i) the Corporation also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments, (ii) no Options granted under the amendments are exercised prior to shareholder approval, (iii) shareholder approval is obtained on or before the earlier of the Corporation's next annual general meeting or 12 months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments will terminate and any Options granted thereunder will terminate.
- 9.3 **Shareholder Approvals.** Any shareholder approval required to amend this Plan must take place at a meeting of the shareholders. Evidence that the majority of the shareholders are in favour of a proposal to approve any amendment thereto is not sufficient.
- 9.4 **No Grant During Suspension of Plan.** No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

PART 10 CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

- 10.1 **Compliance with Laws.** Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Corporation with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Corporation of any liability with respect to the non-- issuance or sale of such Shares.

10.2 **Representations by Optionee.** As a condition precedent to the exercise of any Option, the Corporation may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Corporation, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Corporation, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. THE CORPORATION HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS IN THE UNITED STATES OR ANY OTHER JURISDICTION OUTSIDE OF CANADA.

10.3 **Tax Withholding.** The Optionee shall hold harmless the Corporation and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, provincial, local and foreign withholding taxes, determined as a result of and upon exercise of an Option or from a transfer or other disposition of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

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PART 11 NOTICES

11.1 **Notices.** All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) facsimile transmission or by electronic mail, in which case notice shall be deemed to have been duly given on the date the fax or email is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

PART 12 MISCELLANEOUS PROVISIONS

12.1 **No Obligation to Exercise.** Optionees shall be under no obligation to exercise Options granted under this Plan.

12.2 **No Obligation to Retain Optionee.** Nothing contained in this Plan shall obligate the Corporation to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation to change the terms or conditions of the Optionee's employment or engagement with the Corporation, including the Optionee's compensation.

12.3 **Binding Agreement.** The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

12.4 **Governing Law.** The Plan shall be governed by and construed in accordance with the laws of the State of Colorado and the federal laws of the United States applicable therein.

12.5 **Use of Terms.** Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

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SCHEDULE "A"

ASSURE HOLDINGS CORP.

OPTION AGREEMENT

The Option granted herein is not assignable or transferable by the Optionee. Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded 011 or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until four months and one day after the Grant Date.

NEITHER THE OPTIONS REPRESENTED BY THIS CERTIFICATE NOR THE COMMON SHARES ISSUABLE UPON EXERCISE HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (U.S. SECURITIES ACT), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE ABSENCE OF REGISTRATION THEREUNDER OR ANY AVAILABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

This Option Agreement is entered into between Assure Holdings Corp. ("the Corporation") and the Optionee named below pursuant to the Corporation's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on _____, _____ (the "Grant Date");
2. _____ (the "Optionee");
3. was granted the option (the "Option") to purchase _____ Common Shares (the "Option Shares") of the Corporation.
4. at the price (the "Exercise Price") of US\$ _____ per share;
5. which shall / shall not (*select*) be exercisable ("Vested") in accordance with Section 6.6 of the Plan (*applicable if the Optionee is a person who performs Investor Relations Activities for the Corporation*);
6. shall expire on _____, 20____ (the "Expiry Date"); and

7. [insert other terms or conditions].

all on the terms and subject to the conditions set out in the Plan.

By receiving and accepting the Options, the Optionee:

- (a) confirms that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;
- (b) consents to the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Corporation; and
- (c) consents to the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.
- (d) The Optionee understands and agrees that neither the Options nor the Common Shares have been or are expected to be registered under the U.S. Securities Act, and the Options are being granted by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act. The Common Shares issued upon exercise of the Options, if any, will be deemed "restricted securities" as defined in Rule 144 of the U.S. Securities Act and may only be resold pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Certificates representing the Common Shares, if any, will bear a restrictive legend to such effect.

Issued as of the _____ day of _____, 20__

ASSURE HOLDINGS CORP.
By its authorized signatory

[NAME OF OPTIONEE]

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____

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SCHEDULE "B"

STOCK OPTION PLAN

NEITHER THE OPTIONS NOR THE COMMON SHARES ISSUABLE UPON EXERCISE OF THE OPTIONS HAVE BEEN OR ARE EXPECTED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("U.S. SECURITIES ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE ABSENCE OF REGISTRATION THEREUNDER OR ANY AVAILABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

EXERCISE NOTICE

TO: ASSURE HOLDINGS CORP.
4600 South Ulster Street, Suite 1225
Denver, CO 80237

Attention: Chief Executive Officer

Re: Exercise of Options

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of ASSURE HOLDINGS CORP. (the "Corporation"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (i) all of the Shares; or
- (ii) certain of the Shares which are subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: _____ Shares
 - (ii) times the Exercise Price per Share: US\$ _____
- Total Exercise Price, as enclosed herewith: US\$ _____

The undersigned tenders herewith a cheque or bank draft for the Total Exercise Price, payable to the Corporation, and directs the Corporation to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in this Plan.

DATED the _____ day of _____, 20__

Signature of Option Holder

Acknowledgements

In connection with the exercise of the Options, the Option Holder acknowledges and agrees that neither the Options nor the Common Shares have been or are expected to be registered under the U.S. Securities Act, and the Options are being granted by the Corporation in reliance upon an exemption from registration under the U.S. Securities Act. The Common Shares issued upon exercise of the Options, if any, will be deemed "restricted securities" as defined in Rule 144 of the U.S. Securities Act and may only be resold pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. Certificates representing the Common Shares, if any, will bear a restrictive legend to such effect.

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APPENDIX "C"

ASSURE HOLDINGS CORP. EQUITY INCENTIVE PLAN

SECTION 1 - Purpose; Eligibility

- 1.1 General Purpose.** The name of this plan is the Assure Holdings Corp. Equity Incentive Plan (the "**Plan**"). The purposes of the Plan are to (a) enable Assure Holdings Corp., a corporation existing under the laws of the State of Nevada (the "**Company**"), and any Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company's long range success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business.
- 1.2 Eligible Award Recipients.** The persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates.
- 1.3 Available Awards.** Awards that may be granted under the Plan include: (a) Stock Options, (b) Restricted Awards, (c) Performance Share Units, and (d) Other Equity-Based Awards.

SECTION 2 - Definitions

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 *-Prospectus Exemptions*, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated.

"**Award**" means any right granted under the Plan, including a Stock Option, a Restricted Award, a Performance Share Unit, or an Other Equity-Based Award.

"**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

"**Bank of Canada Rate**" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"**Blackout Period**" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

"**Board**" means the Board of Directors of the Company, as constituted at any time.

"**Business Day**" means any day on which the TSX Venture Exchange is open for business/other than a Saturday, Sunday or any other day on which the principal chartered banks located in Denver, Colorado are not open for business.

"**Cash Award**" means an Award denominated in cash that is granted under Section 7.4 of the Plan.

"**Cause**" means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

- (a) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
- (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the

Director has engaged in any of the following:

- (c) gross misconduct or neglect;
- (d) willful conversion of corporate funds;
- (e) false or fraudulent misrepresentation inducing the director's appointment; or
- (f) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

"Change in Control" means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

- (a) any transaction at any time and by whatever means pursuant to which direct or indirect beneficial ownership over voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are to be transferred to a Person or related group of Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transactions is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company immediately following the transaction;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned subsidiary of the Company);
- (c) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company); or
- (e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred; provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization or in connection with a bona fide financing or series of financings by the Company or any of its Affiliates.

"Committee" means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3; provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

"Common Share" means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

"Company" means Assure Holdings Corp., and any successor thereto.

"Company Group" means the Company and its subsidiaries and Affiliates.

"Constructive Dismissal", unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"Consultant" means any individual or entity engaged by the Company or any Affiliate, other than an Employee or Director, and whether or not compensated for such services that:

- (a) is engaged to provide services to the Company or any Affiliate, other than services provided in relation to a distribution,
- (b) provides the services under a written contract with the Company or any Affiliate, and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Affiliate, and includes
- (d) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and
- (e) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount.

"Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"Corporate Reorganization" has the meaning ascribed thereto in Section 10.

"**Director**" means a member of the Board.

"**Disability**" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

"**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a shareholders' meeting other than votes attached to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates.

"**Dividend Equivalent**" has the meaning ascribed to such term in Section 7.1(b).

"**Effective Date**" shall mean December 10, 2020, the date that the Company's security holders approve this Plan.

"**Eligible Person**" means any Director, officer, Employee or Consultant of the Company or an Affiliate.

"**Employee**" means any person, including an officer or Director, employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

"**Employer**" means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

"**Exchange**" means the TSX Venture Exchange.

"**Expiry Date**" has the meaning ascribed thereto in Section 6.2.

"**Fair Market Value**" means, unless otherwise required by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Common Shares on the Exchange for the twenty trading days immediately prior to the Grant Date and (ii) the closing price of the Common Shares on the Exchange on the trading day immediately prior to the Grant Date.

"**Fiscal Year**" means the Company's fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

"**Grant Date**" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"**Incentive Stock Option**" or "**ISO**" means an Option to purchase Common Shares granted under Section 6 herein and that is designated as an Incentive Stock Option and is intended to meet the requirements of section 422 of the U.S. Internal Revenue Code, or any successor provision.

"**Insider**" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"**Investor Relations Activities**" means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include: (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company to (i) promote the sale of products or services of the Company, or (ii) raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company; (b) activities or communications necessary to comply with the requirements of Applicable Laws, or requirements and policies of the Exchange or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company; (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if: (i) the communication is only through the newspaper, magazine or publication, and (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or (d) activities or communications that may be otherwise specified by the Exchange.

"**ITA**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

"**Leave of Absence**" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

"**Notice of Exercise**" means a notice substantially in the form set out as Schedule B to this Plan, as amended by the Company from time to time.

"**Option**" means a Stock Option granted to a Participant pursuant to the Plan.

"**Option Exercise Price**" means the price at which a Common Share may be purchased upon the exercise of an Option.

"**Optionholder**" means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

"**Other Equity-Based Award**" means an Award that is not an Option, Restricted Share Unit, or Performance Share Unit that is granted under Section 7.4 and is payable by delivery of Common Shares and/or which is measured by reference to the value of the Common Shares.

"**Participant**" means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award.

"Participant Information" has the meaning set forth in Section 13.13(a).

"Performance Criteria" or **"Performance Criterion"** means the criteria or criterion that the Committee shall select for purposes of establishing the Performance Goals for a Performance Period with respect to any Performance Share Unit under the Plan. The Performance Criteria that will be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company). Any one or more Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. In the event that Applicable Laws permit the Committee discretion to alter the governing Performance Criteria without obtaining security holder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining security holder approval.

"Performance Goals" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time, in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants.

"Performance Period" means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a performance based Award.

"Performance Share Unit" or **"PSU"** means a unit designated as a Performance Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted pursuant to Section 7.2 to the Participant to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, subject to the achievement of Performance Goals and the satisfaction of such other conditions to vesting, if any, as may be determined by the Committee.

"Permitted Reorganization" means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership of the Company remains substantially the same upon the completion of the reorganization.

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"Plan" means this Assure Holdings Corp. Equity Incentive Plan, as amended and/or amended and restated from time to time.

"Restricted Award" means any Award granted pursuant to Section 7.1 to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Restricted Period" means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.

"Restricted Share Unit" or **"RSU"** means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 7.1(a) to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Rule 144" means Rule 144 as promulgated under the U.S. Securities Act.

"Rule 701" means Rule 701 as promulgated under the U.S. Securities Act.

"Settlement Date" has the meaning ascribed to such term in Section 7.1(e).

"Share Unit" means either an RSU, PSU or Dividend Equivalent as the context requires.

"Share Unit Account" has the meaning ascribed to such term in Section 7.3.

"Significant Shareholder" means a person who at the time of a grant of an ISO to such person owns (or is deemed to own pursuant to section 424(d) of the U.S. Internal Revenue Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any of its Affiliates.

"Stock Option" means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

"Subsidiary" means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 -*Prospectus Exemptions*, as amended from time to time.

"Substitution Event" means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

"Take-Over Bid" means a take-over bid as defined in National Instrument 62-104 —*Take-over Bids and Issuer Bids*, as amended from time to time.

"Termination of Continuous Service" means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant's employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant's actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant's transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

"Total Share Reserve" has the meaning set forth in Section 4.1.

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

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

"Vesting Date" means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

SECTION 2 - Administration

- 2.1 General.** The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties.
- 2.2 Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 10 and, subject to Section 12, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and Affiliates operate.
- 2.3 Delegation.** The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, provided however, that any such delegation must be permitted under applicable corporate law. The term "**Committee**" shall apply to any person or persons to whom such authority has been delegated.

SECTION 3 - Number of Shares Available for Awards

- 3.1** Subject to adjustment in accordance with Section 10, no more than 3,497,123 Common Shares shall be available for the grant of Awards under the Plan (the "**Total Share Reserve**") or such greater number as may be approved from time to time by Disinterested Shareholder Approval and in accordance with the policies of the Exchange. During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards. Notwithstanding the foregoing, the maximum aggregate number of Common Shares which may be reserved for issuance as Incentive Stock Options granted under this Plan and all other plans of the Company and of any parent or subsidiary of the Company shall not exceed 3,497,123.
- 3.2** Any Award granted to a Participant must be exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws, which may include Rule 701 and/or Section 4(a)(2) of the U.S. Securities Act. Any Award granted pursuant to the exemption available under Rule 701 shall be subject to the limitations set forth therein.
- 3.3** Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, or (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation, or other Awards that were not issued upon the settlement of the Award.
- 3.4** Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, result in or allow at any time:
- (a) the number of Common Shares reserved for issuance pursuant to Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Common Shares;
 - (b) the grant to Insiders (as a group), within any 12 month period, of an aggregate number of Awards exceeding 10% of the issued and outstanding Common Shares at the time of the grant of the Awards;

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- (c) the issuance to any one Participant, within any 12 month period, of an aggregate number of Awards exceeding 5% of the issued and outstanding Common Shares at the time of the grant of the Awards;
 - (d) any individual Awards grant that would result in any of the limitations set out in Section 5.2(a) being exceeded; or
 - (e) any amendment to Awards held by Insiders that would have the effect of decreasing the exercise price of such Options.

SECTION 4 - Eligibility and Participation

- 4.1 Eligibility.** Individuals eligible to participate in the Plan include all Employees, Directors and Consultants.
- 4.2 Grant of Awards.** Subject to the terms and provisions of the Plan, Awards may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, provided:
- (a) the aggregate number of Awards granted to any one Person (and companies wholly owned by that Person) in any 12 month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date an Award is granted to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval);
 - (b) the aggregate number of Awards granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated on the date an option is granted to the Consultant;
 - (c) Persons retained to provide Investor Relations Activities to the Company may not be granted any Awards under this Plan, save and except Options, provided that the aggregate number of such Options granted to all such Persons must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period, calculated at the date that an Option is granted to any such Person; and
 - (d) for Options granted to Employees, Consultants or Management Company Employees (as such term is defined by the Exchange), the Company and the Person granted the Option are responsible for ensuring and confirming that the Person granted the Option is a bona fide Employee, Consultant or Management Company Employee (as such term is defined by the TSX-V), as the case may be.

SECTION 5 - Stock Options

- 5.1 Award Agreement.** Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6. The terms of the Award Agreement shall specify whether or not such Option is intended to be an Incentive Stock Option (ISO). An Incentive Stock Option may be granted only to an employee (including a director or officer who is also an employee) of the Company (or of any parent or subsidiary of the Company). For purposes of granting Incentive Stock Options only, the term Optionholder shall mean a person who is an employee for purposes of the U.S. Internal Revenue Code and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the U.S. Internal Revenue Code. No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Company. The Company will not grant Incentive Stock Options in which the aggregate Fair Market Value (determined as of the date of grant) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under this Plan and all other plans of the Company and of any parent or subsidiary of the Company) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the U.S Internal Revenue Code.
- 5.2 Term of Option.** No Stock Option shall be exercisable after the expiration of ten years from the Grant Date or such shorter period as set out in the Optionholder's Award Agreement ("**Expiry Date**"), at which time such Option will expire; provided that the maximum term of an ISO granted to a Significant Shareholder shall be five years from the Grant Date. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period; provided that in the case of any Optionholder who is a U.S. taxpayer, no Option may be extended beyond the Option's Expiry Date.
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- 5.3 Exercise Price of Stock Options.** The Option Exercise Price of each Stock Option shall be determined by the Committee on the Grant Date, subject to all applicable regulatory requirements, and shall be specified in the Award Agreement. The Exercise Price shall be stated and payable in United States dollars. Disinterested Shareholder Approval must be obtained for any reduction in the Option Exercise Price if the Person granted the Option is an Insider of the Company at the time of the proposed amendment. The Option Exercise Price shall be no less than the Fair Market Value of a Common Share on the Grant Date (and no less than 110% of Fair Market Value of a Common Share on the Grant Date with respect to ISOs granted to a Significant Shareholder).
- 5.4 Exercise of Options.** A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, in cash or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee, subject to the policies of the Exchange.

Subject to Section 8, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) for any reason, whether voluntary or involuntary, other than death or permanent disability, such Incentive Stock Option shall cease to be qualified an Incentive Stock Option as of the date that is three months after the date of cessation of employment (or upon the expiration of the term of such Incentive Stock Option, if earlier). If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) because of the death or permanent disability of such Optionholder, such Optionholder, such Incentive Stock Option will cease to be qualified as an Incentive Stock Option as of the date that is one year after the date of death or permanent disability, as the case may be, (or upon the expiration of the term of such Incentive Stock Option, if earlier). For purposes of this Section, the term "permanent disability" has the meaning assigned to that term in section 422(e)(3) of the U.S. Internal Revenue Code.

- 5.5 Transferability of a Stock Option.** A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

The Committee may impose such restrictions on any Common Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Common Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed and/or traded.

- 5.6 Vesting of Options.** Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event, unless such Options are granted to Participants who provide Investor Relations Activities and such acceleration would result in a vesting period of less than 12 months, or with more than 1/4 of the Options granted vesting in any three month period.

Notwithstanding the foregoing, for Options granted to persons retained to provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Options Vested
3 months after Grant Date	25%
6 months after Grant Date	50%
9 months after Grant Date	75%
12 months after Grant Date	100%

- 5.7 Termination of Continuous Service.** Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause.

5.8 Death, Disability or Leave of Absence. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's death, Disability or the Optionholder is on a Leave of Absence, then:

- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
- (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.

5.9 Resignation or Termination Without Cause. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation or is terminated by the Employer for any reason other than for Cause, then:

- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
- (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.

SECTION 6 - Provisions of Awards Other than Options

6.1 Restricted Awards.

(a) Restricted Share Units

The Committee may, from time to time, grant RSUs to Participants. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Committee shall be evidenced by an RSU Agreement. In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) Dividend Equivalents

At the discretion of the Committee, each RSU (representing one Common Share) may be credited with cash and stock dividends paid by the Company in respect of one Common Share ("**Dividend Equivalents**"). Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. Dividend Equivalents shall be withheld by the Company and credited to the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents credited to the Participant's account at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's Share Unit Account and attributable to any particular RSU (and earnings thereon, if applicable) shall be distributed in cash or, at the discretion of the Committee, in Common Shares having a Fair Market Value equal to the amount of such Dividend Equivalents and earnings, if applicable, to the Participant upon settlement of such RSU and, if such RSU is forfeited, the Participant shall have no right to such Dividend Equivalents.

(c) Restrictions

- (i) RSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs are forfeited, all rights of the Participant to such RSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.
- (ii) The Committee shall have the authority to remove any or all of the restrictions on the RSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs are granted, such action is appropriate.

(d) Restricted Period

Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s), subject to the continuation of the Continuous Service of the Participant. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement.

No Restricted Award may be granted or settled for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

(e) Settlement of Restricted Share Units

On or within 60 days following the Vesting Date of a Share Unit (the "**Settlement Date**"), and subject to Section 9.5, the Company shall (i) issue to Participant from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver to the Participant an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iii) a combination of (i) and (ii). Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's Share Unit Account shall be cancelled and the Participant shall have no further rights, title or interest with respect thereto.

- 6.2 Performance Share Unit Awards.** The Committee may, from time to time, grant PSUs to Participants. The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Committee shall be evidenced by a PSU Agreement. In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any PSU granted hereunder. The Committee shall have the discretion to determine: (i) the number of Common Shares subject to a Performance Share Unit granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the Performance Goals and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in this Section 7.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Settlement of a PSU shall be made as provided in Section 7.1(e).
- 6.3 Share Unit Accounts.** An account, called a "**Share Unit Account**", shall be maintained by the Company for each Participant and will be credited with such grants of RSUs, PSUs or Dividend Equivalents as are received by the Participant from time to time. Share Units that fail to vest or that are settled in accordance with Section 7.1(e) shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs or PSUs, such RSUs or PSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.
- 6.4 Other Equity-Based and Cash Awards.** The Committee may, to the extent permitted by the Exchange, grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award Agreement. The Committee may grant Cash Awards to Participants. Cash Awards shall be evidenced in such form as the Committee may determine.
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SECTION 7 - Compliance with Applicable Laws

- 7.1** The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company or Committee determines to be necessary or advisable in order to safeguard against the violation of the securities or other laws of any jurisdiction. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.
- 7.2 U.S. Securities Act Compliance.** This Plan is subject to the requirements of the U.S. Securities Act and applicable state securities laws.
- (a) Neither the Awards nor any Common Shares issuable under any Award have been or are expected to be registered under the U.S. Securities Act or any applicable state securities laws, and will be granted or issued pursuant to exemptions from such registration or qualification requirements.
- (b) Unless the Award and/or any Common Shares issuable under the Award have been registered under the U.S. Securities Act, such securities will be deemed "restricted securities" as defined in Rule 144 and will bear a U.S. restricted legend to such effect set forth in Section 8.2(c). Each Participant has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 following the exercise of the Options. An "affiliate" as defined in the U.S. Exchange Act, including an officer, director, or owner of 10% or greater of the Company, shall be restricted so that the number of Common Shares an affiliate may sell during any three-month period cannot exceed the great of 1% of the outstanding Common Shares of the same class being sold, or the greater of 1% or the average reported weekly trading volume during the four weeks preceding the filing of a notice of sale on Form 144, or if no such notice is required, the date of receipt of the order to execute the transaction.
- (c) Unless the Award and the Common Shares issuable under the Award are registered under the U.S. Securities Act, the certificates representing the Common Shares will bear a legend in substantially the form set forth below:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE COMPANY THAT THESE SECURITIES MAY BE OFFERED, SOLD PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN AND PROVINCIAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO CLAUSES (B), (C) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES, EXCEPT AS PERMITTED BY THE U.S. SECURITIES ACT."

SECTION 8 - Miscellaneous

- 8.1 Acceleration of Exercisability and Vesting.** The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.
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- 8.2 Shareholder Rights.** Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.

- 8.3 No Employment or Other Service Rights.** Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.
- 8.4 Transfer; Leave of Absence.** For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.
- 8.5 Withholding Obligations.** It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or any Affiliate, an amount sufficient to satisfy federal, state and local taxes or provincial, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Common Shares or the Participant making such other arrangements, including the sale of Common Shares, in either case on such conditions as the Committee specifies.

SECTION 9 - Adjustments upon Changes in Capital

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares (each, a "**Corporate Reorganization**"), the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options; (v) the number of Share Units in the Participants' Share Unit Accounts; (vi) the vesting of RSUs or PSUs (and related Dividend Equivalents); and (vii) any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization, provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 10 shall be made in compliance with and subject to the rules of the Exchange. The Company shall give each Participant notice of any adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes. Adjustments with respect to Awards of United States taxpayers shall be made in accordance with the requirements of sections 409A and 424 of the U.S. Internal Revenue Code, as applicable.

SECTION 10 - Effect of Change in Control

- 10.1** The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of the Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to the Awards, contingent upon the closing or completion of the Change in Control:
- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar share award for the Award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change in Control);
 - (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
 - (c) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control; provided, however, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Change in Control, which exercise is contingent upon the effectiveness of such Change in Control;
 - (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
 - (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration (including no consideration) as the Board, in its sole discretion, may consider appropriate; and
 - (f) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such Participant in connection with such exercise. For clarity, this payment may be zero (\$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Shares in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.
- 10.2** The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award.
- 10.3** The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

SECTION 11 - Amendment of the Plan and Awards

- 11.1 Amendment of Plan and Awards.** The Board at any time, and from time to time, may amend or suspend any provision of an Award Agreement or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

- (a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan, Award Agreements or any Awards without seeking security holder approval: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange); (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws; (iv) amendments to the vesting provisions of this Plan or any Award; (v) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and (vi) amendments necessary to suspend or terminate this Plan.

- (b) Security holder approval will be required for the following types of amendments: (i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 10; (ii) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised; (iii) any amendment to remove or to exceed the Insider participation limit set out in Section 4.4; (iv) any amendment that reduces the Exercise Price of an Option benefiting an Insider of the Company or one of its Affiliates, other than pursuant to Section 10, or Section 11.1; (v) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2; (vi) any amendment to the amendment provisions; and (viii) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).

11.2 No Impairment of Rights. Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

SECTION 12 - General Provisions

12.1 Forfeiture and Clawback.

- (a) The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.
- (b) The Committee may impose such clawback, recovery or recoupment provisions in an Award Agreement as the Committee determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Common Shares or other cash or property upon the occurrence of an event constituting Cause. Such recovery of compensation will not be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

12.2 Legend. The certificate for Common Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Common Shares.

12.3 Investment Representations. The Committee may require each Participant receiving Common Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Common Shares for investment and without any present intention to sell or distribute such Common Shares.

12.4 Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

12.5 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

12.6 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

12.7 No Fractional Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

12.8 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

12.9 Expenses. The costs of administering the Plan shall be paid by the Company.

12.10 Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

12.11 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

12.12 Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

12.13 Participant Information.

- (a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").
- (b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.13(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

12.14 Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

SECTION 13 - Effective Date of Plan

The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

SECTION 14 - Termination or Suspension of the Plan

The Board may suspend or terminate the Plan at any time. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

SECTION 15 - Governing Law

The Plan shall be governed by and construed in accordance with the policies of the Exchange and the laws of the State of Colorado and the federal laws of the United States, applicable therein.

ASSURE HOLDINGS CORP.

EQUITY INCENTIVE PLAN

APPROVED BY THE SHAREHOLDERS AND ADOPTED BY THE BOARD OF DIRECTORS
ON DECEMBER 10, 2020

ASSURE HOLDINGS CORP.
EQUITY INCENTIVE PLAN

SECTION 1 - Purpose; Eligibility

- 1.1 General Purpose.** The name of this plan is the Assure Holdings Corp. Equity Incentive Plan (the "**Plan**"). The purposes of the Plan are to (a) enable Assure Holdings Corp., a corporation existing under the laws of the State of Nevada (the "**Company**"), and any Affiliate to attract and retain the types of Employees, Consultants and Directors who will contribute to the Company's long range success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Company; and (c) promote the success of the Company's business.
- 1.2 Eligible Award Recipients.** The persons eligible to receive Awards are the Employees, Consultants and Directors of the Company and its Affiliates.
- 1.3 Available Awards.** Awards that may be granted under the Plan include: (a) Stock Options, (b) Restricted Awards, (c) Performance Share Units, and (d) Other Equity-Based Awards.

SECTION 2 - Definitions

"**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 *-Prospectus Exemptions*, as amended from time to time.

"**Applicable Laws**" means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Company or the Plan.

"**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated.

"**Award**" means any right granted under the Plan, including a Stock Option, a Restricted Award, a Performance Share Unit, or an Other Equity-Based Award.

"**Award Agreement**" means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Company, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan.

"**Bank of Canada Rate**" means the exchange rate for the applicable currency published by the Bank of Canada on the relevant date.

"**Blackout Period**" means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Company, securities of the Company may not be traded by such person, including any period when such person has material undisclosed information with respect to the Company, but excluding any period during which a regulator has halted trading in the Company's securities.

"**Board**" means the Board of Directors of the Company, as constituted at any time.

"**Business Day**" means any day on which the TSX Venture Exchange is open for business/other than a Saturday, Sunday or any other day on which the principal chartered banks located in Denver, Colorado are not open for business.

"**Cash Award**" means an Award denominated in cash that is granted under Section 7.4 of the Plan.

"**Cause**" means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

- (a) if the Participant is a party to an employment or service agreement with the Company or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or

- (b) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Company to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (i) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (ii) material fiduciary breach with respect to the Company or an Affiliate; (iii) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Company or any of its Affiliates; (iv) gross negligence or willful misconduct with respect to the Company or an Affiliate; (v) material violation of Applicable Laws; or (vi) the willful failure of the Participant to properly carry out their duties on behalf of the Company or to act in accordance with the reasonable direction of the Company.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (c) gross misconduct or neglect;

- (d) willful conversion of corporate funds;
- (e) false or fraudulent misrepresentation inducing the director's appointment; or
- (f) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause.

"Change in Control" means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:

- (a) any transaction at any time and by whatever means pursuant to which direct or indirect beneficial ownership over voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are to be transferred to a Person or related group of Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transactions is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company immediately following the transaction;
- (b) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly owned subsidiary of the Company);
- (c) the date which is 10 business days prior to the consummation of a complete dissolution or liquidation of the Company, except in connection with the distribution of assets of the Company to one or more Persons which were wholly-owned subsidiaries of the Company prior to such event;
- (d) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company); or
- (e) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization or in connection with a bona fide financing or series of financings by the Company or any of its Affiliates.

"Committee" means a committee of one or more members of the Board appointed by the Board to administer the Plan in accordance with Section 3.3; provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board.

"Common Share" means a common share in the capital of the Company, or such other security of the Company as may be designated by the Committee from time to time in substitution thereof.

"Company" means Assure Holdings Corp., and any successor thereto.

"Company Group" means the Company and its subsidiaries and Affiliates.

"Constructive Dismissal", unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal.

"Consultant" means any individual or entity engaged by the Company or any Affiliate, other than an Employee or Director, and whether or not compensated for such services that:

- (a) is engaged to provide services to the Company or any Affiliate, other than services provided in relation to a distribution,
- (b) provides the services under a written contract with the Company or any Affiliate, and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Affiliate, and includes
- (d) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and
- (e) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount.

"Continuous Service" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave or any other personal or family leave of absence other than a Leave of Absence that is not considered a termination pursuant to Section 9.4. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a Termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding.

"Corporate Reorganization" has the meaning ascribed thereto in Section 10.

"Director" means a member of the Board.

"Disability" means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:

- (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill their obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
- (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing their affairs.

The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which a Participant participates.

"Disinterested Shareholder Approval" means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a shareholders' meeting other than votes attached to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates.

"Dividend Equivalent" has the meaning ascribed to such term in Section 7.1(b).

"Effective Date" shall mean December 10, 2020, the date that the Company's security holders approve this Plan.

"Eligible Person" means any Director, officer, Employee or Consultant of the Company or an Affiliate.

"Employee" means any person, including an officer or Director, employed by the Company or an Affiliate. Mere service as a Director or payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company or an Affiliate.

"Employer" means, with respect to an Employee, the entity in the Company Group that employs the Employee or that employed the Employee immediately prior to their Termination of Continuous Service.

"Exchange" means the TSX Venture Exchange.

"Expiry Date" has the meaning ascribed thereto in Section 6.2.

"Fair Market Value" means, unless otherwise required by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Common Shares on the Exchange for the twenty trading days immediately prior to the Grant Date and (ii) the closing price of the Common Shares on the Exchange on the trading day immediately prior to the Grant Date.

"Fiscal Year" means the Company's fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

"Grant Date" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

"Incentive Stock Option" or **"ISO"** means an Option to purchase Common Shares granted under Section 6 herein and that is designated as an Incentive Stock Option and is intended to meet the requirements of section 422 of the U.S. Internal Revenue Code, or any successor provision.

"Insider" has the meaning attributed thereto in the policies of the Exchange, as amended from time to time.

"Investor Relations Activities" means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include: (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company to (i) promote the sale of products or services of the Company, or (ii) raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company; (b) activities or communications necessary to comply with the requirements of Applicable Laws, or requirements and policies of the Exchange or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company; (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if: (i) the communication is only through the newspaper, magazine or publication, and (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or (d) activities or communications that may be otherwise specified by the Exchange.

"ITA" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time.

"Leave of Absence" means any period during which, pursuant to the prior written approval of the Participant's Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to their Employer or any other entity in the Company Group.

"Notice of Exercise" means a notice substantially in the form set out as Schedule B to this Plan, as amended by the Company from time to time.

"Option" means a Stock Option granted to a Participant pursuant to the Plan.

"Option Exercise Price" means the price at which a Common Share may be purchased upon the exercise of an Option.

"Optionholder" means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option.

"Other Equity-Based Award" means an Award that is not an Option, Restricted Share Unit, or Performance Share Unit that is granted under Section 7.4 and is payable by delivery of Common Shares and/or which is measured by reference to the value of the Common Shares.

"Participant" means an Eligible Person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award.

"Participant Information" has the meaning set forth in Section 13.13(a).

"Performance Criteria" or "Performance Criterion" means the criteria or criterion that the Committee shall select for purposes of establishing the Performance Goals for a Performance Period with respect to any Performance Share Unit under the Plan. The Performance Criteria that will be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (or Affiliate, division, business unit or operational unit of the Company). Any one or more Performance Criteria may be used on an absolute or relative basis to measure the performance of the Company and/or an Affiliate as a whole or any division, business unit or operational unit of the Company and/or an Affiliate or any combination thereof, as the Committee may deem appropriate. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. In the event that Applicable Laws permit the Committee discretion to alter the governing Performance Criteria without obtaining security holder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining security holder approval.

"Performance Goals" means, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time, in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants.

"Performance Period" means the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to and the payment of a performance based Award.

"Performance Share Unit" or "PSU" means a unit designated as a Performance Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted pursuant to Section 7.2 to the Participant to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, subject to the achievement of Performance Goals and the satisfaction of such other conditions to vesting, if any, as may be determined by the Committee.

"Permitted Reorganization" means a reorganization of the Company Group in circumstances where the shareholdings or ultimate ownership of the Company remains substantially the same upon the completion of the reorganization.

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative.

"Plan" means this Assure Holdings Corp. Equity Incentive Plan, as amended and/or amended and restated from time to time.

"Restricted Award" means any Award granted pursuant to Section 7.1 to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Restricted Period" means the period during which a Restricted Award is subject to vesting or other restrictions in accordance with its terms.

"Restricted Share Unit" or "RSU" means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Company to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 7.1(a) to receive a Common Share or a cash payment equal to the Fair Market Value thereof that generally becomes vested, if at all, following a period of continuous employment.

"Rule 144" means Rule 144 as promulgated under the U.S. Securities Act.

"Rule 701" means Rule 701 as promulgated under the U.S. Securities Act.

"Settlement Date" has the meaning ascribed to such term in Section 7.1(e).

"Share Unit" means either an RSU, PSU or Dividend Equivalent as the context requires.

"Share Unit Account" has the meaning ascribed to such term in Section 7.3.

"Significant Shareholder" means a person who at the time of a grant of an ISO to such person owns (or is deemed to own pursuant to section 424(d) of the U.S. Internal Revenue Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any of its Affiliates.

"Stock Option" means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan.

"Subsidiary" means any entity that is a "subsidiary" for the purposes of National Instrument 45-106 *-Prospectus Exemptions*, as amended from time to time.

"Substitution Event" means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise.

"Take-Over Bid" means a take-over bid as defined in National Instrument 62-104 *—Take-over Bids and Issuer Bids*, as amended from time to time.

"Termination of Continuous Service" means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Company or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant's employment or retention with the Company or an Affiliate shall be considered to have terminated effective on the last day of the Participant's actual and active employment or retention with the Company or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Company or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, and except as required by applicable employment standards legislation, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining their entitlement under the Plan. A Participant's transfer of employment to another Employer within the Company Group will not be considered a Termination of Continuous Service.

"Total Share Reserve" has the meaning set forth in Section 4.1.

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

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

"Vesting Date" means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

SECTION 2 - Administration

- 2.1 General.** The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties.
- 2.2 Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 10 and, subject to Section 12, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and Affiliates operate.
- 2.3 Delegation.** The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, provided however, that any such delegation must be permitted under applicable corporate law. The term "**Committee**" shall apply to any person or persons to whom such authority has been delegated.

SECTION 3 - Number of Shares Available for Awards

- 3.1** Subject to adjustment in accordance with Section 10, no more than 3,497,123 Common Shares shall be available for the grant of Awards under the Plan (the "**Total Share Reserve**") or such greater number as may be approved from time to time by Disinterested Shareholder Approval and in accordance with the policies of the Exchange. During the terms of the Awards, the Company shall keep available at all times the number of Common Shares required to satisfy such Awards. Notwithstanding the foregoing, the maximum aggregate number of Common Shares which may be reserved for issuance as Incentive Stock Options granted under this Plan and all other plans of the Company and of any parent or subsidiary of the Company shall not exceed 3,497,123.
- 3.2** Any Award granted to a Participant must be exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws, which may include Rule 701 and/or Section 4(a)(2) of the U.S. Securities Act. Any Award granted pursuant to the exemption available under Rule 701 shall be subject to the limitations set forth therein.
- 3.3** Any Common Shares subject to an Award that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Award related will again be available for issuance under the Plan. Notwithstanding anything to the contrary contained herein: shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such shares are (a) shares tendered in payment of an Option, or (b) shares delivered or withheld by the Company to satisfy any tax withholding obligation, or other Awards that were not issued upon the settlement of the Award.
- 3.4** Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, result in or allow at any time:
- (a) the number of Common Shares reserved for issuance pursuant to Awards granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Common Shares;
 - (b) the grant to Insiders (as a group), within any 12 month period, of an aggregate number of Awards exceeding 10% of the issued and outstanding Common Shares at the time of the grant of the Awards;
 - (c) the issuance to any one Participant, within any 12 month period, of an aggregate number of Awards exceeding 5% of the issued and outstanding Common Shares at the time of the grant of the Awards;

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- (d) any individual Awards grant that would result in any of the limitations set out in Section 5.2(a) being exceeded; or
 - (e) any amendment to Awards held by Insiders that would have the effect of decreasing the exercise price of such Options.

SECTION 4 - Eligibility and Participation

- 4.1 Eligibility.** Individuals eligible to participate in the Plan include all Employees, Directors and Consultants.
- 4.2 Grant of Awards.** Subject to the terms and provisions of the Plan, Awards may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, provided:
- (a) the aggregate number of Awards granted to any one Person (and companies wholly owned by that Person) in any 12 month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date an Award is granted to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval);
 - (b) the aggregate number of Awards granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated on the date an option is granted to the Consultant;
 - (c) Persons retained to provide Investor Relations Activities to the Company may not be granted any Awards under this Plan, save and except Options, provided that the aggregate number of such Options granted to all such Persons must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period, calculated at the date that an Option is granted to any such Person; and

- (d) for Options granted to Employees, Consultants or Management Company Employees (as such term is defined by the Exchange), the Company and the Person granted the Option are responsible for ensuring and confirming that the Person granted the Option is a bona fide Employee, Consultant or Management Company Employee (as such term is defined by the TSX-V), as the case may be.

SECTION 5 - Stock Options

- 5.1 Award Agreement.** Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 6, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the provisions in this Section 6. The terms of the Award Agreement shall specify whether or not such Option is intended to be an Incentive Stock Option (ISO). An Incentive Stock Option may be granted only to an employee (including a director or officer who is also an employee) of the Company (or of any parent or subsidiary of the Company). For purposes of granting Incentive Stock Options only, the term Optionholder shall mean a person who is an employee for purposes of the U.S. Internal Revenue Code and the terms "parent" and "subsidiary" shall have the meanings set forth in sections 424(e) and 424(f) of the U.S. Internal Revenue Code. No Incentive Stock Option will be granted more than ten years after the earlier of the date this Plan is adopted by the Board or the date this Plan is approved by the shareholders of the Company. The Company will not grant Incentive Stock Options in which the aggregate Fair Market Value (determined as of the date of grant) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under this Plan and all other plans of the Company and of any parent or subsidiary of the Company) exceeds US\$100,000 or any limitation subsequently set forth in section 422(d) of the U.S Internal Revenue Code.
- 5.2 Term of Option.** No Stock Option shall be exercisable after the expiration of ten years from the Grant Date or such shorter period as set out in the Optionholder's Award Agreement ("**Expiry Date**"), at which time such Option will expire; provided that the maximum term of an ISO granted to a Significant Shareholder shall be five years from the Grant Date. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period; provided that in the case of any Optionholder who is a U.S. taxpayer, no Option may be extended beyond the Option's Expiry Date.

- 5.3 Exercise Price of Stock Options.** The Option Exercise Price of each Stock Option shall be determined by the Committee on the Grant Date, subject to all applicable regulatory requirements, and shall be specified in the Award Agreement. The Exercise Price shall be stated and payable in United States dollars. Disinterested Shareholder Approval must be obtained for any reduction in the Option Exercise Price if the Person granted the Option is an Insider of the Company at the time of the proposed amendment. The Option Exercise Price shall be no less than the Fair Market Value of a Common Share on the Grant Date (and no less than 110% of Fair Market Value of a Common Share on the Grant Date with respect to ISOs granted to a Significant Shareholder).
- 5.4 Exercise of Options.** A vested Option or any portion thereof may be exercised by the Optionholder delivering to the Company a Notice of Exercise signed by the Optionholder or their legal personal representative, accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, in cash or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Committee, subject to the policies of the Exchange.

Subject to Section 8, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Optionholder as fully paid and non-assessable, following which the Optionholder shall have no further rights, title or interest with respect to such Option or portion thereof.

If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) for any reason, whether voluntary or involuntary, other than death or permanent disability, such Incentive Stock Option shall cease to be qualified an Incentive Stock Option as of the date that is three months after the date of cessation of employment (or upon the expiration of the term of such Incentive Stock Option, if earlier). If an Optionholder who has been granted Incentive Stock Options ceases to be employed by the Company (or by any parent or subsidiary of the Company) because of the death or permanent disability of such Optionholder, such Optionholder, such Incentive Stock Option will cease to be qualified as an Incentive Stock Option as of the date that is one year after the date of death or permanent disability, as the case may be, (or upon the expiration of the term of such Incentive Stock Option, if earlier). For purposes of this Section, the term "permanent disability" has the meaning assigned to that term in section 422(c)(3) of the U.S. Internal Revenue Code.

- 5.5 Transferability of a Stock Option.** A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

The Committee may impose such restrictions on any Common Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Common Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Common Shares are listed and/or traded.

- 5.6 Vesting of Options.** Each Option may, but need not, vest and, therefore, become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Committee may deem appropriate. The vesting provisions of individual Options may vary. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event, unless such Options are granted to Participants who provide Investor Relations Activities and such acceleration would result in a vesting period of less than 12 months, or with more than 1/4 of the Options granted vesting in any three month period.

Notwithstanding the foregoing, for Options granted to persons retained to provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Options Vested
3 months after Grant Date	25%
6 months after Grant Date	50%
9 months after Grant Date	75%
12 months after Grant Date	100%

5.7 Termination of Continuous Service. Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 6 or pursuant to the terms provided in an Award Agreement or in an employment agreement the terms of which have been approved by the Committee, all rights to purchase Common Shares pursuant to an Option shall expire and terminate immediately upon the Optionholder's Termination of Continuous Service, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if employment of the Optionholder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Optionholder of such termination for Cause.

5.8 Death, Disability or Leave of Absence. Unless otherwise provided in an Award Agreement, in the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's death, Disability or the Optionholder is on a Leave of Absence, then:

- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
- (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 90th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.

5.9 Resignation or Termination Without Cause. Unless otherwise provided in an Award Agreement, in the event an Optionholder's Continuous Service terminates as a result of the Optionholder's voluntary resignation or is terminated by the Employer for any reason other than for Cause, then:

- (a) the unvested part of any Option held by the Optionholder shall expire and terminate immediately on the Optionholder's Termination of Continuous Service; and
- (b) the vested part of any Option held by the Optionholder may be exercised in accordance with Section 6.4 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Optionholder's Termination of Continuous Service. Any Option that remains unexercised shall be immediately forfeited and be of no further effect upon the termination of such period.

SECTION 6 - Provisions of Awards Other than Options

6.1 Restricted Awards.

- (a) Restricted Share Units

The Committee may, from time to time, grant RSUs to Participants. The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. Each RSU granted by the Committee shall be evidenced by an RSU Agreement. In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 7.1, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

- (b) Dividend Equivalents

At the discretion of the Committee, each RSU (representing one Common Share) may be credited with cash and stock dividends paid by the Company in respect of one Common Share ("**Dividend Equivalents**"). Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. Dividend Equivalents shall be withheld by the Company and credited to the Participant's account, and interest may be credited on the amount of cash Dividend Equivalents credited to the Participant's account at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a Participant's Share Unit Account and attributable to any particular RSU (and earnings thereon, if applicable) shall be distributed in cash or, at the discretion of the Committee, in Common Shares having a Fair Market Value equal to the amount of such Dividend Equivalents and earnings, if applicable, to the Participant upon settlement of such RSU and, if such RSU is forfeited, the Participant shall have no right to such Dividend Equivalents.

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- (c) Restrictions

- (i) RSUs awarded to any Participant shall be subject to (A) forfeiture until the expiration of the Restricted Period, and satisfaction of any applicable Performance Goals during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs are forfeited, all rights of the Participant to such RSUs shall terminate without further obligation on the part of the Company and (B) such other terms and conditions as may be set forth in the applicable Award Agreement.
- (ii) The Committee shall have the authority to remove any or all of the restrictions on the RSUs whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date the RSUs are granted, such action is appropriate.

- (d) Restricted Period

Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant's RSUs shall vest on the Vesting Date(s), subject to the continuation of the Continuous Service of the Participant. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement.

No Restricted Award may be granted or settled for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

- (e) Settlement of Restricted Share Units

On or within 60 days following the Vesting Date of a Share Unit (the "**Settlement Date**"), and subject to Section 9.5, the Company shall (i) issue to Participant from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver to the Participant an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Fair Market Value as at the Settlement Date, or (iii) a combination of (i) and (ii). Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant's Share Unit Account shall be cancelled and the Participant shall have no further rights, title or interest with respect thereto.

- 6.2 Performance Share Unit Awards.** The Committee may, from time to time, grant PSUs to Participants. The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. Each PSU granted by the Committee shall be evidenced by a PSU Agreement. In all cases, the PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of their services to the applicable Employer. No Common Shares shall be issued at the time a PSU is granted, and the Company will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any PSU granted hereunder. The Committee shall have the discretion to determine: (i) the number of Common Shares subject to a Performance Share Unit granted to any Participant; (ii) the Performance Period applicable to any Award; (iii) the Performance Goals and other conditions that must be satisfied for a Participant to earn an Award; and (iv) the other terms, conditions and restrictions of the Award. Each PSU so granted shall be subject to the conditions set forth in this Section 7.2, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Settlement of a PSU shall be made as provided in Section 7.1(e).
- 6.3 Share Unit Accounts.** An account, called a "**Share Unit Account**", shall be maintained by the Company for each Participant and will be credited with such grants of RSUs, PSUs or Dividend Equivalents as are received by the Participant from time to time. Share Units that fail to vest or that are settled in accordance with Section 7.1(e) shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs or PSUs, such RSUs or PSUs (and related Dividend Equivalents) shall be recorded separately in the Participant's Share Unit Account.
- 6.4 Other Equity-Based and Cash Awards.** The Committee may, to the extent permitted by the Exchange, grant Other Equity-Based Awards, either alone or in tandem with other Awards, in such amounts and subject to such conditions as the Committee shall determine in its sole discretion. Each Equity-Based Award shall be evidenced by an Award Agreement and shall be subject to such conditions, not inconsistent with the Plan, as may be reflected in the applicable Award Agreement. The Committee may grant Cash Awards to Participants. Cash Awards shall be evidenced in such form as the Committee may determine.

SECTION 7 - Compliance with Applicable Laws

- 7.1** The Company's obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company or Committee determines to be necessary or advisable in order to safeguard against the violation of the securities or other laws of any jurisdiction. Awards may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Awards have been completed.
- 7.2 U.S. Securities Act Compliance.** This Plan is subject to the requirements of the U.S. Securities Act and applicable state securities laws.
- (a) Neither the Awards nor any Common Shares issuable under any Award have been or are expected to be registered under the U.S. Securities Act or any applicable state securities laws, and will be granted or issued pursuant to exemptions from such registration or qualification requirements.
- (b) Unless the Award and/or any Common Shares issuable under the Award have been registered under the U.S. Securities Act, such securities will be deemed "restricted securities" as defined in Rule 144 and will bear a U.S. restricted legend to such effect set forth in Section 8.2(c). Each Participant has been advised or is aware of the provisions of Rule 144, which permits limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things: the availability of certain current public information about the Company, the resale occurring following the required holding period under Rule 144 following the exercise of the Options. An "affiliate" as defined in the U.S. Exchange Act, including an officer, director, or owner of 10% or greater of the Company, shall be restricted so that the number of Common Shares an affiliate may sell during any three-month period cannot exceed the great of 1% of the outstanding Common Shares of the same class being sold, or the greater of 1% or the average reported weekly trading volume during the four weeks preceding the filing of a notice of sale on Form 144, or if no such notice is required, the date of receipt of the order to execute the transaction.
- (c) Unless the Award and the Common Shares issuable under the Award are registered under the U.S. Securities Act, the certificates representing the Common Shares will bear a legend in substantially the form set forth below:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER ACKNOWLEDGES AND AGREES FOR THE BENEFIT OF THE COMPANY THAT THESE SECURITIES MAY BE OFFERED, SOLD PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN AND PROVINCIAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) WITHIN THE UNITED STATES IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO CLAUSES (B), (C) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED. IN ANY CASE, THE HOLDER HEREOF WILL NOT, DIRECTLY OR INDIRECTLY, ENGAGE IN ANY HEDGING TRANSACTION WITH REGARD TO THE SECURITIES, EXCEPT AS PERMITTED BY THE U.S. SECURITIES ACT."

SECTION 8 - Miscellaneous

- 8.1 Acceleration of Exercisability and Vesting.** The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

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- 8.2 Shareholder Rights.** Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 10 hereof.

- 8.3 No Employment or Other Service Rights.** Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without Cause or (b) the service of a Director pursuant to the by-laws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.
- 8.4 Transfer; Leave of Absence.** For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (a) a transfer of employment to the Company from an Affiliate or from the Company to an Affiliate, or from one Affiliate to another, or (b) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.
- 8.5 Withholding Obligations.** It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from their receipt of Common Shares or other property pursuant to this Plan. The Company shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or any Affiliate, an amount sufficient to satisfy federal, state and local taxes or provincial, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Common Shares or the Participant making such other arrangements, including the sale of Common Shares, in either case on such conditions as the Committee specifies.

SECTION 9 - Adjustments upon Changes in Capital

In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Common Shares (each, a "**Corporate Reorganization**"), the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (i) the maximum number of Common Shares subject to all Awards stated in Section 4; (ii) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in Section 4; (iii) the number or kind of shares or other securities subject to any outstanding Awards; (iv) the Exercise Price of any outstanding Options; (v) the number of Share Units in the Participants' Share Unit Accounts; (vi) the vesting of RSUs or PSUs (and related Dividend Equivalents); and (vii) any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization, provided, however, that no adjustment will obligate the Company to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 10 shall be made in compliance with and subject to the rules of the Exchange. The Company shall give each Participant notice of any adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes. Adjustments with respect to Awards of United States taxpayers shall be made in accordance with the requirements of sections 409A and 424 of the U.S. Internal Revenue Code, as applicable.

SECTION 10 - Effect of Change in Control

- 10.1** The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of the Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to the Awards, contingent upon the closing or completion of the Change in Control:

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- (a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the Award or to substitute a similar share award for the Award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change in Control);
 - (b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);
 - (c) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control; provided, however, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Change in Control, which exercise is contingent upon the effectiveness of such Change in Control;
 - (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;
 - (e) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration (including no consideration) as the Board, in its sole discretion, may consider appropriate; and
 - (f) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Award immediately prior to the effective time of the Change in Control, over (B) any exercise price payable by such Participant in connection with such exercise. For clarity, this payment may be zero (\$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Shares in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

- 10.2** The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award.

- 10.3** The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company and its Affiliates, taken as a whole.

SECTION 11 - Amendment of the Plan and Awards

- 11.1 Amendment of Plan and Awards.** The Board at any time, and from time to time, may amend or suspend any provision of an Award Agreement or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.

- (a) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan, Award Agreements or any Awards without seeking security holder approval: (i) amendments of a "housekeeping" or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange); (iii) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws; (iv) amendments to the vesting provisions of this Plan or any Award; (v) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and (vi) amendments necessary to suspend or terminate this Plan.

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- (b) Security holder approval will be required for the following types of amendments: (i) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 10; (ii) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised; (iii) any amendment to remove or to exceed the Insider participation limit set out in Section 4.4; (iv) any amendment that reduces the Exercise Price of an Option benefiting an Insider of the Company or one of its Affiliates, other than pursuant to Section 10, or Section 11.1; (v) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 6.2; (vi) any amendment to the amendment provisions; and (viii) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).

11.2 No Impairment of Rights. Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

SECTION 12 - General Provisions

12.1 Forfeiture and Clawback.

- (a) The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.
- (b) The Committee may impose such clawback, recovery or recoupment provisions in an Award Agreement as the Committee determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Common Shares or other cash or property upon the occurrence of an event constituting Cause. Such recovery of compensation will not be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company.

12.2 Legend. The certificate for Common Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Common Shares.

12.3 Investment Representations. The Committee may require each Participant receiving Common Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Common Shares for investment and without any present intention to sell or distribute such Common Shares.

12.4 Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

12.5 Unfunded Plan. The Plan shall be unfunded. Neither the Company, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.

12.6 Delivery. Upon exercise of a right granted under this Plan, the Company shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Company may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

12.7 No Fractional Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.

12.8 Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.

12.9 Expenses. The costs of administering the Plan shall be paid by the Company.

12.10 Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

12.11 Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.

12.12 Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.

12.13 Participant Information.

- (a) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Company with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").
- (b) The Company may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Company in connection with the operation and administration of the Plan. The Company may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Company shall not disclose Participant Information except (i) as contemplated above in this Section 13.13(b), (ii) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (iii) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Company to compel production of the information.

12.14 Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

SECTION 13 - Effective Date of Plan

The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.

SECTION 14 - Termination or Suspension of the Plan

The Board may suspend or terminate the Plan at any time. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated. Suspension or termination of the Plan will not materially impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant or as otherwise permitted in the Plan.

SECTION 15 - Governing Law

The Plan shall be governed by and construed in accordance with the policies of the Exchange and the laws of the State of Colorado and the federal laws of the United States, applicable therein.

ASSURE HOLDINGS CORP.

CODE OF BUSINESS ETHICS

The long-term success of our company depends on the competence and integrity of our employees, but the nature of our business demands a very special relationship of trust with all our clients, employees, partner companies and the communities in which we do business. This code cannot cover all situations, but it is intended to guide your behavior as you do your job.

It is company policy always to comply with the letter and the spirit of the country in which we operate, and with the regulatory requirements affecting our business. It is your obligation to ensure that compliance with respect to those company activities for which you are responsible. This includes compliance with antitrust, trade, securities, copyright, employment, and other business regulations as well as laws governing criminal offenses.

You should avoid all situations that have or appear to create a conflict of interest. Some conflicts of interest are obvious, such as selling or leasing goods or services to the company. But some less obvious conflicts of interest can arise with suppliers, clients, customers, agents or prospective clients.

If you are in doubt about the propriety of any situation or circumstance, you are encouraged to discuss the matter with your manager/supervisor before acting.

SUBSIDIARIES

SUBSIDIARIES	Legal Name	Jurisdiction	Ownership
Assure Holdings Corp. - Subsidiaries	Assure Holdings, Inc.	Colorado	100%
Assure Holdings, Inc. - Subsidiaries	Assure Neuomonitoring LLC	Colorado	100%
	Assure Networks, LLC	Colorado	100%
	Assure Equipment Leasing, LLC	Colorado	100%
	Velocity Revenue Cycle, LLC	Colorado	100%
Assure Neuomonitoring LLC - Subsidiaries	Assure Neuomonitoring Arizona, LLC	Arizona	100%
	Assure Neuomonitoring Colorado, LLC	Colorado	100%
	Assure Neuomonitoring Georgia, LLC	Georgia	100%
	Assure Neuomonitoring Louisiana, LLC	Louisiana	100%
	Assure Neuomonitoring Michigan, LLC	Michigan	100%
	Assure Neuomonitoring Minnesota, LLC	Minnesota	100%
	Assure Neuomonitoring Nevada, LLC	Nevada	100%
	Assure Neuomonitoring Oklahoma, LLC	Oklahoma	100%
	Assure Neuomonitoring Pennsylvania, LLC	Pennsylvania	100%
	Assure Neuomonitoring South Carolina, LLC	South Carolina	100%
	Assure Neuomonitoring Tennessee LLC	Tennessee	100%
	Assure Neuomonitoring Texas, LLC	Texas	100%
	Assure Neuomonitoring Texas Holdings, LLC	Texas	100%
	Assure Neuomonitoring Utah, LLC	Utah	100%
	Assure Neuomonitoring Virginia, LLC	Virginia	100%
Assure Networks, LLC - Subsidiaries	Assure Networks Arizona, LLC	Arizona	100%
	Assure Networks Colorado, LLC	Colorado	100%
	Assure Networks Georgia, LLC	Georgia	100%
	Assure Networks Louisiana, LLC	Louisiana	100%
	Assure Networks Michigan, LLC	Michigan	100%
	Assure Networks Minnesota LLC	Minnesota	100%
	Assure Networks Nevada LLC	Nevada	100%
	Assure Networks Oklahoma, LLC	Oklahoma	100%
	Assure Networks Pennsylvania, LLC	Pennsylvania	100%
	Assure Networks South Carolina, LLC	South Carolina	100%
	Assure Networks Tennessee LLC	Tennessee	100%
	Assure Networks Texas, LLC	Texas	100%
	Assure Networks Texas Holdings, LLC	Texas	100%
	Assure Networks Utah, LLC	Utah	100%
	Assure Networks Virginia, LLC	Virginia	100%
Assure Networks Colorado, LLC - Subsidiaries	DNS Professional Reading, LLC	Colorado	100%
Assure Networks Louisiana, LLC - Subsidiaries	DNS Louisiana, LLC	Louisiana	100%

Assure Networks Utah, LLC
- Subsidiaries

DNS Utah, LLC

Utah

100%

Consent of Independent Registered Public Accounting Firm

We consent to the use in this Registration Statement (No. 333-XXX) on Form S-1 of Assure Holdings Corp. of our report dated May 29, 2020, except for Note 11 as to which the date is December 30, 2020 relating to the consolidated financial statements of Assure Holdings Corp., appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to our firm under the heading "Experts".

Our audits of the consolidated financial statements referred to in our aforementioned report also included the financial statement schedule of Assure Holdings Corp. This financial statement schedule is the responsibility of management. Our responsibility is to express an opinion based on our audits of the consolidated financial statements. In our opinion, such financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ Baker Tilly US, LLP

Irvine, California
December 30, 2020
