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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 13, 2017

DIFFUSION PHARMACEUTICALS INC.

(Exact name of registrant as specified in its charter)

Delaware	**000-24477**	**30-0645032**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2020 Avon Court, #4 **Charlottesville, Virginia**	**22902**
(Address of principal executive offices)	(Zip Code)

(434) 220-0718
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

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

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

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

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

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

Item 1.01 Entry into a Material Definitive Agreement.

On March 14, 2017, Diffusion Pharmaceuticals Inc. (the "Company") entered into Subscription Agreements (the "Purchase Agreements") with certain accredited investors and conducted a closing pursuant to which the Company sold 7,837,023 shares of the Company's Series A convertible preferred stock, par value $0.001 per share (the "Preferred Stock"), initially convertible into one share of the Company's common stock, par value $0.001 per share (the "Common Stock"), at a purchase price of $2.02 per share. In addition, each investor received a 5-year warrant (the "Warrants", and collectively with the Preferred Stock, the "Securities") to purchase one share of Common Stock for each share of Preferred Stock purchased by such investor at an exercise price equal to $2.22, subject to adjustment thereunder. The closing is the initial closing (the "Initial Closing") of the Company's previously announced private placement (the "Private Placement") of up to $15,000,000 of Securities, which amount may be increased to $25,000,000 at the discretion of the Company and its placement agent in the Private Placement (the "Maximum Offering Amount").

The Company received total gross proceeds of approximately $15,800,000 from the Initial Closing, prior to deducting placement agent fees and estimated expenses payable by the Company associated with the Initial Closing. The Company currently intends to use the proceeds of the Private Placement to fund research and development of its lead product candidate, transcrocetinate sodium, also known as trans sodium crocetinate, or TSC, including clinical trial activities, and for general corporate purposes. Pursuant to the Purchase Agreements, the Company may periodically conduct additional closings until the Company has sold the Maximum Offering Amount.

The Securities are being offered and sold in a private placement pursuant to exemptions from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), afforded by Section 4(a)(2) and Rule 506 of Regulation D promulgated thereunder. To the extent that any shares of Common Stock are issued in connection with the conversion of the Preferred Stock or the exercise of the Warrants, the Common Stock may not be offered, transferred or sold in the United States absent registration or the availability of an applicable exemption from the registration requirements of the Securities Act.

Maxim Merchant Capital, a division of Maxim Group LLC, acted as placement agent in connection with the Private Placement pursuant to a Placement Agency Agreement, dated January 27, 2017 (the "Placement Agency Agreement"). Under the Placement Agency Agreement, the Company agreed: (i) to pay the placement agent a cash commission equal to ten percent (10%) of the aggregate gross proceeds of the Securities sold at each closing; (ii) to grant to the placement agent or its designees 5-year warrants to purchase shares of Common Stock equal to ten percent (10%) of the aggregate number of shares of Preferred Stock sold through their efforts in the Private Placement at each closing, at a price equal to 110% of the purchase price of the Preferred Stock at such closing, with such warrants containing a cashless exercise provision (the "Placement Agent Warrant"); (iii) to reimburse the placement agent for certain reasonable and documented expenses; and (iv) to grant the placement agent a right of first refusal to act as lead placement agent for certain securities offerings following the final closing of the Private Placement. The Placement Agency Agreement contains customary representations, warranties and indemnification by the Company and provides for the payment to the placement agent of up to $60,000 in expenses. The placement agent received approximately $1,500,000 in connection with the Initial Closing, plus $60,000 for the payment of the placement agent's expenses, and a Placement Agent Warrant to purchase 699,544 shares of Common Stock at an exercise price equal to $2.22.

Description of Series A Preferred Stock

The rights, preferences and privileges of the Preferred Stock are set forth in a Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Preferred Stock of Diffusion Pharmaceuticals Inc. (the "Certificate of Designation"), a copy of which is attached as Exhibit 3.1 to this Current Report on Form 8-K. The Certificate of Designation was approved by the Board of Directors of the Company (the "Board") on November 23, 2016 and the holders of a majority of our Common Stock on January 6, 2017, and was filed with the Delaware Secretary of State on March 13, 2017.

Voting

The holders of the Preferred Stock will be entitled to vote with the holders of Common Stock (and any other class or series that may similarly be entitled to vote with the holders of Common Stock as the Board may authorize and issue) and not as a separate class, at any annual or special meeting of stockholders of the Company, and may act by written consent in the same manner as the holders of Common Stock. In the event of any such vote or action by written consent, each holder of shares of Preferred Stock shall be entitled to that number of votes equal to the whole number of shares of Common Stock into which the aggregate number of shares of Preferred Stock held of record by such holder are convertible as of the close of business on the record date fixed for such vote or such written consent based on a conversion price, solely for such purpose, equal to the closing price of our Common Stock on the date such Preferred Stock was issued. With respect to the shares of Preferred Stock issued at the Initial Closing, such price shall be $2.38. In addition, for as long as 50% of the shares of Preferred Stock outstanding immediately after the final closing remain outstanding, without the consent of holders of at least a majority of the then outstanding shares of Preferred Stock, the Company may not (a) amend the Company's Certificate of Incorporation or Bylaws so as to materially and adversely affect any rights of the holders of the Preferred Stock, (b) increase or decrease (other than by conversion of the Preferred Stock) the authorized number of shares of Preferred Stock to be in excess of the number of shares required to satisfy the Maximum Offering Amount, (c) amend the Certificate of Designation, (d) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a *de minimis* number of shares of Common Stock or Common Stock equivalents or (e) enter into any agreement or understanding with respect to (a) through (d).

Dividends

The Preferred Stock will be entitled to an 8.0% cumulative preferred dividend payable semi-annually in shares of Common Stock that will begin accruing on the issue date of the Preferred Stock. The dividend will begin to accrue and be cumulative on the first day of each applicable dividend period and shall remain accumulated dividends with respect to such Preferred Stock until paid; provided, that the first dividend payable with respect to any share of Preferred Stock shall not begin to accrue until the date of original issuance of such share of Preferred Stock. Dividends shall accrue whether or not there are profits, surplus or other funds of the Company legally available for the payment of dividends but shall not be payable until legally permissible, as applicable.

Liquidation

The Preferred Stock will rank senior to the Common Stock and each other class of capital stock of the Company or series of preferred stock of the Company authorized by the Board in the future that does not expressly provide that such class or series ranks senior to, or on parity with, the Preferred Stock ("Junior Securities"). In the event of a Liquidation Event (as defined in the Certificate of Designation), the holders of the Preferred Stock shall be entitled to receive, out of the assets of the Company or proceeds thereof legally available therefor, an amount in cash equal to 100% of the stated value of the Preferred Stock before any payment or distribution of the assets of the Company is made or set apart for the holders of Junior Securities. In addition, prior to such Liquidation Event, the holders of Preferred Stock shall be entitled to notice so that they may exercise their conversion rights prior to such event.

Conversion

At any time after the final closing date, each share of the Preferred Stock, at the holder's sole and absolute discretion, shall initially be convertible into one (1) share of Common Stock. Holders may immediately convert their Preferred Stock prior to the occurrence of certain Liquidation Events (as defined in the Certificate of Designation). At the Company's sole option, each share of Preferred Stock will automatically convert, initially, into one share of Common Stock (a) on any date that is more than thirty trading days after the original issue date of such share of Preferred Stock that the thirty-day moving average of the closing price of the Common Stock on the NASDAQ Capital Market (or any other exchange where the Common Stock is traded) exceeds $8.00 per share (subject to adjustment in the event of a stock dividend or split), (b) upon a financing of at least $10 million or (c) upon the majority vote of the voting power of the then outstanding shares of Preferred Stock. The conversion price of the Preferred Stock will be subject to adjustment as described in the Certificate of Designation. The Company is not required to issue any fractional shares of Preferred Stock or Common Stock in connection with the conversion of Preferred Stock and may, in each case, at the Company's discretion, pay the holder such amount in cash or deliver an additional whole share in lieu thereof.

Limitations of Conversion

The number of shares of Common Stock issuable upon a conversion of the Preferred Stock that may be acquired by a holder shall be limited to the extent necessary to ensure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion). However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99% of the total number of shares of Common Stock then issued and outstanding provided that such increase in percentage shall not be effective until sixty-one days after notice to the Company.

Dilution Protection.

In the event the Company, at any time after the first date of issue of the Preferred Stock and while at least one share of Preferred Stock is outstanding: (a) pays a dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon conversion of the Preferred Stock or any debt securities), (b) subdivides outstanding shares of Common Stock into a larger number of shares, (c) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (d) issues by reclassification of shares of Common Stock any shares of capital stock of the Company, then in each case the conversion price of the Preferred Stock shall be multiplied by a fraction of which (x) the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and (y) the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this section shall become effective immediately after the effective date of the applicable event described in subsections (a) through (d) above.

Make-Whole Adjustment

In the event the Company, during the three years immediately following March 14, 2017, subject to certain exceptions, issues at least $10 million of Common Stock or securities convertible into or exercisable for Common Stock at a per share price less than $2.02 (such lower price, the "Make-Whole Price"), the Company will be required to issue to the holders of Preferred Stock a number of shares of Common Stock equal to the additional number of shares of Common Stock that such shares of Preferred Stock would be convertible into if the conversion price of the Preferred Stock was equal to 105% of the Make-Whole Price (the "Make-Whole Adjustment"). The Company will only be obligated to issue shares with respect to a Make-Whole Adjustment in the first such subsequent offering, if any, following the consummation of the final closing.

Description of Warrants

The terms of the Warrants are as set forth in the form of Warrant attached as Exhibit 4.1 to this Current Report on Form 8-K. The Warrants will have an exercise price equal to $2.22, will be immediately exercisable and will be subject to customary anti-dilution adjustments. The Warrants will be exercisable for five (5) years following the final closing date. The Warrants are subject to a provision prohibiting the exercise of such Warrants to the extent that, after giving effect to such exercise, the holder of such Warrant (together with the holder's affiliates, and any other persons acting as a group together with the holder or any of the holder's affiliates), would beneficially own in excess of 19.99% of the outstanding Common Stock.

The foregoing summaries of the material terms of the Placement Agency Agreement, the Certificate of Designation, form of Warrant and the form of Subscription Agreement are not complete and are qualified in their entirety by reference to the full text thereof, copies of which are filed herewith as Exhibits 10.1, 3.1, 4.1 and 10.2, respectively, and incorporated by reference herein. Such agreements and instruments have been included to provide investors and security holders with information regarding their terms. They are not intended to provide any other factual information about the Company. The transaction documents contain certain representations, warranties and indemnifications resulting from any breach of such representations or warranties. Investors and security holders should not rely on the representations and warranties as characterizations of the actual state of facts because they were made only as of the respective dates of such documents. In addition, information concerning the subject matter of the representations and warranties may change after the respective dates of such documents, and such subsequent information may not be fully reflected in the Company's public disclosures.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in "Item 1.01. Entry into a Material Definitive Agreement" is incorporated by reference herein in its entirety.

Item 3.03. Material Modification of Rights to Security Holders.

The information set forth in "Item 5.03. Amendments to the Articles of Incorporation or Bylaws; Change in Fiscal Year" is incorporated by reference herein in its entirety.

Possible Effects on Rights of Existing Stockholders

Existing stockholders will suffer significant dilution in ownership interests and voting rights as a result of the issuance of the Preferred Stock and the Dividend Shares (as defined below), and may suffer additional dilution upon the issuance of shares of our Common Stock upon the conversion of the Preferred Stock or the exercise of the Warrants. The Preferred Stock will be senior to our Common Stock with respect to dividends and liquidation preferences, the holders of Preferred Stock will vote with the holders of Common Stock in any vote on an adjusted, as-converted basis and the holders thereof will be entitled to 8.0% cumulative annual dividend payable in shares of Common Stock (the "Dividend Shares"). Further, existing stockholders may suffer significant dilution due to the Make-Whole Adjustment provision described above. The potential dilution described above is also in addition to potential dilution from (i) the issuance of additional shares of Common Stock due to potential future anti-dilution adjustments on the Preferred Stock, (ii) the issuance of shares of Common Stock pursuant to other outstanding options and warrants or (iii) any other future issuances of our Common Stock. The sale into the public market of these shares also could materially and adversely affect the market price of our Common Stock

Item 5.03. Amendments to Articles of Incorporation or Bylaws, Change in Fiscal Year.

The statements in Item 1.01 above describing the Certificate of Designation, which the Company filed with the Delaware Secretary of State on March 13, 2017, are incorporated by reference into this Item 5.03.

Additional Information

This announcement is neither an offer to sell, nor a solicitation of an offer to buy, any securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful. The securities described herein have not been and will not be registered under the Securities Act, or any state securities laws, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act, and applicable state securities laws.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
3.1	Certificate of Designation of Preferences, Rights and Limitations of the Series A Convertible Preferred Stock of Diffusion Pharmaceuticals Inc.
4.1	Form of Warrant.
10.1	Placement Agency Agreement, dated January 27, 2017, by and between Diffusion Pharmaceuticals Inc. and Maxim Merchant Capital, a division of Maxim Group LLC.
10.2	Form of Subscription Agreement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 15, 2017

DIFFUSION PHARMACEUTICALS INC.

By: /s/ David G. Kalergis
Name: David G. Kalergis
Title: Chief Executive Officer

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "DIFFUSION PHARMACEUTICALS INC.", FILED IN THIS OFFICE ON THE THIRTEENTH DAY OF MARCH, A.D. 2017, AT 4:50 O`CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE KENT COUNTY RECORDER OF DEEDS.

Jeffrey W. Bullock, Secretary of State

5768394 8100
SR# 20171747169

Authentication: 202189759
Date: 03-13-17

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:50 PM 03/13/2017
FILED 04:50 PM 03/13/2017
SR 20171747169 - File Number 5768394

CERTIFICATE OF DESIGNATION OF PREFERENCES, RIGHTS AND LIMITATIONS OF THE SERIES A CONVERTIBLE PREFERRED STOCK OF DIFFUSION PHARMACEUTICALS INC.

Pursuant to Section 151 of the General Corporation Law of the State of Delaware

WHEREAS, the undersigned does hereby certify that the following resolution was duly adopted by the Board of Directors (the "***Board***") of Diffusion Pharmaceuticals Inc., a Delaware corporation (the "***Corporation***"), with the voting powers, designations, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions set forth therein having been fixed by the Board pursuant to authority granted to it under Article IV of the Corporation's Certificate of Incorporation, as amended (the "***Certificate of Incorporation***") and in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware:

RESOLVED, that, pursuant to authority conferred upon the Board by the Certificate of Incorporation, the Board hereby authorizes 13,750,000 shares of Series A Convertible Preferred Stock, par value $0.001 per share, of the Corporation and hereby fixes the voting powers, designations, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions, of such shares in accordance with this Certificate of Designation of Preferences, Rights and Limitations (the "***Certificate of Designation***"), in addition to those set forth in the Certificate of Incorporation, as follows:

Capitalized terms used but not separately defined herein shall have the meanings given to them in the Certificate of Incorporation.

1. Designation, Amount and Par Value: Series A Convertible Preferred Stock, $0.001 par value ("***Series A Preferred Stock***").

(a) *Stated Value.* The stated value of the Series A Preferred Stock shall be $2.02 per share (the "***Stated Value***"), subject to adjustment for stock splits, dividends, combinations and related transactions as set forth herein.

(b) *Number and Designation.* 13,750,000 shares of Preferred Stock shall be designated as Series A Preferred Stock, which shall not be subject to increase without the vote or written consent of the holders (each, a "***Holder***" and collectively, the "***Holders***") of a majority of the voting power of the then outstanding Series A Preferred Stock (a "***Majority Vote***"), unless otherwise specified herein

(c) *Rank.* The Series A Preferred Stock shall rank, with respect to rights upon liquidation, dissolution and winding up, (i) senior to the Common Stock and each other class of capital stock of the Corporation or series of Preferred Stock of the Corporation established hereafter by the Board, the terms of which do not expressly provide that such class or series ranks senior to, or on a parity with, the Series A Preferred Stock as to rights upon liquidation, dissolution and winding up (collectively, "***Junior Securities***"); (ii) equally with each other class or series of capital stock of the Corporation established hereafter by the Board the terms of which expressly provide that such class or series will rank on equally with the Series A Preferred Stock as to rights upon liquidation, dissolution and winding up (collectively, "***Parity Securities***"); and (iii) junior to each other class or series of capital stock of the

Corporation established hereafter by the Board the terms of which expressly provide that such class or series will rank senior to the Series A Preferred Stock as to rights upon liquidation, dissolution and winding up (collectively, "***Senior Securities***"). The definitions of Junior Securities, Parity Securities and Senior Securities shall each also include any rights or options exercisable for or convertible into Junior Securities, Parity Securities and Senior Securities, respectively. The Series A Preferred Stock shall also rank junior to the Corporation's existing and future indebtedness.

2. Dividends.

(a) The Corporation shall pay a cumulative preferential dividend (the "***Regular Dividend***") on each share of Series A Preferred Stock from the issue date of such share of Series A Preferred Stock, accruing at a rate of 8.0% of the Stated Value per annum (computed on the basis of a 360-day year of twelve 30-day months, accruing daily)), payable in shares of Common Stock semi-annually in arrears on April 1 and October 1 of each year commencing on October 1, 2017, or if any such date is not a business day, on the next succeeding business day (each such date, a "***Dividend Payment Date***"), to the Holders of record on the preceding March 15 and September 15 of each year, respectively. For purposes of determining the number of shares of Common Stock issuable to a Holder in connection with any such dividend, the value of a share of Common Stock shall be deemed to be the closing price of the Common Stock on the NASDAQ Capital Market (or such other national securities exchange as the Common Stock may be principally traded on at such time) on the business day immediately preceding the Dividend Payment Date. The Regular Dividend shall begin to accrue and be cumulative on the first day of each applicable Regular Dividend period and shall remain accumulated dividends with respect to such Series A Preferred Stock until paid; *provided*, that the first Regular Dividend payable with respect to any share of Preferred Stock shall not begin to accrue until the date of original issuance of such share of Preferred Stock. Regular Dividends shall accrue whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends but shall not be payable until legally permissible, as applicable.

3. Liquidation Preference.

(a) In the event of a Liquidation Event (as defined below), before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Securities, and after and subject to the payment in full of all amounts required to be distributed to the Corporation's creditors or the holders of Senior Securities, each Holder shall be entitled to receive, pari passu with the holders of Parity Securities, out of the assets of the Corporation or proceeds thereof (whether capital, surplus or earnings) legally available therefor, an amount in cash equal to 100% of the Stated Value (the "***Liquidation Preference***") with respect to each share of Series A Preferred Stock held by the Holder; *provided*, that the Corporation shall provide the Holders with notice of any Liquidation Event at least ten (10) calendar days prior to the record date with respect to such Liquidation Event (or, with respect to any Liquidation Event for which no record date is set, the effective date thereof) and, for the avoidance of doubt, following receipt of such notice, any Holder may exercise such Holder's voluntary conversion rights in accordance with Section 4(a). If, upon the occurrence of any Liquidation Event, the assets of the Corporation, or proceeds thereof, distributable after payment in full of the Corporation's creditors and Senior Securities shall be insufficient to pay in full the aggregate Liquidation Preference to all Holders and any Parity Securities, the assets of the Corporation, or the proceeds thereof, shall be distributed among the Holders and any such Parity Securities ratably. For purposes of this Certificate of Designation, the term "***Liquidation Event***" shall mean, at any time while a share of Series A Preferred Stock is outstanding, (i) any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or (ii) the Company, directly or indirectly, in one or more related transactions, (A) effects any merger or consolidation of the Company with or into another person, (B) effects any sale,

lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets, (C) is the subject of any purchase offer, tender offer or exchange offer (whether by the Company or another person) and is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and such offer has been accepted by the holders of 50% or more of the outstanding Common Stock, (D) effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (E) consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another person or "group" (as such term is defined in Section 13(d) of the Exchange Act) whereby such other person or group acquires more than 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 or share purchase agreement or other business combination), in each case other than any such transaction (1) that does not result in a reclassification, conversion, exchange or cancellation of outstanding Common Stock; (2) which is effected solely to change the Corporation's jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of the Common Stock solely into shares of common stock of the surviving entity; (3) where the voting capital stock of the Corporation outstanding immediately prior to such transaction is converted into or exchanged for voting capital stock of the surviving entity constituting a majority of the outstanding shares of such voting capital stock of such surviving entity immediately after giving effect to such issuance; or (4) that the Holders deem not to be a Liquidation Event by a Majority Vote.

(b) For the avoidance of doubt, the Series A Preferred Stock shall not be convertible into Common Stock after the payment of the Liquidation Preference pursuant to Section 3(a), and the Holders shall not participate in any distribution made to the holders of Common Stock pursuant to the Certificate of Incorporation in connection with such Liquidation Event.

(c) In the event of a Liquidation Event, subject to the rights of the holders of any Senior Securities or Parity Securities, after payment shall have been made in full to the Holders as provided in Section 3(a), any other series or class of Junior Securities shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed to holders of capital stock of the Corporation, and the Holders shall not be entitled to share therein.

4. Conversion Rights.

(a) *Voluntary Right to Convert.* At the Holder's sole option, each share of Series A Preferred Stock may be converted, at any time and from time to time, from and after the date of the Final Closing (as defined in the Subscription Agreements by and between the Company and the Holders (the "***Subscription Agreements***") related to Holders' subscription for the Series A Preferred Stock) (the "***Final Closing Date***") into a number of whole shares of Common Stock determined by dividing the Stated Value by the Conversion Price (as defined below).

(b) *Mandatory Conversion.* Each outstanding share of Series A Preferred Stock may be converted into a number of whole shares of Common Stock, determined by dividing the Stated Value by the Conversion Price, (i) on any date more than 30 trading days after the Original Issuance Date that the thirty-day moving average of the closing price of the Common Stock on the NASDAQ Capital Market (or any other market or exchange where the same is traded) exceeds $8.00 per share (subject to adjustment in the manner described herein with respect to the Conversion Price), (ii) upon the Corporation's receipt of

aggregate gross proceeds of at least $10 million in any financing completed after the Original Issue Date or (iii) upon a Majority Vote to convert (any of (i), (ii) or (iii), a "***Mandatory Conversion Trigger***").

(c) *Conversion Price; Conversion Shares.* The "***Conversion Price***" of the Series A Preferred Stock shall be $2.02, subject to adjustment as described herein. Any shares of Common Stock issuable upon a conversion of Series A Preferred Stock pursuant to Section 4(a) or 4(b) are referred to herein as the "***Conversion Shares***."

(d) *Mechanics of Conversion.*

(i) *Voluntary Conversion Mechanics.* The Holder will give notice of its decision to exercise its right to convert the Series A Preferred Stock pursuant to Section 4(a) by delivering an executed and completed Notice of Conversion in the form attached as Annex A to this Certificate of Designation to the Corporation in accordance with Section 6(a). The Holder's election shall be deemed effective upon receipt of a properly completed Notice of Conversion by the Corporation; provided, that if the Notice of Conversion is received by the Corporation after 3:00 p.m. Eastern Time on any day or at any time on a non-business day, it shall be deemed to be received on the following business day (the "***Conversion Date***"). The Corporation will, or will cause the Corporation's transfer agent to, transmit the Common Stock certificates (or similar electronic notification) representing such Conversion Shares to the Holder within five (5) business days after receipt by the Corporation of the properly completed Notice of Conversion and the certificate(s) representing the converted shares of Series A Preferred Stock (the "***Delivery Date***"). A new Series A Preferred Stock certificate representing any shares of Series A Preferred Stock not converted will also be provided by the Corporation promptly following the Conversion Date. To the extent a Holder elects not to surrender its Series A Preferred Stock for reissuance upon partial payment or conversion, the Holder hereby indemnifies the Corporation against any and all loss or damage attributable to a third-party claim in an amount in excess of the actual amount of the Series A Stated Value then owned by the Holder. Shares of Series A Preferred Stock converted into Common Stock or redeemed in accordance with the terms hereof shall be canceled and shall not be reissued.

(ii) *Mandatory Conversion Mechanics.* The Corporation shall effect a mandatory conversion pursuant to Section 4(b) by providing the Holders with written notice as provided in Section 6(a) and (i) stating that the Mandatory Conversion Trigger has been satisfied, (ii) specifying the then applicable Conversion Price, the aggregate number of shares of Series A Preferred Stock outstanding, and the aggregate number of Conversion Shares to be issued in connection with such conversion, and (iii) the date on which such conversion will be effective (the "***Mandatory Conversion Date***"). The calculations and entries set forth in the Corporation's notice shall control in the absence of manifest or mathematical error. From and after the date of such notice, the shares of Series A Preferred Stock shall be null and void and only represent the right to receive the applicable number of Conversion Shares. The Corporation shall issue the Conversion Shares promptly following surrender by a Holder of the certificate(s) representing the converted shares of Series A Preferred Stock to the Corporation.

(iii) *Date of Conversion.* In the case of the exercise of the conversion rights set forth in Section 4(a) or 4(b), the record date for such conversion shall be the Conversion Date or the Mandatory Conversion Date, respectively, and the record Holder as of such date shall be entitled to receive the corresponding Conversion Shares.

(v) *Adjustments.* Upon the conversion of any shares of Series A Preferred Stock, no adjustment or payment shall be made with respect to the corresponding Conversion Shares on account of any cash dividend paid to the holders of Common Stock after the Original Issuance Date.

(vi) *Fractional Shares*. The Corporation shall not be required, in connection with any conversion of Series A Preferred Stock, to issue any fractional shares of Series A Preferred Stock or any fractional Conversion Shares and may, in each case, at the Company's discretion, pay the Holder such amount in cash or deliver an additional whole share in lieu thereof.

(e) *Limitations of Conversion*. Notwithstanding anything to the contrary contained herein, the number of Conversion Shares that may be acquired by the Holder upon conversion of the Series A Preferred Stock (or otherwise in respect hereof) shall be limited to the extent necessary to ensure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities and Exchange Act of 1934, as amended (the "***Exchange Act***"), does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. The Holder, upon not less than 61 days' prior notice to the Corporation, may increase or decrease the beneficial ownership limitations provision of this Section, provided that the beneficial ownership limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of the Series A Preferred Stock held by the Holder and the provisions of this Section shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Corporation. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor Holder.

(f) *Stock Dividends and Splits*. If the Corporation, at any time after the first date of issue of the Series A Preferred Stock (the "***Original Issuance Date***") and while at least one share of Series A Preferred Stock is outstanding: (i) pays a dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation upon conversion of the Series A Preferred Stock or any debt securities), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of Common Stock any shares of capital stock of the Corporation, then in each case the Conversion Price shall be multiplied by a fraction of which (x) the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and (y) the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this section shall become effective immediately after the effective date of the applicable event described in subsections (i) through (iv) above.

(g) *Subsequent Equity Sales*. Other than in connection with Exempt Issuances (as defined below), if at any time prior to the three year anniversary of the Original Issuance Date, the Corporation shall issue in any offering at least $10 million of Common Stock or securities convertible into or exercisable for shares of Common Stock to any person or entity at a price per share or conversion or exercise price per share (the "***Dilutive Issuance Price***") which is less than the purchase price for the Series A Preferred Stock (as set forth in the Subscription Agreement), the Corporation shall substantially concurrently issue to each Holder a number of shares of Common Stock equal to the difference between: (x) the number of shares of Common Stock the Holder's shares of Series A Preferred Stock would be convertible into if the Conversion Price were equal to 105% of the Dilutive Issuance Price and (y) the

number of shares of Common Stock such Holder's shares of Series A Preferred Stock are convertible into immediately prior to such dilutive issuance, rounded up to the nearest whole share; *provided*, that the foregoing shall only apply with respect to the first such offering by the Corporation after the Original Issue Date. As used herein "***Exempt Issuance***" means the issuance of (i) Common Stock, warrants or options to employees, officers, consultants or directors of the Corporation pursuant to any stock, warrant or option plan or agreement duly adopted for such purpose on or before the Original Issue Date by the Board of Directors of the Corporation or a majority of the members of a committee of directors established for such purpose, (ii) securities upon the exercise or exchange of or conversion of any securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding as of the Original Issue Date, provided that the terms of such securities have not been amended since the Original Issue Date to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities; (iii) shares of Common Stock, or securities convertible or exercisable into shares of Common Stock, that would result in an adjustment to the Conversion Price pursuant to the terms hereof (including the issuance of securities to the Corporation's shareholders as a dividend or other distribution); (iv) securities as consideration for any acquisition of all or any portion of the equity interest, assets, properties or business of any third party who is not an affiliate of the Corporation (including through a merger, consolidation or other business combination), (v) securities as consideration for the initial capitalization of a joint venture or similar strategic arrangement with any third party who is not an affiliate of the Corporation and (vii) securities to lenders or financial institutions as an "equity kicker" in connection with any borrowings or credit arrangements that are approved by the Board.

(h) *Calculations*. All calculations under this Section 4 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be.

(i) *Reservation of Shares*. The Corporation covenants and agrees that any Conversion Shares issued upon the conversion of the Series A Preferred Stock will, upon issuance, be validly issued and outstanding, fully paid and non-assessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Corporation further covenants and agrees that the Corporation will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for issuance of the Conversion Shares upon the conversion of the Series A Preferred Stock.

(j) *Payment of Taxes*. The Corporation and its paying agent shall be entitled to withhold taxes on all payments on the Series A Preferred Stock and Conversion Shares to the extent required by law. Prior to the date of any such payment, each Holder shall deliver to the Corporation or its paying agent a duly executed, valid, accurate and properly completed Internal Revenue Service Form W-9 or an appropriate Internal Revenue Service Form W-8, as applicable. The Corporation shall pay any and all documentary, stamp and similar issue or transfer tax due on (A) the issue of the Series A Preferred Stock and (B) the issue of Conversion Shares; provided, however, in the case of any conversion of Series A Preferred Stock, the Corporation shall not be required to pay any tax or duty that may be payable in respect of any transfer involved in the issue and delivery of Conversion Shares in a name other than that of the Holder of the shares to be converted, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax or duty, or has established to the satisfaction of the Corporation that such tax or duty has been paid.

(k) *Buy-In*. If, following receipt by the Corporation of a duly executed and properly completed conversion notice from a Holder, the Corporation fails, prior to the applicable Delivery Date, to, at its option, (i) deliver to such Holder the applicable certificate or certificates or (ii) cause its transfer agent to credit the account of such Holder or such Holder's broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission system, and if after such Delivery Date such Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder's

brokerage firm is required to purchase, shares of Common Stock to deliver in satisfaction of a sale by such Holder of the Conversion Shares which such Holder was entitled to receive upon the conversion relating to such Delivery Date (a "Buy-In"), then the Corporation shall (A) pay in cash to such Holder the amount by which (x) such Holder's total purchase price (including any brokerage commissions) for the shares of Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that such Holder was entitled to receive from the conversion at issue (or, if less, the number of shares actually delivered in satisfaction of such sale) multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of such Holder, either reissue (if surrendered) the shares of Series A Preferred Stock equal to the number of shares of Series A Preferred Stock submitted for conversion or deliver to such Holder the number of shares of Common Stock that would have been issued if the Corporation had timely complied with its delivery requirements. For example, if a Holder purchases shares of Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of shares of Series A Preferred Stock with respect to which the actual sale price (including any brokerage commissions) giving rise to such purchase obligation was a total of $10,000 under clause (A) of the immediately preceding sentence, the Corporation shall be required to pay such Holder $1,000. The Holder shall provide the Corporation written notice indicating the amounts payable to such Holder in respect of the Buy-In and, upon request of the Corporation, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Corporation's failure to timely deliver certificates representing shares of Common Stock upon conversion of the shares of Series A Preferred Stock as required pursuant to the terms hereof.

5. Voting Rights.

(a) Except as otherwise provided herein or as required by law, Holders shall be entitled to vote with the holders of shares of Common Stock (and any other class or series that may similarly be entitled to vote with the holders of Common Stock) and not as a separate class, at any annual or special meeting of stockholders of the Corporation, and may act by written consent in the same manner as the holders of Common Stock. In the event of any such vote or action by written consent, each Holder shall be entitled to that number of votes equal to the whole number of shares of Conversion Shares into which the aggregate number of shares of Series A Preferred Stock held of record by such Holder would be convertible pursuant to Section 4(a) hereof as of the close of business on the record date fixed for such vote or such written consent; *provided*, that solely for purposes of this Section 5(a), as of any date of determination, the Conversion Price shall be deemed to be the greater of (i) the Conversion Price and (ii) the closing price of the Common Stock as reported by NASDAQ on the date of the applicable Closing (as defined in the Subscription Agreements) with respect to such shares of Series A Preferred Stock. The Holders shall be entitled to notice of any meeting of stockholders in accordance with the bylaws of the Corporation (the "***Bylaws***").

(b) In addition to any other vote or consent required herein or by applicable law, for as long as fifty percent (50%) of the shares of Series A Preferred Stock outstanding as of immediately after the Final Closing, a Majority Vote shall be necessary for effecting or validating the following actions:

(i) amending the Corporation's certificate of incorporation, bylaws or other charter documents so as to materially and adversely affect any rights of the Holders;

(ii) increase or decrease (other than by conversion) the authorized number of the Series A Preferred Stock; provided however that the Company may authorize and issue additional shares

of Series A Preferred Stock in the event the Maximum Offering Amount (as defined in the Subscription Agreements) is increased in the manner provided in the Subscription Agreements;

(iii) amend this Certificate of Designation;

(iv) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its Common Stock, common stock equivalents or Junior Securities; or

(v) enter into any agreement or understanding with respect to any of the foregoing.

(c) For the avoidance of doubt, in addition to any other vote or consent required or permitted hereby, the Holders may waive any rights under this Certificate of Designation pursuant to a Majority Vote.

6. Miscellaneous.

(a) *Notices*. All notices or communications in respect of the Series A Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, sent in portable document format ("***pdf***") via electronic mail, or if given in such other manner as may be permitted in this Certificate of Designation, the Certificate of Incorporation, the Corporation's Bylaws, as amended, or by applicable law or regulation. Notwithstanding the foregoing, if the Series A Preferred Stock is issued in book-entry form through The Depository Trust Corporation or any similar facility, such notices may be given to the Holders in any manner permitted by such facility.

(b) *Lost or Mutilated Preferred Stock Certificate*. If any certificate or instrument evidencing any shares of Series A Preferred Stock is mutilated, lost, stolen or destroyed, the Corporation shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Corporation of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement securities. If a replacement certificate or instrument evidencing any securities is requested due to a mutilation thereof, the Corporation may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

(c) *Severability*. If any term of the Series A Preferred Stock (or part thereof) set forth herein is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other terms (or parts thereof) set forth herein which can be given effect without the invalid, unlawful or unenforceable term will, nevertheless, remain in full force and effect, and no term herein (or parts thereof) set forth will be deemed dependent upon any other such term unless so expressed herein.

(e) *Headings*. The headings of the paragraphs of this Certificate of Designation are for convenience of reference only and shall not define, limit or affect any of the provisions hereof.

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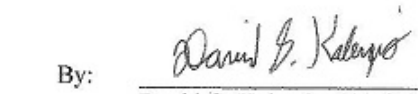
IN WITNESS WHEREOF, Diffusion Pharmaceuticals Inc. has caused this Certificate of Designation to be duly executed by the undersigned authorized officer on the 13th day of March , 2017.

DIFFUSION PHARMACEUTICALS INC.

By: 

David G. Kalergis, Chief Executive Officer

Diffusion Pharmaceuticals Inc.
2020 Avon Court, Suite 4
Charlottesville, Virginia 22902

ANNEX A

NOTICE OF CONVERSION

(To Be Executed By the Registered Holder in Order to Convert Shares of Series A Convertible Preferred Stock of Diffusion Pharmaceuticals Inc. into Shares of Common Stock of Diffusion Pharmaceuticals Inc.)

The undersigned hereby irrevocably elects to convert $_____ of the Stated Value of the above Series A Convertible Preferred Stock into shares of Common Stock of Diffusion Pharmaceuticals Inc. pursuant to the terms and conditions of the Certificate of Designation with respect thereto, as of the date written below.

Date of Conversion: _____

Applicable Conversion Price per Share: _____

Number of Common Shares Issuable Upon This Conversion: _____

Select one:

- ☐ A Series A Convertible Preferred Stock certificate is being delivered to Diffusion Pharmaceuticals Inc. herewith. The unconverted portion of such certificate should be reissued and delivered to the undersigned.
- ☐ A Series A Convertible Preferred Stock certificate is not being delivered to Diffusion Pharmaceuticals Inc. herewith.

Signature: _____

Print Name: _____

Address: _____

_____

This Notice of Conversion Should Be Delivered to:

Diffusion Pharmaceuticals Inc.
2020 Avon Court, Suite 4
Charlottesville, Virginia 22902

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

DIFFUSION PHARMACEUTICALS INC.

Warrant Shares: _____ Initial Exercise Date: _____, 2017

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to the close of business on the five (5) year anniversary of the final closing date of the Offering (the "Termination Date") but not thereafter, to subscribe for and purchase from Diffusion Pharmaceuticals Inc., a Delaware corporation (the "Company"), up to _____[1] shares (the "Warrant Shares") of the Company's common stock, par value $0.001 per share ("Common Stock").

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Subscription Agreement (the "Subscription Agreement") dated _____, 2017, by and between the Company and the Holder.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time and from time to time on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto; and, within three (3) business days of the date said Notice of Exercise is delivered to the Company, the Company shall have received payment of the aggregate Exercise Price of the Warrant Shares thereby purchased by wire transfer or cashier's check drawn on a United States bank. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) business days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within four (4) business days of receipt of such notice. In the event of any dispute or discrepancy, the records of the Company shall be controlling and determinative in the absence of manifest error. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

[1] Equal to 100% warrant coverage.

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be equal to [110% of the offering price per share at which such Holder purchased shares of the Company's Class A Convertible Preferred Stock pursuant to the Subscription Agreement], subject to adjustment as provided herein (the "Exercise Price").

c) Exercise Limitation. Notwithstanding anything to the contrary contained herein, the number of Warrant Shares that may be acquired by the Holder upon exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to ensure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), does not exceed 9.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder.

d) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. Certificates for the Warrant Shares purchased or exercised hereunder shall be transmitted by the Company's transfer agent to the Holder by crediting the account of the Holder's broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission ("DWAC") system if the Company is then a participant in such system and either (A) there is an effective registration statement permitting to the resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise within five (5) business days from the delivery to the Company of the Notice of Exercise Form, surrender of this Warrant (if required), and payment of the aggregate Exercise Price as set forth above (the "Warrant Share Delivery Date"). This Warrant shall be deemed to have been exercised, the Warrant Shares shall be deemed to have been issued, and the Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised by payment to the Company of the Exercise Price and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(iv) prior to the issuance of such shares, have been paid.

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

iii. Rescission Rights. If, following receipt by the Company of a duly executed and properly completed Notice of Exercise Form from a Holder, the Company fails to cause the Company's transfer agent to transmit to the Holder a certificate or certificates representing the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. If, following receipt by the Company of a duly executed and properly completed Notice of Exercise Form from a Holder, the Company fails, prior to the applicable Warrant Share Delivery Date, to, in accordance with the provisions of Section 2(d)(i) above, (i) deliver to such Holder the applicable certificate or certificates or (ii) cause its transfer agent to credit the account of such Holder or such Holder's broker, and if after such Warrant Share Delivery Date the Holder is required by its broker to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm is required to purchase, shares of Common Stock to deliver in satisfaction of a sale by such Holder of the Warrant Shares which such Holder was entitled to receive upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the product of (1) the aggregate number of Warrant Shares that the Holder was entitled to receive from the exercise at issue (or, if less, the number of shares actually delivered in satisfaction of such sale) and (2) the actual price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions), and (B) at the option of the Holder, either reissue (if surrendered) the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

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

vi. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by (x) the Assignment Form attached hereto duly executed by the Holder, and such other documentation as the Company may require regarding the assignee, as a condition thereto, and (y) the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto, if any.

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

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a dividend or otherwise makes a distribution or distributions on shares of Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of Common Stock any shares of capital stock of the Company, then, in each case, (1) the Exercise Price shall be multiplied by a fraction of which (x) the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and (y) the denominator shall be the number of shares of Common Stock outstanding immediately after such event and (2) the number of shares issuable upon exercise of this Warrant shall be proportionally adjusted (rounded up to the nearest whole share), such that the aggregate Exercise Price for all of the Warrant Shares shall remain unchanged (subject to rounding). Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the effective date of the applicable event described in subsection (i) through (iv) above.

b) Fundamental Transaction. If, at any time while this Warrant is outstanding, the Company, directly or indirectly, in one or more related transactions, (i) effects any merger or consolidation of the Company with or into another person, (ii) effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets, (iii) is the subject of any purchase offer, tender offer or exchange offer (whether by the Company or another person) and is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and such offer has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another person or "group" (as such term is defined in Section 13(d) of the Exchange Act) whereby such other person or group acquires more than 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 or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant in accordance with the terms hereof (including payment of the Exercise Price), the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 2(c) on the exercise of this Warrant), the number of shares of capital stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration, whether in cash, securities or otherwise (the "Alternate Consideration"), payable with respect to each share of Common Stock in connection with such Fundamental Transaction. For purposes of any such exercise, the Exercise Price shall be appropriately allocated to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall, in its sole discretion, apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(b) and shall, at the option and request of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for the Alternate Consideration, and with an exercise price equal to the Exercise Price. Upon the occurrence of any such Fundamental Transaction, 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 and the other Transaction Documents 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 and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

c) Calculations. All calculations under this Section 3 shall be made to the nearest cent or, subject to Section 2(d)(iii), the nearest 1/100th of a share, as the case may be.

d) Notice to the Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder is entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable federal and state securities laws and the satisfaction and delivery of any reasonable conditions and documentation required by the Company, and to the provisions of Section 1.9 of the Subscription Agreement, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

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

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

Section 5. Miscellaneous.

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

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

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

d) Authorized Shares.

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

Except and to the extent waived or consented to by the Holder, the Company shall not, including, without limitation, by amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of its obligations pursuant to this Warrant, but will at all times act in good faith in the carrying out of all its obligations hereunder. Without limiting the generality of the foregoing, the Company will (A) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (B) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (C) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, including, without limitation, in connection with any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with Section 6.6 of the Subscription Agreement.

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

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

h) Notices. Any notice, request or other document required or permitted to be given or delivered pursuant to this Warrant shall be delivered in accordance with the notice provisions of Section 6.1 of the Subscription Agreement.

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

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

k) Successors and Assigns. Subject to applicable federal and state securities laws, this Warrant and the rights and obligations evidenced hereby are intended to be and shall inure to the benefit of, and be binding upon and enforceable by, the successors of the Company and the successors and permitted assigns of the Holder.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

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

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

[Signature Page Follows]

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

DIFFUSION PHARMACEUTICALS INC.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: DIFFUSION PHARMACEUTICALS INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and

(2) Payment shall take the form of lawful money of the United States,

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

_____

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

_____

_____

_____

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

[SIGNATURE OF HOLDER]

Name of Investing Entity:

_____

Signature of Authorized Signatory of Investing Entity:

_____

Name of Authorized Signatory:

_____

Title of Authorized Signatory:

_____

Date:

_____

ASSIGNMENT FORM

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

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

_____ whose address is

_____.

_____

Dated: _____, _____

the Holder's Signature: _____

the Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.1

PLACEMENT AGENCY AGREEMENT

January 27, 2017

Diffusion Pharmaceuticals Inc.
2020 Avon Court, Suite 4
Charlottesville, Virginia 22902

Ladies and Gentlemen:

This Placement Agency Agreement (the "**Agreement**") confirms the retention by Diffusion Pharmaceuticals Inc., a Delaware corporation (the "**Company**"), of Maxim Merchant Capital, a division of Maxim Group LLC (Member FINRA/SIPC), to act as the placement agent (the "**Placement Agent**") on a "commercially reasonable best efforts" basis in connection with the private placement (the "**Placement**") of securities consisting of (i) the Company's Series A Convertible Preferred Stock, par value $0.001 per share (the "**Preferred Stock**") convertible into shares (the "**Stock Conversion Shares**") of the Company's common stock, par value $0.001 per share ("**Common Stock**"), and (ii) for each share of Preferred Stock purchased in this Placement, a five-year warrant (the "**Warrant**") to purchase one share of Common Stock to such Investor (as defined below) (the "**Warrant Shares**" and together with the Stock Conversion Shares, the "**Conversion Shares**"). The Preferred Stock and Warrants to be issued to the investors (the "**Investors**") shall be called the "**Investor Securities**."

1. PLACEMENT

(a) The Preferred Stock, which is the subject of the Placement, shall consist of that number of shares (i) equal to a minimum aggregate amount of $2,500,000 (the "**Minimum Amount**") divided by a purchase price of the lower of: (A) $2.80 per share of Preferred Stock or (B) the price equal to a thirty (30) percent discount to the ten (10) day volume weighted average price of the Common Stock as reported by the NASDAQ Capital Market as of the close of business on the business day immediately preceding the date of the initial closing of the Placement, but in no event less than $2.00 per share of Preferred Stock (the "**Purchase Price**"), rounded up to the nearest whole share, and (ii) up to a maximum aggregate amount of $15,000,000 (the "**Maximum Amount**") divided by the Purchase Price, rounded up to the nearest whole share, with such Minimum Amount subject to a decrease at the joint discretion of the Placement Agent and the Company and such Maximum Amount subject to an increase at the joint discretion of the Placement Agent and the Company equal to that number of shares of Preferred Stock equal to $10,000,000 divided by the Purchase Price, rounded up to the nearest whole share (such potential increase, the "**Over-Allotment Option**"). The minimum individual subscription amount shall be $50,000 in aggregate amount of Preferred Stock, provided that the Company and the Placement Agent may agree, in their discretion, to allow subscriptions for less than $50,000. The Preferred Stock, together with the Warrants, the Conversion Shares, the Warrant Shares, the Placement Agent Warrants (as defined below), and the Common Stock issuable upon exercise of the Placement Agent Warrants (the "**Placement Agent Conversion Shares**"), are referred to herein as the "**Securities.**"

(b) The Placement will be made by the Company solely pursuant to the Offering Documents (as defined below). The Securities will not be registered under the Securities Act of 1933, as amended, or any applicable successor statute (the "**Act**"), but will be issued in reliance on the private offering exemption available under Section 4(a)(2) of the Act and the rules and regulations promulgated thereunder, including Regulation D of the Act ("**Regulation D**"). The Placement Agent understands that all subscriptions for the Investor Securities are subject to acceptance by the Company. Each of the Company and the Placement Agent reserve the right in their sole discretion to accept or reject any or all subscriptions for Investor Securities in whole or in part, regardless of whether any funds have been deposited into an escrow account. Any subscription monies received by the Placement Agent from Investors will be handled in accordance with Rule 15c2-4 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), whether or not the Placement Agent is subject to the Exchange Act, and as otherwise may be prescribed by the terms of the Offering Documents (as defined in Section 2 below).

(c) Until the Initial Closing (as defined below) is held, all subscription funds received shall be held by Collegiate Peaks Bank or such other escrow agent as the Company and Placement Agent may mutually agree (the "**Escrow Agent**"). The Placement Agent shall use reasonably commercial effort to obtain accurate and complete information from Investors in the Subscription Documents (as defined in Section 2 below), but shall not have any independent obligation to verify the accuracy or completeness of any information contained in any Subscription Documents or the authenticity, sufficiency or validity of any check delivered by any prospective Investor in payment for the Investor Securities, nor shall the Placement Agent incur any liability with respect to any such verification or failure to verify. All subscription checks and funds shall be promptly and directly delivered without offset or deduction to the Escrow Agent.

2. OFFERING DOCUMENTS AND RELATED MATTERS

(a) The Company has prepared a Confidential Private Placement Memorandum dated January 27, 2017 (the "**Offering Memorandum**"), as well as a Subscription Agreement for the Investor Securities in substantially the form attached hereto as Exhibit A (the "**Subscription Agreement**") including the purchaser questionnaire to be attached thereto (the "**Investor Questionnaire**"), a Certificate of Designation for the Preferred Stock in substantially the form attached hereto as Exhibit B (the "**Certificate of Designation**") and a form of Warrant in substantially the form attached hereto as Exhibit C, the Escrow Agreement to be entered into with the Escrow Agent (such Exhibits and other documents, collectively with the exhibits and attachments thereto or contemplated thereby and any amendments or supplements thereto prepared and furnished by the Company, which, among other things, describe the Placement and certain investment risks relating thereto (other than the Offering Memorandum), the "**Subscription Documents**," and the Subscription Documents collectively with the Offering Memorandum, the "**Offering Documents**").

(b) The Company has been and will continue to be responsible for preparing and filing required documentation, if any, with the authorities in the United States or any state located therein (and subsequent to, if required by the laws of any such jurisdiction) in connection with the distribution of the Offering Documents to prospective Investors (the parties acknowledging, however, that the Placement of the Investor Securities is intended and expected to be wholly or partially exempt from filing requirements in the United States by reason of a private offering exemption available under Section 4(a)(2) of the Act and the rules and regulations promulgated thereunder, including Regulation D).

(c) The Placement Agent and its counsel and the Company and its counsel have prepared the Offering Documents. The Placement Agent and its counsel have had or will have an opportunity to review the final form of the Offering Documents prior to the distribution thereof to prospective Investors, and the Offering Documents will be the only offering documents (other than cover letters approved in advance by the Company which may be used by the Placement Agent, and any documents made available to Investors in accordance with the terms of the Offering Documents) delivered to prospective Investors. The Placement Agent will timely advise the Company and its counsel in writing of those jurisdictions in which the Investor Securities may be offered and sold, and the Company agrees that it will prepare and file all required documentation in such jurisdictions to register and/or qualify the Placement and/or the Investor Securities for an exemption from registration in such jurisdictions. The Placement Agent further agrees that the Investor Securities will be offered or sold only in such jurisdictions and in the manner specified by the Company; provided, however, that the Placement Agent shall not be responsible for independently verifying such documentation with respect to the jurisdictions in which the Investor Securities may be offered and sold and with respect to the manner in which the Investor Securities may be offered and sold in such jurisdictions. Notwithstanding the foregoing, the Placement Agent shall be licensed to offer and sell the Investor Securities in each jurisdiction in which it intends to do so.

(d) The Placement will be made in accordance with the requirements of Section 4(a)(2) under the Act and/or Regulation D only to investors that qualify as accredited investors, as defined in Rule 501(a) under the Act ("**Accredited Investors**"), purchasing for their own account for investment purposes only and not for distribution in violation of securities laws. Furthermore, prospective Investors will have been provided the Offering Documents and access to the management of the Company and afforded the opportunity to ask questions.

(e) The Company recognizes, agrees and confirms that the Placement Agent (or any selling agent permitted to be utilized by the Placement Agent under Section 3(a) hereof): (i) will use and rely exclusively on the information contained in the Offering Documents and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having independently verified the same; (ii) is authorized, as the Company's exclusive placement agent in connection with the Placement, to transmit to any prospective Investor a copy or copies of the Offering Documents and any other documentation supplied to the Placement Agent for transmission to any prospective Investor by or on behalf of the Company or by any of the Company's officers, representatives or agents, in connection with the performance of the Placement Agent's services hereunder or any transaction contemplated hereby; (iii) does not assume responsibility for the accuracy or completeness of any information contained in or incorporated by reference into the Offering Memorandum or any such other information (other than the Placement Agent OM Information (as defined below) provided to the Company or any prospective Investor); (iv) will not make an appraisal of the Company or any assets of the Company or the securities being offered by the Company in the Placement; and (v) retains the right to continue to perform due diligence of the Company during the course of the Company's engagement of the Placement Agent. The Placement Agent agrees to keep all information (the "**Information**") furnished by the Company to the Placement Agent and the Offering Documents confidential and will not make use thereof, except in connection with services hereunder for the Company; provided, however, that the Information and the Offering Documents will indicate that the receipient of such information or documents will keep such information strictly confidential. No such obligation of confidentiality shall apply to Information: (i) the disclosure of which is required by law or requested by any government, regulatory or self-regulatory agency or body; (ii) that is in or hereafter enters the public domain without a breach by the Placement Agent of its obligations to the Company; or (iii) that was or became known to the Placement Agent on a non-confidential basis from a source other than the Company, other than by the breach of an obligation of confidentiality owed to the Company. If the Placement Agent or its officers, directors, employees, agents, attorneys or other advisors is required to disclose such information pursuant to any order of a court of competent jurisdiction or other governmental body or as may otherwise be required by law it shall, unless prohibited by law, use its commercially reasonable efforts to provide prompt written notice thereof to the Company so that the Company may contest such requirement or seek an appropriate protective order, and the Placement Agent or its officers, directors, employees, agents, attorneys or other advisors shall disclose such information only to the extent the Placement Agent or such person reasonably determines it is legally compelled to disclose and with respect to which it agrees to exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded therefor. Such disclosure shall in no way alter the confidential nature of such information for any other purpose. The obligation of confidentiality hereunder shall be binding on the Placement Agent for a period of two (2) years from the date of this Agreement, notwithstanding the termination of this Agreement or the passing of the Expiration Date.

3. PLACEMENT AGENT

(a) On the basis of the representations and warranties provided herein, and subject to the terms and conditions set forth herein, the Company hereby employs the Placement Agent as its exclusive placement agent in the United States for the purpose of the Placement. This appointment shall be exclusive with respect to the Placement, and the Company shall not have the right to appoint additional sales agents in the United States without the Placement Agent's express prior written consent. The Company hereby agrees that the Placement Agent shall have the right to utilize other selling broker-dealers in connection with the Placement of the Investor Securities on terms approved by the Placement Agent, provided such broker-dealers satisfy the requirements of Section 8(c) and are approved in writing by the Company. Subject to the provisions of Section 5 hereof and to the performance by the Company of all of its obligations to be performed hereunder, the Placement Agent agrees to use its commercially reasonable best efforts to assist in arranging for sales of Investor Securities. The Company recognizes that "commercially reasonable best efforts" does not assure that the Placement will be consummated and the Placement Agent has no obligation to purchase any of the Investor Securities. It is understood and agreed that this Agreement does not create any partnership, joint venture or other similar relationship between or among the Placement Agent and the Company, and that the Placement Agent is acting only as a sales agent.

(b) For the services of the Placement Agent hereunder, the Company will pay or caused to be paid to the Placement Agent at any Closing the following compensation:

(i) a cash payment equal to 10% of the aggregate gross proceeds received by the Company from the sale of the Investor Securities at such Closing (provided, however, that for purposes of this Section 3(b)(i), the amount of "gross proceeds" shall not include gross proceeds received by the Company in the Placement from (A) any current security holder of the Company as of October 11, 2016 or any prospective Investor to which the Company has been introduced or in contact with regarding a potential investment in the Company prior to October 11, 2016, independent of any action on part of the Placement Agent (any such person, an "**Existing Investor**") or (B) any exercise of Warrants), payable at such Closing in lawful money of the United States by check or wire transfer of immediately available funds; and

(ii) a five-year warrant (the "**Placement Agent Warrant**") to purchase a number of shares of Common Stock equal to 10% of the aggregate number of shares of Preferred Stock issued at such Closing to Investors other than Existing Investors. A Placement Agent Warrant will be issued at each closing and shall provide, among other things, that the Placement Agent Warrant shall:

(1) be exercisable at an exercise price equal to 110% of the price of the Purchase Price;

(2) be non-exercisable for six (6) months after the date of such Closing and expire five (5) years from the date of issuance;

(3) provide for "cashless" exercise; and

(4) provide for such other terms as are customary for warrants issued to placement agents.

(c) Notwithstanding any termination or expiration of this Agreement pursuant to the terms hereof or otherwise (other than termination by the Placement Agent pursuant to Section 5(iii)), if on or before the twelve (12) month anniversary of such termination or expiration the Company completes any private financing of equity or equity-linked capital raising activity of the Company (other than the exercise by any person or entity of any options, warrants or other convertible securities) with any of the Investors who were first introduced to the Company in connection with the financing contemplated hereby by the Placement Agent, the Company shall pay to the Placement Agent, at the closing of any such offering or financing, the fees described in, and in accordance with the terms and provisions of, Section 3(b)(i) and (ii) above; provided, however, that the Placement Agent shall only be entitled to the lower of the fees payable pursuant to this Section 3(c) and the fees payable to the Placement Agreement pursuant to Section 3(d) in a subsequent financing led by the Placement Agent.

(d) Upon the successful completion of the Initial Closing of the Placement, for a period of twelve (12) months from the final Closing, the Company grants the Placement Agent the right of refusal to act as lead placement agent in any private financing of equity or equity-linked capital raising activity of the Company (other than the exercise by any person or entity of any options, warrants or other convertible securities) during such twelve (12) month] period. The Placement Agent shall notify the company within fifteen (15) days of its receipt of the written offer contemplated above as to whether or not it agrees to accept such retention. In the event the Placement Agent exercises its right pursuant to this Section 3(d), the Company and the Placement Agent shall enter into a customary placement agency agreement or engagement letter, as applicable, containing customary terms and conditions and in form and substance mutually acceptable to the Company and the Placement Agent. For clarity, this Section 3(d) shall only apply if one or more Closings is/are completed and shall not apply if this Agreement is terminated prior to the completion of any Closing. If the Placement Agent shall decline such retention, the Company shall have no further obligation to the Placement Agent, except as specifically provided for herein.

(e) Upon receipt by the Company from a proposed Investor of completed Subscription Documents, and such other documents as the Company requests, the Company and the Placement Agent will determine in their sole discretion whether they wish to accept or reject the subscription.

4. PAYMENT BY COMPANY OF EXPENSES

The Company will pay for or promptly reimburse the Placement Agent at each Closing for, as the case may be, all reasonable and documented expenses of the Company and the Placement Agent relating to the Placement (including, without limitation, all reasonable and documented legal fees and disbursements and all reasonable and documented travel and other reasonable and documented out-of-pocket expenses incurred by the Placement Agent (exclusive of any fees and expenses related to "blue sky" filings) unless otherwise approved in writing by the Company) and all other reasonable and documented out-of-pocket expenses of the Placement Agent relating to activities under this Agreement, including, without limitation: (i) the preparation, printing, reproduction, filing, distribution and mailing of the Offering Documents and all other documents relating to the Placement, and any supplements or amendments thereto, including the fees and expenses of counsel to the Company, and the cost of all copies thereof; (ii) the issuance, sale, transfer and delivery of the Securities, including any transfer or other taxes payable thereon and the fees of any transfer agent or registrar; (iii) the registration and qualification of the Securities or the securing of an exemption therefrom under state of foreign "blue sky" or securities laws, including, without limitation, filing fees payable in the jurisdictions in which such registration or qualification or exemption therefrom is sought, the costs of preparing preliminary, supplemental and final "blue sky surveys" relating to the offer and sale of the Securities and the reasonable and documented fees and disbursements of counsel to the Placement Agent in connection with such "blue sky" matters, unless the Company shall incur such expenses directly; (iv) the filing fees, if any, payable to the applicable securities regulatory authorities; (v) all Escrow Agent fees; and (vi) all reasonable and documented road show expenses, travel, and other related expenses; provided however that the Company's reimbursement obligations pursuant to clause (vi) shall not exceed, in the aggregate, $60,000 without the prior written consent of the Company and the Company shall not be responsible for the expenses of any Investors in the Placement.

5. TERMINATION OF PLACEMENT

The Placement and this Agreement will terminate upon the earlier of (a) the date upon which the Company has accepted subscriptions for the Maximum Amount, subject to increase pursuant to the exercise of the Over-Allotment Option at the joint discretion of the Company and the Placement Agent and (b) July 31, 2017; unless extended by the mutual agreement of the Company and the Placement Agent for an additional thirty (30) day period (such period, the "**Offering Period**"). Prior to the end of the Offering Period, the Placement may be terminated: (i) by the Placement Agent or the Company at any time upon thirty (30) days' prior written notice; (ii) by the Company upon giving written notice to the Placement Agent in the event that the Placement Agent shall be in material breach of any representation, warranty or covenant made by it in this Agreement, provided that the Placement Agent shall not have cured any such breach or alleged breach within fifteen (15) days after receipt of written notice from the Company of any such breach or (iii) immediately by the Placement Agent upon giving written notice to the Company, but only in the event that:

(a) in the reasonable opinion of the Placement Agent, to the extent that the Offering Memorandum contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements appearing therein not misleading in the light of the circumstances in which they were made regarding the Company and its business, and the Company shall not have corrected such untrue statement or omission to the reasonable satisfaction of the Placement Agent and its counsel within fifteen (15) days after the Company receives written notice of such untrue statement or omission, provided that notwithstanding such fifteen (15) day period, the Closing (as defined in Section 6 below) shall not occur hereunder until the Placement Agent shall notify the Company that it is satisfied, in its reasonable determination, that the Company has taken such steps (including circulating amended offering materials and affording prospective Investors a reasonable opportunity to review such amendments) to allow the Closing to occur; or

(b) the Company shall be in material breach of any representation, warranty or covenant made by it in this Agreement, the Offering Memorandum or any other document relating to the Placement and the Company shall not have cured such breach (if capable of cure) within fifteen (15) days after receipt of written notice from the Placement Agent of any such breach thereof).

In the event of any such termination pursuant to this Section 5, the Placement Agent shall be entitled to receive, accrued to date, an amount equal to the sum of (A) all Placement Agent's fees in accordance with Section 3 and (B) the reasonable and documented expenses incurred by the Placement Agent in connection with the Placement in accordance with Section 4.

6. OFFERING PERIOD; CLOSINGS

(a) Subject to the terms and conditions set forth in Sections 5 and 10 hereof, the Placement Agent will, on an exclusive basis, conduct the Placement on a "commercially reasonable best efforts" basis to Accredited Investors only and the Investor Securities will be offered for a period beginning from the date hereof and ending no later than the end of the Offering Period set forth in Section 5 above. Unless the Minimum Amount is subscribed for and accepted by the Company by the conclusion of the Offering Period, or waived by the Company, the Placement will be terminated and all subscription proceeds will be returned to Investors without interest or deduction. If at least the Minimum Amount has been subscribed for and accepted by the Company at any time during the Offering Period, the Company will conduct a closing on such Investor Securities at a time of its choosing (the "**Initial Closing**"). Thereafter, the Company may, in its sole and absolute discretion, conduct subsequent closings (together with the Initial Closing, each, a "**Closing**") until the first to occur of: (i) the full subscription for and acceptance by the Company of the Maximum Amount, subject to increase pursuant to the exercise of the Over-Allotment Option at the joint discretion of the Company and the Placement Agent, (ii) the conclusion of the Offering Period, or (iii) the termination of the Placement and this Agreement. Any Closing shall be undertaken in a manner agreed to by the Company and the Placement Agent. The date upon which a Closing is held shall hereinafter be referred to as the "**Closing Date**."

(b) The purchases of Investor Securities by the Investors shall be evidenced by the execution of Subscription Agreements by each of the Investors and the Company. At or promptly following each Closing, the Company shall deliver the Securities to the Investors and the Placement Agent, as applicable, together with such other closing documentation as may be required in order to affect the Closing.

7. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Placement Agent as of the date hereof (or such other date as explicitly set forth in the applicable representation) that, except as set forth in the Schedules hereto, the Offering Memorandum or in any report, proxy statement, registration statement, prospectus, schedule, form, statement, certification and other document (including exhibits and all other information incorporated by reference therein) required to be filed or furnished by the Company with the Securities and Exchange Commission, or the Offering Memorandum, which exceptions shall be deemed to be part of the representations and warranties made hereunder:

(a) Corporate Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, and has the requisite corporate power and authority to own or lease its properties and to carry on its business as now being conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the property owned or leased by it or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or in good standing could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. For purposes of this Agreement, "**Material Adverse Effect**" shall mean, as to any entity, any material adverse effect on the business, operations, conditions (financial or otherwise), assets, results of operations or prospects of the Company and its subsidiaries as a whole, except that any of the following, either alone or in combination, shall not be deemed a Material Adverse Effect: (i) effects caused by changes or circumstances affecting general market conditions in the U.S. economy or which are generally applicable to the industry in which the Company operates, provided that such effects are not borne disproportionately by the Company, (ii) effects resulting from or relating to the announcement or disclosure of the sale of the Shares or other transactions contemplated by this Agreement or the Offering Documents, or (iii) effects caused by any event, occurrence or condition resulting from or relating to the taking of any action in accordance with this Agreement or the Offering Documents).

(b) Capitalization; Organizational Documents; Subsidiaries. (i) The authorized capital stock of the Company consists of 30,000,000 shares of Preferred Stock, and 1,000,000,000 shares of Common Stock. As of the date of the Offering Memorandum; (i) no shares of Preferred Stock and 10,345,637 shares of Common Stock were issued and outstanding and no other shares of capital stock of the Company are issued and outstanding, (ii) all of the outstanding shares of capital stock have been duly authorized and validly issued and are fully paid and nonassessable and have been issued in accordance with all applicable federal and state securities laws, and (iii) no shares of capital stock are subject to preemptive rights or any other similar rights or any liens suffered or permitted by the Company. Except as previously disclosed to the Placement Agent, as of the date hereof, there are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional shares of capital stock. As of the date of the Offering Memorandum, there are no preemptive rights or rights of first refusal or similar rights which are binding on the Company permitting any person to subscribe for or purchase from the Company shares of its capital stock pursuant to any provision of law, the Certificate of Incorporation (as defined below) or the Company's By-laws (as defined below) or by agreement or otherwise. As of the date of the Offering Memorandum, there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of any of the Securities as described in this Agreement. The Company has made available to the Placement Agent true and correct copies of the Company's Certificate of Incorporation, as amended (the "**Certificate of Incorporation**"), as in effect on the date hereof, and the Company's By-laws, as in effect on the date hereof (the "**By-laws**"). The Company is not in violation of its Certificate of Incorporation or By-laws. The designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized capital stock of the Company are as set forth in the Certificate of Incorporation and Certificate of Designation. No person will be entitled to exercise any right to require the Company to register any securities of the Company under the Act or to participate in any such registration as a result of the transactions contemplated by the Placement.

(ii) The Investor Securities have been duly authorized, and the Investor Securities, when issued and delivered against payment therefor as provided herein and in the Offering Documents, will be validly issued, fully paid and nonassessable, free and clear of any restrictions on transfer and any taxes, claims, liens, pledges, options, security interests, purchase rights, preemptive rights, trusts, encumbrances or other rights or interests of any other person (other than any restrictions under the Act), and will conform to the description thereof, to the extent applicable, in the Offering Documents. The Conversion Securities, when issued upon the due conversion of the Preferred Stock and the exercise of the Warrants, and the Placement Agent Conversion Securities, when issued and delivered upon the due exercise of the Placement Agent Warrants, will be duly authorized, validly issued, fully paid and non-assessable, free and clear of any restrictions on transfer and any taxes, claims, liens, pledges, options, security interests, purchase rights, preemptive rights, trusts, encumbrances or other rights or interests of any other person (other than any restrictions under the Act), and will, to the extent applicable, conform to the description thereof in the Offering Documents. A sufficient number of authorized but unissued shares of Conversion Securities and Placement Agent Conversion Securities shall be reserved for issuance upon the conversion of the Preferred Stock, exercise of the Warrants and upon the exercise of the Placement Agent Warrants.

(iii) Except for ProElite, Inc., the Company owns, directly or indirectly, all of the capital stock or other equity interests of each of its subsidiaries free and clear of any liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(c) Authorization; Enforcement. (i) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement in accordance with the terms hereof, and to issue and sell the Securities in accordance with the terms of the Offering Documents, (ii) the execution and delivery by the Company of the Offering Documents to which it is party and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by the Company's Board of Directors and no further consent or authorization is required by the Company, its Board of Directors or its stockholders, and (iii) this Agreement has been duly executed and delivered by the Company. This Agreement constitutes, and the other Offering Documents to which the Company is a party, when duly executed and delivered by the Company, will constitute, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Offering Documents to which the Company is a party, and the consummation by the Company of the transactions contemplated hereby and thereby, will not (i) result in a violation of the terms of the Company's Certificate of Incorporation or By-laws, or (ii) violate or conflict with, or result in a breach of, any provision of, 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, or result in the creation of any lien on or against any of the properties of the Company, under any agreement listed on Schedule 7(d), or result in a violation of any statute, law, rule, regulation, writ, injunction, order, judgment or decree applicable to the Company or by which any property or asset of the Company is bound or affected, except where such violation, conflict, breach or other consequence would not have a Material Adverse Effect. The Company is not in violation of any term of or in default under, any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgement, decree or order of any statute, rule or regulation applicable to it, except where such violation, conflict, breach or other consequence would not have a Material Adverse Effect. Except as specifically contemplated by this Agreement or the Offering Documents, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental or regulatory or self-regulatory agency in order for it to execute, deliver or perform any of its obligations under or contemplated by this Agreement or the other Offering Documents in accordance with the terms hereof or thereof, other than filings pursuant to federal and state securities laws and the rules and regulations of NASDAQ in connection with the sale of the Securities, except where such consent, authorization, order, filing or registration would not have a Material Adverse Effect. All material consents, authorizations, orders, filings and registrations that the Company is required to obtain prior to the date hereof pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof.

(e) SEC Reports: Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the one year preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, being collectively referred to herein as the "**SEC Reports**") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("**GAAP**"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated subsidiaries as of and for 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, immaterial, year-end audit adjustments. The interactive data in eXtensible Business Reporting Language included the SEC Reports and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(f) Liabilities. Except as reflected in the financial statements included in the SEC Reports, as of the date of such financial statements, the Company had not incurred any material liabilities of any kind, whether accrued, absolute, contingent or otherwise or entered into any material transactions, except in the ordinary course of business.

(g) Securities Law Exemption. Assuming the truth and accuracy of each Investor's representations set forth in the Subscription Documents and the Placement Agent's representations set forth herein, the offer, sale and issuance of the Securities as contemplated by this Agreement and the Offering Documents are exempt from the registration requirements of the Act and applicable "blue sky" state securities laws, and neither the Company nor any authorized agent acting on its behalf at the instruction of the Company has taken or will take any action hereafter that would cause the loss of such exemption.

(h) Litigation.

(i) There are no actions, suits, arbitrations or other proceedings pending before or by any court or governmental authority against the Company or, to the knowledge of the Company, threatened against the Company, except for such as would not reasonably be expected to have a Material Adverse Effect or have a material adverse effect on the Company's right to execute this Agreement and comply the terms hereof.

(ii) There are no actions, proceedings, claims or investigations before or by any court or governmental authority (or any state of facts which management of the Company has concluded could give rise thereto) pending or, to the knowledge of the Company, threatened, against the Company's officers or directors which, if determined adversely to such officer or director, would have a Material Adverse Effect or adversely affect the transactions contemplated by this Agreement or the enforceability thereof.

(i) Intellectual Property. The Company owns or possesses adequate and enforceable rights to use all material patents, patent applications, trademarks, service marks, trade names, logos, corporate names, copyrights, trade secrets, processes, mask works, licenses, inventions, formulations, technology and know-how and other intangible property used or proposed to be used in the conduct of its business (the "Proprietary Rights"), except as would not have a Material Adverse Effect. The Company has taken all commercially reasonable action to protect all of the Proprietary Rights, except as would not have a Material Adverse Effect. The Company has not received any notice of, and there are not any facts known to the Company which indicate the existence of; (i) any infringement or misappropriation by any third party of any of the Proprietary Rights, (ii) any claim by a third party contesting the validity of any of the Proprietary Rights or (iii) any infringement, misappropriation or violation by the Company or any of its employees of any Proprietary Rights of third parties, except, in each case, as would not have a Material Adverse Effect. The Company has received no notice that any of its employees are obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of the employee's reasonable best efforts to promote the interests of the Company or that would conflict with the Company's business as currently conducted, except as would not have a Material Adverse Effect.

(j) Title to Property and Assets. The Company has good and marketable title to or, in the case of leases and licenses, has valid and subsisting leasehold interests or licenses in, all of its properties and assets (whether real or personal, tangible or intangible) free and clear of any liens or other encumbrances, other than liens or other encumbrances that do not, individually or in the aggregate, have a Material Adverse Effect.

(k) Compliance with Laws. The Company is in compliance in all material respects with all laws, rules, regulations, orders, judgments or decrees that are applicable to it, the conduct of its business as presently conducted, and the ownership of its property and assets (including, without limitation, those promulgated by the U.S. Food and Drug Administration or any foreign, state or local governmental body exercising comparable authority, those relating to occupational safety, health, wage and hour, employment discrimination, and the Environmental Laws (as defined below)), and the Company has not received any notice of any state of facts, events, conditions or occurrences which may now or hereafter constitute or result in a violation of any of such laws, rules, regulations, orders, judgments or decrees or which may give rise to the assertion of any such violation, except, in each case, where such violation or violations do not have a Material Adverse Effect. All required reports and filings with governmental authorities have been properly made as and when required, except where the failure to report or file would not, individually or in the aggregate, have a Material Adverse Effect. "**Environmental Laws**" means all federal, state, local and foreign laws, ordinances, treaties, rules, regulations, guidelines and permit conditions relating to contamination or pollution of the environment (including ambient air, surface water, ground water, land surface or subsurface strata) or the protection of human health and worker safety, including, without limitation, laws and regulations relating to transportation, storage, use, manufacture, disposal or release of, or exposure of employees or others to, Hazardous Materials (as defined below) or emissions, discharges, releases or threatened releases of Hazardous Materials. "**Hazardous Materials**" means any substance that has been designated by any governmental entity or by applicable Environmental Laws to be radioactive, toxic, hazardous or otherwise a danger to health or the environment, including, without limitation, PCBs, asbestos, petroleum, urea formaldehyde and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or defined as a hazardous waste pursuant to the Resource Conservation and Recovery Act of 1976, as amended, and the regulations promulgated pursuant to Environmental Laws, but excluding office and janitorial supplies maintained in accordance with Environmental Laws.

(l) Licenses and Permits. The Company has obtained and maintains all material federal, state, local and foreign licenses, permits, consents, approvals, registrations, authorizations and qualifications required to be maintained in connection with the operations of the Company as presently conducted, except where the failure to obtain or maintain such licenses, permits, consents, approvals, registrations, authorizations and qualifications could not have a Material Adverse Effect. The Company is not in default in any material respect under any of such licenses, permits, consents, approvals, registrations, memberships, authorizations and qualifications.

(m) Employee Benefit Plans. All "employee benefit plans," as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), to which the Company has any liability or obligation, contingent or otherwise (the "**Benefit Plans**"), comply in all material respects and have been maintained and administered in material compliance with ERISA, the Internal Revenue Code of 1986, as amended (the "**Code**"), and all other statutes, orders and governmental rules and regulations applicable to such Benefit Plans. To the knowledge of the Company, (i) the Company has not incurred any material liability pursuant to ERISA as the result of the failure to comply with ERISA with respect to any Benefit Plan or pursuant to the penalty or excise tax provisions of the Code relating to any Benefit Plan and (ii) no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such material liability by the Company, or in the imposition of any material lien on any of the rights, properties or assets of the Company pursuant to. The Company does not maintain or contribute to, and has no liability with respect to, any "multiemployer plan," as such term is defined in Section 4001 of ERISA.

(n) Taxes. The Company has (i) timely filed all tax returns and reports (federal, state and local) required to be filed, if any, and any such returns and reports are true and correct in all material respects, (ii) paid all taxes and other assessments, if any, shown to be due on such returns or reports, except for any taxes being appealed in good faith and (iii) not, since its inception, had any tax returns and / or reports examined by the Internal Revenue Service or any state or local taxing authority, or been informed that the Internal Revenue Service or any state or local taxing authority is in the process of examining any such tax returns and / or reports; except as would not, in each case, have a Material Adverse Effect. The Company has not elected, pursuant to the Code, to be treated as a collapsible corporation pursuant to Section 341(f) of the Code, nor has it made any other elections pursuant to the Code (other than elections that relate solely to methods of accounting, depreciation or amortization) that would have a Material Adverse Effect.

(o) Insurance. The Company maintains insurance covering its properties, operations, personnel and businesses as the Company deems appropriate; such insurance insures against such losses and risks to an extent which is customary for the type of business and the locations in which the Company is engaged and located, respectively; all such insurance is in full force on the date hereof; the Company has not received any notice and has no reason to believe that it will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect; the Company has not been denied any insurance coverage that it has sought or for which it has applied.

(p) Employees.

(i) The Company has no collective bargaining agreements with any of its employees. There is no labor union organizing activity pending or, to the knowledge of the Company, threatened with respect to the Company. To the knowledge of the Company, no executive officer or key employee intends to terminate their employment with the Company, nor does the Company have a present intention to terminate the employment of any of the foregoing.

(ii) To the knowledge of the Company, none of the Company's full-time employees have entered into or are in violation of any non-competition, non-disclosure, confidentiality or other similar agreement with any party other than the Company; and the Company has not received notice that any consultant or scientific advisor of the Company is in violation of any non-competition, non-disclosure, confidentiality or similar agreement.

(q) Material Contracts. All material contracts, agreements, instruments, leases, licenses, arrangements, understandings or other documents set forth on Schedule 7(q) (the "**Material Contracts**") are valid and in full force and effect as to the Company and the subsidiaries, and, to the knowledge of the Company, to the other parties thereto, except as would not have a Material Adverse Effect. The Company is not in violation of, or default under (and there does not exist any event or condition which, after notice or lapse of time or both, would constitute such a default under), the Material Contracts, except to the extent that such violations or defaults, individually or in the aggregate, would not reasonably be expected to (a) affect the validity of this Agreement or the Offering Documents, (b) have a Material Adverse Effect, or (c) impair the ability of the Company to perform fully on a timely basis any material obligation which the Company has or will have under this Agreement or any other Offering Documents. To the knowledge of the Company, none of the other parties to any Material Contract are in violation of or default under any Material Contract in any material respect, except as would not have a Material Adverse Effect. The Company has not received any notice of cancellation or any written communication threatening cancellation of any Material Contract by any other party thereto, except as would not have a Material Adverse Effect.

(r) No Integrated Offering. Neither the Company nor any of its affiliates, nor any person acting on its behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the Act of the issuance of the Securities to the Investors. The issuance of the Securities to the Investors will not be integrated with any past issuance of the Company's securities for purposes of the Act.

(s) Regulation D. The Investor Securities will be offered and sold pursuant to the registration exemption provided by Section 4(a)(2) of the Act and Rule 506(b) under Regulation D promulgated thereunder as a transaction not involving a public offering and the requirements of any other applicable state securities laws and the respective rules and regulations thereunder in those jurisdictions in which the Placement Agent notifies the Company that the Investor Securities are being offered for sale. The Offering Memorandum describes all material risks of an investment in the Company's securities. The Company has not taken and will not take any action which conflicts with the conditions and requirements of, or which would make unavailable with respect to the Placement, the exemption(s) from registration available pursuant to Section 4(a)(2) and Regulation D of the Act and knows of no reason why any such exemption would be otherwise unavailable to it. The Company has not been and to the knowledge of the Company, none of the Company's predecessors or affiliates have been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such persons for failing to comply with Section 503 of Regulation D.

(t) Offering Memorandum.

(i) The Offering Memorandum does 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 light of the circumstances under which they were made, not misleading; provided, however, that such statement or information was not provided to the Company by the Placement Agent.

(ii) The Company has not distributed and will not distribute prior to the Closing Date any offering material in connection with the Placement other than the Offering Memorandum or any amendment or supplement thereto. The Company has not nor will it take any action independent of the Placement Agent to sell, offer for sale or solicit offers to buy any securities of the Company which would bring the offer, issuance or sale of the Investor Securities, as contemplated by this Agreement, within the provisions of Section 5 of the Act.

(u) Finders. Except for the fees payable to the Placement Agent described in this Agreement, the Company is not obligated to pay, and has not obligated the Placement Agent to pay, a finder's or origination fee or similar fee in connection with the Placement and agrees to indemnify the Placement Agent from any such claim made by any other person.

(v) Transfer Taxes. No stock transfer or other similar taxes will be payable by or on behalf of the Placement Agent, or will otherwise be imposed on any amount which is required to be paid to the Placement Agent, acting in its capacity as such, in connection with the sale and transfer of the Securities to be sold to the Investors hereunder.

(w) Contributions. Since January 8, 2016, neither the Company, nor any director or officer of the Company, nor to the knowledge of the Company, any agent, employee or affiliate of the Company has directly or indirectly (i) made any unlawful contribution to any candidate for public office, or failed to disclose fully where required by law any contribution in violation of law, (ii) made any payment to any federal or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States or any jurisdiction thereof, or (iii) violated any provision of the Foreign Corrupt Practices Act of 1977.

(x) Money Laundering Laws. Since January 8, 2016, the operations of the Company are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any subsidiary with respect to the Money Laundering Laws is pending, or to the knowledge of the Company, threatened.

(y) OFAC. Since January 8, 2016, neither the Company, nor any director or officer of the Company, nor to the knowledge of the Company, any agent, employee or affiliate of the Company or any subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(z) Patriot Act; Etc. Since January 8, 2016, neither the sale of the Investor Securities by the Company nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, since January 8, 2016, the Company is not (a) a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) a person who engages in any dealings or transactions, or be otherwise associated, with any such person. Since January 8, 2016, the Company and its subsidiaries, if any, are in compliance, in all material respects, with the USA Patriot Act of 2001 (signed into law October 26, 2001).

(aa) Investment Company. The Company is not an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for an investment company, within the meaning of the Investment Company Act of 1940, as amended.

(bb) Related Party Transactions. Except as would not have a Material Adverse Effect and except as disclosed in the Company's SEC Reports, no transaction of the nature defined in Item 404 of Regulation S-K promulgated under the Act has occurred between or among the Company and any of its affiliates, officers or directors.

(cc) Disqualification Events. To the knowledge of the Company, none of the "bad actor" disqualifications described in Rule 506(d)(1) of Regulation D under the Act ("**Disqualification Events**") apply to the Company or any of its "**Covered Persons**" as such term is defined in Rule 506(d)(1) of Regulation D under the Act.

(dd) Books and Records. Since January 8, 2016, the books, records and accounts of the Company accurately and fairly reflect, in reasonable detail, the material transactions in, and dispositions of, the assets of, and the results of operations of, the Company, all to the extent required by generally accepted accounting principles. Since January 8, 2016, and except as disclosed in the SEC Reports, the Company 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 authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and to maintain asset accountability, (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 the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

8. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PLACEMENT AGENT

The Placement Agent hereby represents and warrants to, and covenants with, the Company that:

(a) This Agreement and all other documents to be entered into by the Placement Agent in connection with the transactions described herein and in the Offering Memorandum have been, or will be when entered into, duly authorized, executed and delivered by the Placement Agent and constitute the legal, valid and binding obligation of the Placement Agent, enforceable against it in accordance with its terms, except insofar as enforcement of the indemnification or contribution provisions hereof may be limited by applicable laws or principles of public policy and subject, as to enforcement, to the availability of equitable remedies and limitations imposed by bankruptcy, insolvency, reorganization and other similar laws and related court decisions relating to or affecting creditors' rights generally. The Placement Agent is duly organized and validly existing and in good standing as a limited liability company under the laws of the State of New York, with full power and authority to perform its obligations under this Agreement

(b) (i) Offers and sales of Investor Securities by the Placement Agent will be made only in such jurisdictions in which: (a) the Placement Agent is a registered broker-dealer; and (b) the Placement Agent has been advised by counsel that the offering and sale of the Investor Securities is registered under, or is exempt from registration under, applicable laws.

(ii) Offers and sales of Investor Securities by the Placement Agent will be made in compliance with the provisions of Section 4(a)(2) of the Act and/or Regulation D promulgated thereunder.

(c) The Placement Agent is: (i) a registered broker-dealer under the Exchange Act; (ii) a member in good standing of the Financial Industry Regulatory Authority ("**FINRA**"); and (iii) registered as a broker-dealer in each jurisdiction in which it is required to be registered as such in order to offer and sell Investor Securities in such jurisdiction.

(d) The Placement Agent has not and will not make an offer of Investor Securities on the basis of any communications or documents relating to the Company or the Investor Securities except the Offering Memorandum and the exhibits thereto and documents described, referred to or incorporated by reference therein (including the other Offering Documents). The Placement Agent will deliver a copy of the Offering Memorandum to each prospective Investor solicited by it prior to such offeree's execution of the Subscription Documents or, in the case of amendments or supplements to the Offering Memorandum (other than those amendments and supplements approved in writing by the Company but designated in writing as not subject to this requirement), prior to such offeree's execution of an acknowledgment of receipt of such amendment or supplement and reconfirmation of intent to subscribe.

(e) The Placement Agent will not transmit to the Company any written offer from an offeree to purchase Investor Securities unless, immediately prior thereto, it reasonably believes that: (i) the offeree is an Accredited Investor as evidenced by a completed Investor Questionnaire in the form attached to the Subscription Agreement; and (ii) the offeree meets all other offeree and/or purchaser suitability standards, if any, required under applicable securities laws and regulations.

(f) Based on factual investigation by the Placement Agent, none of the Disqualification Events apply to the Placement Agent or any of its Covered Persons.

(g) The Placement Agent currently intends the Investor Securities to be offered in the jurisdictions set forth on Schedule 8(g). The Placement Agent will periodically notify the Company of any additional jurisdictions in which it intends the Investor Securities to be offered by it or will be offered by it pursuant to this Agreement, and will periodically, or upon request, notify the Company of the status of the offering conducted pursuant to this Agreement.

(h) At the date of the Offering Memorandum, the sections of the Offering Memorandum titled "Plan of Distribution" and the other sections relating to the Placement Agent (the "**Placement Agent OM Information**") did not include any 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 light of the circumstances under which they were made, not misleading. Since the date of the Offering Memorandum, the Placement Agent has not performed any act or contravention of such sections of the Offering Memorandum that would make any statement contained therein untrue.

(i) No consent, approval, authorization or order of any court or governmental authority or agency is required for the performance by the Placement Agent of its obligations under this Agreement, other than those that have been previously obtained by the Placement Agent.

9. COVENANTS

The Company covenants to the Placement Agent that it shall:

(a) Notify the Placement Agent as soon as practicable, and confirm such notice promptly in writing: (i) when any event shall have occurred during the period commencing on the date hereof and ending on the final Closing Date as a result of which the Offering Memorandum would include 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 light of the circumstances in which they were made, not misleading; provided, however, that such statement or information was not provided to the Company by the Placement Agent, and (ii) of the receipt of any notification with respect to the modification, rescission, withdrawal or suspension of the qualification or registration of the Securities or of an exemption from such registration or qualification in any jurisdiction. The Company will use its commercially reasonable efforts to prevent the issuance of any such modification, rescission, withdrawal or suspension and, if any such modification, rescission, withdrawal or suspension is issued, to obtain the lifting thereof as promptly as possible.

(b) Not supplement or amend the Offering Documents unless the Placement Agent and its counsel shall have approved of such supplement or amendment, such approval not to be unreasonably withheld, delayed or conditioned, or as required by applicable law, rule or regulation. If, at any time during the period commencing on the date hereof and ending on the final Closing Date, any event shall have occurred as a result of which, the Offering Memorandum contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, or if, in the opinion of counsel to the Company, it is necessary at any time to supplement or amend the Offering Documents to comply with the Act, Regulation D or any applicable securities or "blue sky" laws, the Company will promptly prepare an appropriate supplement or amendment (in form and substance reasonably satisfactory to the Placement Agent and its counsel) which will correct such statement or omission or which will effect such compliance.

(c) Deliver without charge to the Placement Agent such number of copies of the Offering Documents and any supplement or amendment thereto as may reasonably be requested by the Placement Agent.

(d) Not, directly or indirectly, in connection with the Placement or as otherwise agreed to in this Agreement, solicit any offer to buy from, or offer to sell to, any person or entity any Investor Securities except through the Placement Agent, including, without limitation, any advertisement, article, notice or other general solicitation published in any newspaper, magazine or similar medium or broadcast over the Internet, television or radio or at any seminar or meeting whose attendees have been invited by any general solicitation or advertising.

(e) During the period commencing on the date hereof and ending on the date of the final Closing, on reasonable request, extend to each prospective investor or his purchaser representative, if any, the opportunity to ask questions of, and receive answers from the Company concerning the terms and conditions of the Placement and the business of the Company and obtain any other additional information, to the extent it possesses the same or can acquire it without unreasonable effort or expense, as such prospective Investor or purchaser representative may consider necessary in making an informed investment decision or in order to verify the accuracy of the information furnished to such prospective Investor or purchaser representative, as the case may be.

(f) Notify the Placement Agent promptly of the acceptance or rejection of any subscription.

(g) Timely file a Notice of Sale of Securities on Form D with the SEC, if required by law. The Company shall file promptly such amendments to such Notices on Form D as shall become necessary and shall also comply with any filing requirement imposed by the laws of any province or jurisdiction in which offers and sales are made. The Company shall furnish the Placement Agent with copies of all such filings.

(h) Place the following or similar legend on all certificates representing the Securities:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES OR "BLUE SKY" LAWS AND MAY BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED ONLY PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS."

(i) Not, directly or indirectly, engage in any act or activity which is reasonably expected to have an adverse effect on the status of the offering and sale of the Investor Securities as exempt transactions under the Act or under the securities or "blue sky" laws of any jurisdiction in which the Placement may be made.

(j) Not, during the period commencing on the date hereof and ending on the Closing Date, issue any press release or other communication or hold any press conference with respect to the Placement, without the prior consent of the Placement Agent, which consent will not be unreasonably withheld, conditioned or delayed.

(k) The Company will initially invest the proceeds of the Placement and all other funds of the Company in such a manner intended to cause the Company not to be subject to the United States Investment Company Act of 1940, as amended.

(l) In addition to the foregoing, to the extent not set forth herein, the Placement Agent may rely on the covenants made by the Company in the Subscription Documents used in connection with the Placement.

The Placement Agent covenants to the Company that it shall:

(m) Notify the Company as soon as practicable, and confirm such notice promptly in writing: (A) when any event shall have occurred during the period commencing on the date hereof and ending on the Final Closing Date as a result of which the portions of the Offering Memorandum pertaining to the Placement Agent would include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) of the receipt of any notification with respect to the suspension or termination of the Placement Agent's license, qualification or registration as a broker-dealer under the Exchange Act or any similar securities laws in a jurisdiction in which it is required to be licensed, qualified or registered in order to offer and sell the Investor Securities in such jurisdiction, or its FINRA membership. The Placement Agent will use commercially reasonable efforts to prevent and/or cure any suspension or termination of such license, qualification, registration and/or membership.

(n) Not solicit any offer to buy or offer to sell Investor Securities by any form of general solicitation or advertising, including, without limitation, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over the Internet, television or radio or at any seminar or meeting whose attendees have been invited by any general solicitation or advertising.

(o) Not, directly or indirectly, engage in any act or activity which is reasonably expected to have an adverse effect the status of the offering and sale of the Investor Securities as exempt transactions under the Act or under the securities or "blue sky" laws of any jurisdiction in which the Placement may be made, including, but not limited to, any action (except for actions contemplated by the Offering Memorandum) that would cause the Placement to be integrated with other securities offerings under Rule 502(a) of Regulation D, which would require the registration of any such securities under the Act.

10. CONDITIONS TO THE PLACEMENT AGENT'S OBLIGATIONS

The obligations of the Placement Agent pursuant to this Agreement shall be subject to the following conditions:

(a) At each Closing, the Placement Agent shall have received the favorable opinion of Dechert LLP, counsel for the Company, in the form and substance reasonably satisfactory to the Placement Agent.

(b) Prior to the date hereof, the Company shall have delivered to the Placement Agent (i) a Good Standing Certificate for the Company from the Secretary of State of its jurisdiction of incorporation and each jurisdiction in which the Company is qualified to do business as a foreign corporation, and (ii) certified resolutions of the Company's Board of Directors approving this Agreement and any other Offering Documents and the transactions and agreements contemplated by this Agreement and any other Offering Documents.

(c) At each Closing, the Placement Agent shall have received: (i) a certificate of the chief executive officer of the Company, dated, as of such Closing, to the effect that, subject to the last sentence of this Section 10(c), as of the applicable Closing Date, the representations and warranties of the Company contained herein were and are accurate in all material respects, except for such changes as are contemplated by this Agreement and except as to representations and warranties that were expressly limited to a state of facts existing at a time prior to the applicable Closing Date, and that, as of the applicable date, the obligations to be performed by the Company hereunder on or prior thereto have been fully performed in all material respects and (ii) a certificate of the secretary of the Company, dated as of the applicable Closing Date, certifying, as of such date the Certificate of Incorporation and Bylaws of the Company and the Certificate of Designation. At any Closing, the Company may deliver to the Placement Agent a certificate as of such Closing Date to provide exceptions to any representation and warranty made herein or to update any schedule or exhibit attached hereto.

11. INDEMNIFICATION

(a) The Company agrees to indemnify and hold harmless the Placement Agent, any person who controls the Placement Agent within the meaning of the Act, Section 20(a) of the Exchange Act or any applicable statute, and each partner, director, officer, employee, agent and representative of the Placement Agent and its representatives (each, a "**Placement Agent Indemnified Party**") from and against any loss, damage, expense, liability or claim, or actions or proceedings in respect thereof (including, without limitation, reasonable and documented attorneys' fees and expenses incurred in investigating, preparing or defending against any litigation commenced), but excluding any such losses, etc., found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from the gross negligence or willful misconduct of the Placement Agent Indemnified Parties (collectively "**Placement Agent Losses**"), which any such person may incur or which may be made or brought against any such Placement Agent Indemnified Party arising out of or based upon: any material breach of any of the agreements, representations or warranties of the Company contained in or contemplated by this Agreement or the Offering Memorandum, including, without limitation, those arising out of or based on any alleged untrue statement of a material fact contained in the Offering Memorandum or omission to state a material fact required to be stated in the Offering Memorandum or necessary in order to make the statements appearing therein not misleading in the light of the circumstances in which they were made (other than with respect to the Placement Agent OM Information). In no event shall the Company be responsible for any special, indirect or consequential damages incurred by the Placement Agent Indemnified Parties pursuant to this Section 11(a). This indemnity agreement by, and the agreements, warranties and representations of, the Company shall survive the offer, sale and delivery of the Investor Securities and the termination of this Agreement and shall remain in full force and effect regardless of any investigation made by or on behalf of any person indemnified hereunder, and termination of this Agreement and acceptance of any payment for the Investor Securities hereunder.

(b) The Placement Agent agrees to indemnify and hold harmless the Company and its affiliates, any person who controls any of them within the meaning of the Act, Section 20(a) of the Exchange Act or any applicable statute, and each officer, director, employee, agent and representative of the Company or any of its affiliates from and against any loss, damage, expense, liability or claim or actions or proceedings in respect thereof (including, without limitation, reasonable and documented attorneys' fees and expenses incurred in investigating, preparing or defending against any litigation commenced) which any such person may incur or which may be made or brought against any such person, but only to the extent the same arises out of or is based upon: (i) a material breach of any of the agreements, representations or warranties of the Placement Agent contained in this Agreement or the Offering Documents, or (ii) any untrue statement of a material fact in any information provided to the Company by the Placement Agent, expressly for use in and used in the Offering Memorandum. This indemnity agreement by, and the agreements, warranties and representations of, the Placement Agent shall survive the offer, sale and delivery of the Investor Securities and shall remain in full force and effect regardless of any investigation made by or on behalf of any person indemnified hereunder, and termination of this Agreement and acceptance of any payment for the Investor Securities hereunder.

(c) If any action is brought against a party (the "**Indemnified Party**") in respect of which indemnity may be sought against one or more other parties (the "**Indemnifying Party**" or "**Indemnifying Parties**"), the Indemnified Party shall promptly notify the Indemnifying Party or Parties in writing of the institution of such action; provided, however, the failure to give such notice shall not release the Indemnifying Party or Parties from its or their obligation to indemnify the Indemnified Party hereunder except to the extent the Indemnifying Party is materially prejudiced by such delay. The Indemnifying Party or Parties may at its or their own expense elect in writing to assume the defense of such action, including the employment of counsel reasonably acceptable to the Indemnified Party; provided, however, that no Indemnifying or Indemnified Party shall consent to the entry of any judgment or enter into any settlement by which the other party is to be bound without the prior written consent of such other party, which consent shall not be unreasonably withheld or delayed (it being agreed that it would be unreasonable to withhold consent to a settlement that (x) involves only the payment of funds by the Indemnifying Party and (y) involves no finding or admission of any wrongdoing or breach or any violation of any legal requirement by the Indemnified Party and (z) would not reasonably be expected to have an adverse effect on the continuing business interests of the Company). In any indemnification claim, any Indemnified Party shall have the right to retain its own separate counsel at such Indemnified Party's own expense and not subject to the reimbursement by the Indemnifying Party; provided, however, that the Indemnifying Party shall pay as incurred the reasonable and documented fees and expenses of such counsel incurred in connection with investigating, preparing, defending, paying, settling or compromising any indemnification claim if; (i) the use of counsel chosen by the Indemnifying Party to represent both the Indemnifying Party and the Indemnified Party would present, in the judgment of counsel to such Indemnified Party, such counsel with an actual or potential conflict of interest, (ii) the Indemnifying Party shall not have employed reasonably satisfactory counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such indemnification claim, or (iii) the Indemnifying Party shall authorize the Indemnified Party to employ separate counsel (in addition to any local counsel) at the expense of the Indemnifying Party in writing. The Indemnifying Party shall not, in connection with any indemnification claim, be liable for the fees and expense of more than one separate counsel (in addition to any local counsel) for all Indemnified Parties. All references to the Indemnified Party contained in this Section 11(c) include, and extend to and protect with equal effect, any persons who may control the Indemnified Party within the meaning of the Act, Section 20(a) of the Exchange Act or any applicable statute, any successor to the Indemnified Party and each of its partners, officers, directors, employees, agents and representatives. The indemnity agreements set forth in this Section 11 shall be in addition to any other obligations or liabilities of the Indemnifying Party or Parties hereunder or at common law or otherwise. Notwithstanding anything herein to the contrary, in no event shall the Placement Agent be obligated to indemnify any person or entity in an amount in excess of the gross consideration received by the Placement Agent for services rendered hereunder.

(d) If a claim for indemnification pursuant to the indemnification provisions of this Section 11 is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification in such case, the party entitled to indemnification by the terms thereof shall be entitled to contribution to losses, damages, liabilities and expenses of the nature contemplated by such indemnification provisions (except that no contribution shall be required as a result of the Indemnified Party's gross negligence, bad faith or willful misconduct). In determining the amount of such contribution by the Company and the Placement Agent, there shall be considered (i) the relative benefits received by the Company on the one hand, and the Placement Agent on the other hand, from the Placement (which shall be deemed to be the portion of the proceeds of the Placement realized by each party), and (ii) if (and only if) the allocation provided in clause (i) of this sentence is not permitted by applicable law, in such proportion as to reflect not only the relative benefits, but also the relative fault of the Company, on the one hand, and the Indemnified Party, on the other hand, in connection with the statements, acts or omissions which resulted in such losses, damages, liabilities and expenses as well as any relevant equitable considerations.. No party shall be liable for contribution with respect to any action or claim settled without its consent. No party found liable for a fraudulent misrepresentation shall be entitled to contribution from any person who is not also found liable for fraudulent misrepresentation with respect to any amount attributable thereto. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 11, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 11 or otherwise. For purposes of this Section 11, each person, if any, who controls a party to this Agreement within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act shall have the same rights to contribution as that party to this Agreement. Notwithstanding the foregoing, in no event will the aggregate contribution by the Placement Agent hereunder exceed the amount of fees actually received by the Placement Agent pursuant to this Agreement. The reimbursement, indemnity and contribution obligations of the Company hereinabove set forth shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Placement Agent and any other Indemnified Person.

12. MISCELLANEOUS

(a) The agreements set forth in this Agreement have been made and are made solely for the benefit of the parties hereto and their respective permitted successors and assigns thereof, and except as expressly provided herein nothing expressed or mentioned herein is intended or shall be construed to give any third party any legal, equitable or other right, remedy or claim under or in respect of this Agreement or any representation, warranty or agreement herein contained. The term "successors and assigns" as used herein shall not include any purchaser of any Investor Securities merely because of such purchase. Notwithstanding anything herein contained to the contrary, neither the Placement Agent nor the Company shall assign to an unaffiliated third party any of its obligations hereunder, without the prior written consent of the other party.

(b) All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service or delivery if served personally on the party to whom notice is to be given or sent by facsimile transmission (*provided* confirmation of facsimile transmission is obtained), (ii) on the day after delivery to Federal Express or similar overnight courier to the party as follows or (iii) on the date sent by e-mail of a "portable document format" (.pdf) document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient in each case to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice): (a) if to the Company, Diffusion Pharmaceuticals Inc., 2020 Avon Court #4, Charlottesville, VA 22902, Attention: David Kalergis and Ben Shealy, with a copy to Dechert LLP, 1095 Avenue of the Americas, New York, NY 10036, Attention: David Rosenthal, Esq; and (b) if to the Placement Agent, Maxim Group Inc., 405 Lexington Avenue, New York, NY 10174, Attention: Christopher Brothers and Kareem Ali; with a copy to Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, New York 10021, Attention: Steven M. Skolnick, Esq., or at such other address as any party may designate to the others in accordance with this Section 12(b).

(c) This Agreement shall be governed and construed in accordance with the laws of the State of New York, without giving effect to conflicts of law provisions thereof. Each of the parties hereto hereby (i) irrevocably consents to the jurisdiction of the United States District Court for the Southern District of New York and any state court in the State of New York (and of the appropriate appellate courts from any of the foregoing) in connection with any suit, action or other proceeding (each a "**Proceeding**") directly or indirectly arising out of or relating to this Agreement and (ii) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such Proceeding in any such court or that any such Proceeding which is brought in any such court has been brought in an inconvenient forum.

(d) This Agreement may be executed in counterparts (including by facsimile or other electronic transmission), each of which shall be deemed an original and all of which shall constitute a single instrument.

(e) This Agreement may be amended, modified or supplemented only by a written mutual agreement executed and delivered by the parties hereto. Except as otherwise provided in this Agreement, any failure of any party to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligations, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

(f) This Agreement (including the Exhibits and Schedules hereto and together with the Offering Documents) constitutes the entire agreement between the parties hereto with respect to the Placement and supersedes any and all prior agreements and understandings between the parties with respect to the Placement.

[*Signature page follows*]

This Placement Agency Agreement is executed and shall be effective as of the date first written above.

Very truly yours,

MAXIM GROUP LLC

By: /s/ Clifford A. Teller
Name: Clifford A. Teller
Title: Executive Managing Director of Investment Banking

ACCEPTED AND AGREED TO:

DIFFUSION PHARMACEUTICALS Inc.

By: /s/ David Kalergis
Name: David Kalergis
Title: Chief Executive Officer

FORM OF SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "***Agreement***") made as of the last date set forth on the signature page hereof by and between Diffusion Pharmaceuticals Inc., a Delaware corporation (the "***Company***") and the undersigned investor in the Offering (as defined below) (the "***Subscriber***").

W I T N E S S E T H:

WHEREAS, the Company is conducting a private offering (the "***Offering***") consisting of up to an aggregate of 7,500,000 shares of the Company's Series A convertible preferred stock, par value $0.001 per share (the "***Preferred Stock***"), at a purchase price equal to $[●] per share (the "***Purchase Price***"), each share of Preferred Stock being convertible into a share of the Company's common stock, par value $0.001 per share (the "***Common Stock***") at a conversion price equal to the Purchase Price, subject to adjustment;

WHEREAS, in connection with a purchase of shares of Preferred Stock, each investor in the Offering will receive a five-year warrant (the "***Warrant***", and collectively with the Preferred Stock, the "***Securities***") to purchase one (1) share of Common Stock of the Company for each share of Preferred Stock purchased by such investor in the Offering at an exercise price equal to $[*Purchase Price x 110%*] per share, subject to adjustment thereunder;

WHEREAS, the Company has engaged Maxim Merchant Capital, a division of Maxim Group LLC (Member FINRA/SIPC) to act as the sole placement agent for the Offering (the "***Placement Agent***");

WHEREAS, the aggregate gross proceeds from the Offering shall be up to a maximum offering amount of $15,000,000 (the "***Maximum Offering Amount***"), which may be increased to $25,000,000 at the discretion of the Placement Agent and the Company without prior notice to the investors in the Offering;

WHEREAS, the Offering is being made through the Placement Agent on a "commercially reasonable best efforts" basis to a limited number of "accredited investors" (as that term is defined by Rule 501(a) of Regulation D ("***Regulation D***") promulgated under the Securities Act of 1933, as amended (the "***Securities Act***"), by the Securities and Exchange Commission (the "***SEC***")) to attain the Maximum Offering Amount;

WHEREAS, the Subscriber desires to purchase such number of shares of Preferred Stock (together with the associated Warrants) as set forth on the signature page hereof;

WHEREAS the Subscriber's subscription for Securities will be made in accordance with and subject to the terms and conditions of this Agreement and the Company's Confidential Private Placement Memorandum dated January 27, 2017, together with all amendments thereof and supplements and exhibits thereto, including the documents incorporated by reference therein, and as any of the foregoing may be amended from time to time (the "***Memorandum***"); and

WHEREAS, the Company and the Subscriber are executing and delivering this Agreement, and performing the transactions contemplated hereby including the sale and purchase of the Securities, in reliance upon the exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder.

NOW, THEREFORE, in consideration of the premises and the mutual representations and covenants hereinafter set forth, the parties hereto do hereby agree as follows:

I. SUBSCRIPTION FOR SHARES AND REPRESENTATIONS BY SUBSCRIBER

1.1 Subject to the terms and conditions hereinafter set forth (including Section 1.19 hereof) and as set forth in the Memorandum, the Subscriber hereby subscribes for and agrees to purchase from the Company, and the Company agrees to sell to the Subscriber, such number of shares of Preferred Stock as is set forth on the signature page hereof (and a corresponding number of Warrants). The aggregate Purchase Price is payable by wire transfer, to be held in escrow until the applicable Closing (as defined below), to Collegiate Peaks Bank, in its capacity as the escrow agent for the Offering (the "***Escrow Agent***"), as follows:

Bank:	Collegiate Peaks Bank
ABA Number:	102105997
Account #:	0410035043
Account Name:	Corporate Stock Transfer as Escrow Manager for Diffusion Pharmaceuticals Inc.

For the avoidance of doubt, any fractional shares to be issued based upon the aggregate Purchase Price will be rounded up to the nearest whole share.

1.2 The Subscriber understands, acknowledges and agrees that, except as otherwise set forth in Section 3.2 or otherwise required by law, once irrevocable, (i) the Subscriber is not entitled to cancel, terminate or revoke his, her or its subscription pursuant to this Agreement or any other obligations of the Subscriber hereunder and (ii) this Agreement and the Subscriber's obligations hereunder shall survive the death or disability of the Subscriber and shall be binding upon and inure to the benefit of each of the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns. If the Subscriber is more than one person, the obligations of the Subscriber hereunder shall be joint and several and the agreements, representations, warranties and acknowledgments of the Subscriber in this Agreement shall be deemed to be made by and be binding upon each such person and his, her, its or their heirs, executors, administrators, successors, legal representatives and permitted assigns

1.3 The Subscriber recognizes that the purchase of the Securities involves a high degree of risk including, but not limited to, the following: (a) the Company requires substantial funds in addition to the proceeds of the Offering in order to fund its operations and the development of its product candidates; (b) an investment in the Company is highly speculative, and only investors who can afford the loss of their entire investment should consider investing in the Company and the Securities; (c) the Subscriber may not be able to liquidate the Subscriber's investment in the Securities; (d) transferability of the Securities including, if and when issued, the shares of Common Stock issuable upon conversion of the Preferred Stock (the "***Conversion Shares***") and/or exercise of the Warrants (the "***Warrant Shares***" and collectively with the Conversion Shares, the "***Underlying Shares***") may be extremely limited or restricted by applicable law; (e) in the event of a future disposition of the Securities (or any securities issuable upon conversion and/or exercise of the Securities), the Subscriber could sustain the loss of the Subscriber's entire investment; (f) the Company has not paid any dividends since its inception, does not anticipate paying any dividends in the near future and any future dividends will be subject to the discretion of and approval by the Company's board of directors; and (g) each of the other risks set forth in or incorporated by reference into the "Risk Factors" section of the Memorandum, which are incorporated herein by reference.

1.4 At the time such Subscriber was offered the Securities, the Subscriber was, and as of the date hereof is, and on the date on which it exercises any Warrants or converts any shares of Preferred Stock, it will be, an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act. The Subscriber hereby represents and warrants to the Company that the Subscriber's responses to the investor questionnaire substantially in the form attached as Exhibit A to this Agreement (the "***Purchaser Questionnaire***") are true, correct and complete in all respects.

1.5 The Subscriber hereby acknowledges, represents and warrants that (a) the Subscriber has adequate means of providing for the Subscriber's current financial needs and contingencies; (b) the Subscriber has knowledge and experience in business and financial matters, prior investment experience (including investment in securities that are non-listed, unregistered and/or not traded on a national securities exchange), or employed the services of a "purchaser representative" (as defined in Rule 501 of Regulation D), attorney and/or accountant to read and review all of the documents furnished or made available by the Company to the Subscriber, to evaluate the merits and risks of an investment in the Securities on the Subscriber's behalf; (c) the Subscriber is able to bear the economic risk that the Subscriber assumes by investing in the Securities; and (d) the Subscriber can afford a complete loss of the Subscriber's investment in the Securities.

1.6 The Subscriber hereby (i) acknowledges receipt and careful review of this Agreement, the Memorandum, the certificate of designations substantially in the form attached hereto as Exhibit B to be filed with the Secretary of State of the State of Delaware for the Preferred Stock, the form of Warrant attached hereto as Exhibit C and all other exhibits, annexes and appendices thereto (collectively, the "***Offering Materials***"), and has had access to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (collectively with the exhibits thereto and as amended, the "***Form 10-K***"), each of the Company's Quarterly Reports on Form 10-Q for the quarterly periods ended September 30, 2016, June 30, 2016 and March 31, 2016 (collectively with the exhibits thereto and as amended, the "***Form 10-Qs***") and the other periodic, current and other reports filed or furnished by the Company pursuant to the Securities Act and the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), including pursuant to Sections 13(a) or 15(d) thereof, as publicly filed and available on the website of the SEC (such materials, collectively, the "***SEC Reports***") and (ii) hereby represents that the Subscriber has been furnished by the Company with all information regarding the Company, the terms and conditions of the Offering and any additional information that the Subscriber has requested or desired to know, and has been afforded the opportunity to ask questions of and receive answers from duly authorized officers or other representatives of the Company concerning the Company and the terms and conditions of the Offering; provided, however, that no investigation performed by or on behalf of the Subscriber shall limit or otherwise affect its right to rely on the representations and warranties of the Company expressly contained herein.

1.7 (a) In making the decision to invest in the Securities, the Subscriber has relied solely upon the information provided by the Company in this Agreement and the Memorandum. To the extent necessary, the Subscriber has retained, at its own expense, and relied upon appropriate professional advice regarding the investment, tax and legal merits and consequences of this Agreement and the purchase of the Securities hereunder. The Subscriber disclaims reliance on any statements made or information provided by any person or entity in the course of Subscriber's consideration of an investment in the Securities other than this Agreement and the Memorandum and the results of Subscriber's own independent investigation.

(b) The Subscriber represents that (i) the Subscriber was contacted regarding the sale of the Securities by the Company or the Placement Agent (or another person whom the Subscriber believed to be an authorized agent or representative thereof with whom the Subscriber had a prior substantial pre-existing relationship), (ii) the Subscriber did not learn of the Offering by means of any form of general solicitation or general advertising, (iii) the Subscriber did not receive or review any advertisement, article, notice or other communication published in a newspaper or magazine or similar media or broadcast over television or radio, whether closed circuit, or generally available, with respect to the Offering and (iv) the Subscriber did not attend any seminar meeting or industry investor conference whose attendees were invited by any general solicitation or general advertising with respect to the Offering.

1.8 The Subscriber hereby acknowledges that the Offering has not been reviewed by the SEC or any state regulatory authority and that the Offering is intended to be exempt from the registration requirements of Section 5 of the Securities Act pursuant to the exemption therefrom provided by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder. The Subscriber understands that the Securities (including any Underlying Shares issuable upon the conversion and/or exercise of the Securities) have not been and will not be registered under the Securities Act or under any state securities or "blue sky" laws and agrees not to sell, pledge, assign or otherwise transfer or dispose of the Securities and any Underlying Shares unless and until they are registered under the Securities Act and under any applicable state securities or "blue sky" laws or pursuant to an available exemption therefrom. The Subscriber hereby represents that the Subscriber is purchasing the Securities for the Subscriber's own account for investment purposes and not with a view toward the resale or distribution to others; provided, however, that nothing contained herein shall constitute an agreement by the Subscriber to hold the Securities for any particular length of time and the Company acknowledges that the Subscriber shall at all times retain the right to dispose of the Securities as it may determine in its sole discretion, subject to any restrictions imposed by applicable law. The Subscriber, if an entity, further represents that it was not formed for the purpose of purchasing the Securities.

1.9 The Subscriber consents to the placement of a legend on any certificate or other document evidencing the Securities and, if and when issued, the Underlying Shares, that such securities have not been registered under the Securities Act or any state securities or "blue sky" laws and setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement. The Subscriber is aware that the Company will make a notation in its appropriate records with respect to the restrictions on the transferability of such Securities. The legend to be placed on each certificate shall be in form substantially similar to the following:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES OR "BLUE SKY LAWS," AND MAY BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED ONLY PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS."

1.10 The Subscriber hereby represents that the address of the Subscriber set forth on the signature page hereto is the Subscriber's principal residence if the Subscriber is an individual or its principal business address if the Subscriber is an entity.

1.11 The Subscriber represents that the Subscriber has full power and authority (corporate, statutory and otherwise) or capacity, as applicable, to execute and deliver this Agreement and to purchase the Securities. This Agreement constitutes the legal, valid and binding obligation of the Subscriber, enforceable against the Subscriber in accordance with its terms.

1.12 If the Subscriber is a corporation, partnership, limited liability company, trust, employee benefit plan, individual retirement account, Keogh Plan, or other tax-exempt entity, it is authorized and qualified to invest in the Company and the person signing this Agreement on behalf of such entity has been duly authorized by such entity to do so.

1.13 The Subscriber acknowledges that if the Subscriber is a Registered Representative of a Financial Industry Regulatory Authority ("***FINRA***") member firm, the Subscriber must give such firm the notice required by the FINRA's Rules of Fair Practice, receipt of which must be acknowledged by such firm in the Subscriber's Purchaser Questionnaire.

1.14 To effectuate the terms and provisions of this Agreement, the Subscriber hereby appoint the Placement Agent as its attorney-in-fact (and the Placement Agent hereby accepts such appointment) for the purpose of carrying out the provisions of the Escrow Agreement by and between the Company, the Placement Agent and the Escrow Agent (the "***Escrow Agreement***") including, without limitation, taking any action on behalf of, or at the instruction of, the Subscriber and executing any release notices required under the Escrow Agreement and taking any action and executing any instrument that the Placement Agent may deem necessary or advisable (and lawful) to accomplish the purposes hereof or thereof. All acts done under the foregoing authorization are hereby ratified and approved and neither the Placement Agent nor any designee nor agent thereof shall be liable for any acts of commission or omission, for any error of judgment, for any mistake of fact or law except for acts of gross negligence or willful misconduct. This power of attorney, being coupled with an interest, is irrevocable while the Escrow Agreement remains in effect.

1.15 The Subscriber agrees not to issue any public statement with respect to the Offering, Subscriber's investment or proposed investment in the Company or the terms of this Agreement or any other agreement or covenant between them and the Company without the Company's prior written consent, except such disclosures as may be required under applicable law.

1.16 The Subscriber understands, acknowledges and agrees with the Company that this subscription may be rejected, in whole or in part, by the Company, in the sole and absolute discretion of the Company, at any time before the applicable Closing (as defined below) notwithstanding prior receipt by the Subscriber of notice of acceptance by the Company of the Subscriber's subscription.

1.17 The Subscriber acknowledges and agrees that (i) the information contained in the Offering Materials or otherwise made available to the Subscriber by the Company in connection with the Offering is confidential and non-public and (ii) all such information shall be kept in confidence by the Subscriber and neither used by the Subscriber for the Subscriber's personal benefit (other than in connection with this Agreement) nor disclosed to any third party for any reason, notwithstanding that a Subscriber's subscription may not be accepted by the Company; provided, however, that (a) the Subscriber may disclose such information to its affiliates and advisors who may have a need for such information in connection with providing advice to the Subscriber with respect to its investment in the Company so long as such affiliates and advisors have an obligation of confidentiality to the Subscriber no less restrictive than the restrictions contained in this Section 1.18, and (b) this obligation shall not apply to any such information that (i) is part of the public knowledge or literature and readily accessible at the date hereof, (ii) becomes part of the public knowledge or literature and readily accessible by publication (except as a result of a breach of this provision) after the date hereof or (iii) is received from a third party that is not under any obligation of confidentiality with respect to such information.

1.18 Subscriber understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Subscriber's compliance with, the representations, warranties, agreements, acknowledgements and understandings of such Subscriber set forth herein in order to determine the availability of such exemptions and the eligibility of such Subscriber to acquire the Securities. The Subscriber agrees to supply the Company, within five (5) days after the Subscriber receives the request therefor from the Company, with such additional information concerning the Subscriber as the Company deems necessary or advisable for purposes of making such determination.

1.19 The Subscriber understands that Rule 144 promulgated under the Securities Act ("***Rule 144***") requires, among other conditions, a minimum holding period of six-months prior to the resale of securities acquired in a non-public offering without having to satisfy the registration requirements under the Securities Act. The Subscriber understands and hereby acknowledges that the Company is under no obligation to register the Securities under the Securities Act or any state securities or "blue sky" laws or to assist the Subscriber in obtaining an exemption from any such registration requirements.

1.20 The Subscriber agrees to hold the Company and its directors, officers, employees, controlling persons and agents (including the Company's legal counsel and the Placement Agent and its managers, members, officers, directors, employees, counsel, controlling persons and agents) and their respective heirs, representatives, successors and assigns harmless from and to indemnify them against all liabilities, costs and expenses incurred by them as a result of (i) any misrepresentation made by the Subscriber contained in this Agreement (including Article VII) or breach of any warranty by the Subscriber contained in this Agreement or in any exhibits attached hereto; (ii) any untrue statement of a material fact made by the Subscriber contained herein; or (iii) after any applicable notice and/or cure periods, any breach or default in performance by the Subscriber of any covenant or undertaking to be performed by the Subscriber hereunder, or pursuant to any other Offering Materials entered into by the Company and Subscriber relating hereto. Notwithstanding the foregoing, in no event shall the liability of the Subscriber hereunder be greater than the aggregate Purchase Price paid for the Securities by the Subscriber as set forth on the signature page hereto.

1.21 If the Subscriber is an entity, upon request of the Company, the Subscriber will provide true, complete and current copies of all relevant documents creating the Subscriber, authorizing its investment in the Company and/or evidencing the due authority of the signatory to this Agreement.

II. REPRESENTATIONS BY AND COVENANTS OF THE COMPANY

The Company hereby represents and warrants to the Subscriber, as of the date of this Agreement (other than representations and warranties that relate to a specific date, which are given as of such date) and except as set forth in the Memorandum or in the SEC Reports, as follows:

2.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power and authority to own and use its properties and assets as currently owned and conduct its business as currently conducted. Each of the Company's wholly-owned subsidiaries (the "***Subsidiaries***") is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation with the requisite power and authority to own and use its properties and assets and to conduct its business as currently conducted. Neither the Company, nor any of its Subsidiaries is in violation of any of the provisions of their respective articles of incorporation, by-laws or equivalent organizational or charter documents, including, but not limited to the Company's Certificate of Incorporation, as amended (the "***COI***"), or the Company's Bylaws, as amended (the "***Bylaws***," and collectively with the COI, the "***Charter Documents***"). Each of the Company and its Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not have a material adverse effect on (i) the legal and valid issuance of the Securities, (ii) the enforceability of this Agreement against the Company or the Company's ability to perform, its obligations hereunder, or (iii) the results of operations, assets, business and financial condition of the Company and its Subsidiaries, taken as a whole (any of (i), (ii) or (iii), a "***Material Adverse Effect***").

2.2 Capitalization and Voting Rights. As of January 27, 2017, the Company was authorized to issue 1,000,000,000 shares of Common Stock, of which, 10,345,637 shares were issued and outstanding, and 30,000,000 shares of preferred stock were authorized. As of the date hereof, (i) there are no outstanding securities of the Company or any of its Subsidiaries which contain any preemptive, redemption or similar provisions, (ii) no holder of securities of the Company or any Subsidiary is entitled to preemptive or similar rights arising out of any agreement or understanding with the Company or any Subsidiary by virtue of the Offering, (iii) there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (iv) neither the Company nor any Subsidiary has any outstanding stock appreciation rights, "phantom stock" plans or any similar plan or agreement; and (v) there are no outstanding options, warrants, agreements, convertible securities, preemptive rights or other rights to subscribe for or to purchase or acquire, any shares of capital stock of the Company or any Subsidiary or contracts, commitments, understandings, or arrangements by which the Company or any Subsidiary is or may become bound to issue any shares of capital stock of the Company or any Subsidiary, or securities or rights convertible or exchangeable into shares of capital stock of the Company or any Subsidiary. Other than restrictions imposed by applicable law, there are no restrictions upon the voting or transfer of any of the shares of capital stock of the Company pursuant to the Charter Documents or any material agreement or other instrument to which the Company is a party or by which the Company is bound. All of the issued and outstanding shares of capital stock of the Company are validly issued, fully paid and nonassessable and the shares of capital stock of the Subsidiaries are owned by the Company, free and clear of any mortgages, pledges, liens, claims, charges, encumbrances or other restrictions (collectively, "***Encumbrances***"). All of the Company's outstanding capital stock has been issued in accordance with the applicable provisions of the Securities Act and any other applicable securities laws. The issuance and sale of the Securities, as contemplated hereby, will not obligate the Company to issue shares of Common Stock or other securities to any other person (other than other investors in the Offering) and will not result in the adjustment of the exercise, conversion, exchange or reset price of any outstanding Company security. The Company does not have outstanding stockholder purchase rights or "poison pill" or (any arrangement granting substantially similar rights) in effect giving any person the right to purchase any equity interest in the Company upon the occurrence of the transactions contemplated hereby.

2.3 Authorization; Enforceability. The Company has all corporate right, power and authority to enter into, execute and deliver this Agreement and each other agreement, document, instrument and certificate to be executed by the Company in connection with the consummation of the transactions contemplated hereby, and to perform fully its obligations hereunder and thereunder. All corporate action on the part of the Company, its directors and stockholders necessary for the (a) authorization execution, delivery and performance of this Agreement by the Company; and (b) authorization, sale, issuance and delivery of the Securities and, if and when issued, the Underlying Shares, has been taken. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy. The Securities are duly authorized and, when issued and paid for in accordance with the terms of this Agreement, will be duly and validly issued, fully paid and nonassessable, free and clear of all Encumbrances other than restrictions on transfer provided for in the Offering Materials. The Underlying Shares, when issued in accordance with the terms of the applicable Offering Materials, will be validly issued, fully paid and nonassessable, free and clear of all Encumbrances imposed by the Company other than restrictions on transfer provided for in the Offering Materials. The Company has reserved a sufficient number of shares of Common Stock for issuance upon the conversion of the Preferred Stock and the exercise of the Warrants.

2.4 No Conflict; Governmental Consents.

(a) The execution and delivery by the Company of this Agreement, the issuance and sale of the Securities (including, if and when issued, the Underlying Shares) and the consummation of the other transactions contemplated hereby do not and will not (i) result in the violation of any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority to or by which the Company is bound including without limitation all foreign, federal, state and local laws applicable to the Company, except in each case as would not have a Material Adverse Effect, (ii) conflict with or violate any provision of the Charter Documents, and (iii) conflict with, or result in a material breach or violation of, any of the terms or provisions of, or constitute (with or without due notice or lapse of time or both) a default or give to others any rights of termination, amendment, acceleration or cancellation (with or without due notice, lapse of time or both) under any Material Contract (as defined below) to which the Company or any Subsidiary is a party or by which any of them is bound, nor result in the creation or imposition of any Encumbrances upon any of the properties or assets of the Company or any Subsidiary.

(b) No approval by the holders of Common Stock, or other equity securities of the Company, is required to be obtained by the Company in connection with the authorization, execution, delivery and performance of this Agreement or in connection with the authorization, issue and sale of the Securities and, upon issuance, the Underlying Shares, except as has been previously obtained.

(c) No consent, approval, authorization or other order of any governmental authority or any other person is required to be obtained by the Company in connection with the authorization, execution, delivery and performance of this Agreement or in connection with the authorization, issue and sale of the Securities and, upon issuance, the Underlying Shares, except such post-sale filings as may be required to be made with the SEC, FINRA, NASDAQ and with any state or foreign blue sky or securities regulatory authority, all of which shall be made when required.

2.5 SEC Reports; Financial Statements. The Company has filed all SEC Reports required to be filed by it under the Securities Act and the Exchange Act since January 8, 2016 (the "***Reference Date***") (or such shorter period as the Company was required by law to file such reports) (the "***2016 SEC Reports***") on a timely basis, or timely filed a valid extension of such time of filing and has filed the 2016 SEC Reports prior to the expiration of any such extension. As of their respective dates, the 2016 SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the 2016 SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the 2016 SEC Reports (the "***2016 Financial Statements***") comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. The 2016 Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the footnotes thereto, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for 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, immaterial, year-end audit adjustments.

2.6 Regulatory Permits; Licenses. The Company and the Subsidiaries possess all certificates, authorizations, licenses and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports and the Memorandum ("***Material Permits***"), except where the failure to possess such Material Permits would not have a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of any action, arbitration, claim, hearing, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before any federal, state, local or foreign government or any court of competent jurisdiction, administrative or regulatory body, agency, bureau, or commission in any domestic or foreign jurisdiction, any appropriate division of any of the foregoing or any arbitrator, or other legal action (each, a "***Proceeding***") relating to the revocation or modification of any Material Permit.

2.7 Litigation. There are no pending or, to the Company's knowledge, threatened Proceedings against the Company or any Subsidiary which would have a Material Adverse Effect. Neither the Company nor any Subsidiary is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality which would materially adversely affect the business, property, financial condition or operations of the Company and its Subsidiaries taken as a whole. There is no Proceeding by the Company or any Subsidiary currently pending in any court or before any arbitrator or that the Company or any Subsidiary intends to initiate. None of the Company, any Subsidiary or any director or officer thereof is, or since the date of the filing of the Form 10-K has been, the subject of any action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There is no pending or, to the Company's knowledge, contemplated investigation by the SEC involving the Company or any current director or officer of the Company.

2.8 Investment Company. The Company is not an "investment company" within the meaning of such term under the Investment Company Act of 1940, as amended, and the rules and regulations of the SEC promulgated thereunder.

2.9 Brokers. Except for the Placement Agent, neither the Company nor any of the Company's officers, directors or employees has employed or engaged any broker or finder in connection with the transactions contemplated by this Agreement and no fee or other compensation is or will be due and owing on behalf of the Company to any broker, finder, underwriter, placement agent or similar person in connection with the transactions contemplated by this Agreement.

2.10 Intellectual Property; Employees.

(a) The Company owns or possesses all material legal rights to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes necessary for its business as presently conducted (collectively, the "***Intellectual Property Rights***"). There are no material outstanding options, licenses or agreements of any kind relating to the Company's Intellectual Property Rights, nor is the Company bound by or a party to any material options, licenses or agreements of any kind with respect to the Intellectual Property Rights of any other person or entity other than such licenses or agreements arising from the purchase of "off the shelf" or standard products. Since the Reference Date, the Company has not received any written communications alleging that the Company has violated or, by conducting its business as presently conducted, would violate any Intellectual Property Rights of any other person or entity. The Company and its Subsidiaries have taken reasonable measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights, except where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect

(b) The Company is not aware of any obligation on the part of any Company Employee under any contract (including licenses, covenants or commitments of any nature), other agreement or judgment, decree or order of any court or administrative agency, that would materially adversely interfere with such employee's duties to the Company or that would conflict with the Company's business as presently conducted.

(c) To the Company's knowledge, (i) no employee of the Company, or any consultant with whom the Company has contracted, is in violation of any term of any employment contract, proprietary information agreement or any other agreement relating to the right of any such individual to be employed by, or to contract with, the Company and (ii) the continued employment by the Company of its employees, and the performance of the Company's contracts with its independent contractors, will not result in any such violation. Since the Reference Date, the Company has not received any written notice alleging that any such violation has occurred. No employee of the Company has been granted the right to continued employment by the Company or to any compensation following termination of employment with the Company except as would not have a Material Adverse Effect. To the Company's knowledge, no officer or key employee intends to terminate his, her or their employment with the Company, nor does the Company have a present intention to terminate any such employee.

2.11 Title to Properties and Assets; Liens, Etc. The Company has good and marketable title to its properties and assets and good title to its leasehold estates.

2.12 Obligations to Related Parties. There are no obligations of the Company to officers, directors, stockholders, or employees of the Company other than (a) for payment of salary or other compensation for services rendered, (b) reimbursement for reasonable expenses incurred on behalf of the Company and (c) for other standard employee benefits made generally available to all employees (including stock option agreements under the Company's equity plans). None of the officers or directors of the Company and, to the Company's knowledge, none of the employees of the Company, is presently a party to any transaction with the Company or any Subsidiary (other than as holders Company securities and for services as employees, officers and directors) required to be disclosed under applicable SEC rules and regulations.

2.13 Material Changes. Since the Reference Date, (i) there has been no event, occurrence or development that has had a Material Adverse Effect, (ii) the Company has not incurred any material liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses and other liabilities incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to generally accepted accounting principles or required to be disclosed in filings made with the SEC, (iii) the Company has not altered its method of accounting or the identity of its auditors, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, and (v) the Company has not issued any equity securities to any officer, director or affiliate, except pursuant to existing Company stock compensation plans. The Company does not have pending before the SEC any request for confidential treatment of information.

2.14 Compliance. The Company is in material compliance with all applicable requirements of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated thereunder.

2.15 No General Solicitation. Assuming the accuracy of the Placement Agent's representations in the placement agency agreement to be entered into by the Company and the Placement Agent, none of the Company, its Subsidiaries, any of its or their affiliates, or any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the Offering.

2.16 Private Placement; No Integrated Offering. Assuming the accuracy of the Subscriber's representations and warranties set forth in this Agreement, no registration under the Securities Act is required for the offer or sale of the Securities by the Company as contemplated hereby. Assuming the accuracy of the Placement Agent's representations in the placement agency agreement to be entered into by the Company and the Placement Agent, none of the Company, its Subsidiaries, any of its or their affiliates, or any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security, solicited any offers to buy any security or taken any other action, which, under the circumstances would require such registration or cause this Offering to be integrated with prior offerings by the Company for purposes of the Securities Act or the listing rules of the NASDAQ Capital Market.

2.17 Application of Takeover Protections. The Company has taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Charter Documents or the laws of the State of Delaware that otherwise would be applicable as a result of the Subscriber and the Company fulfilling their obligations or exercising their rights under this Agreement, including, without limitation, the Company's issuance of the Securities and the Subscriber' ownership of the Securities.

2.18 Taxes. Since the Reference Date (i) the Company and each of its Subsidiaries has filed all U.S. federal, state, local and foreign tax returns which are required to be filed by each of them and all such returns are true and correct in all material respects, except for such failures to file which would not have a Material Adverse Effect, (ii) the Company and each of its Subsidiaries has paid all taxes required to be paid pursuant to such returns or pursuant to any assessments received by any of them, and have withheld any amounts which any of them are obligated to withhold from amounts owing to any employee, creditor or third party and (iii) the Company and each of its Subsidiaries has properly accrued all taxes required to be accrued and/or paid pursuant to applicable law, except where the failure to accrue would not have a Material Adverse Effect. To the knowledge of the Company, the tax returns of the Company and its Subsidiaries are not currently being audited by any state, local or federal authorities. Neither the Company nor any of its Subsidiaries has waived any statute of limitations with respect to taxes or agreed to any extension of time with respect to any tax assessment or deficiency.

2.19 Registration Rights. Other than the Placement Agent, no person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company.

2.20 Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration. Except for in connection with the listing of the Common Stock being moved from the OTCQX to the NASDAQ Capital Market effective November 9, 2016, the Company has not, since the Reference Date, received notice from any trading market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such trading market. The Company is in material compliance with the continued listing requirements of the NASDAQ Capital Market.

2.21 Material Contracts. The SEC Reports contain all material contracts, agreements, commitments, arrangements, leases, policies or other instruments to which either the Company or any of its Subsidiaries is a party or by which any of them is bound, which are required to be filed pursuant to the Securities Act or the Exchange Act (the "***Material Contracts***"). The Material Contracts are valid and in full force and effect, enforceable against the Company and any of the Subsidiaries party thereto and, to the Company's knowledge, against the other parties thereto. Neither the Company nor any Subsidiary is in violation of, or default under (and there does not exist any event or condition which, after notice or lapse of time or both, would constitute such a default under), any Material Contract. To the Company's knowledge, none of the other parties to any Material Contract are in violation of or default under any Material Contract in any material respect. Neither the Company nor any Subsidiary has received any notice of cancellation or any written communication threatening cancellation of any Material Contract which is currently in effect by any other party thereto.

2.22 Contributions. Neither the Company nor any Subsidiary has directly or indirectly, (i) made any unlawful contribution to any candidate for public office, or failed to disclose fully where required by law any contribution in violation of law, or (ii) made any payment to any federal or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States or any jurisdiction thereof.

2.23 Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Offering Materials, the Company confirms that neither it nor any other person acting on its behalf has provided the Subscriber or its agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Subscriber will rely on the foregoing representation in effecting transactions in securities of the Company.

2.24 Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, employee or affiliate of the Company or any Subsidiary, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

2.25 No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, 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) 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) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Purchasers a copy of any disclosures provided thereunder.

2.26 Other Covered Persons. Other than the Placement Agent, the Company is not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities.

III. TERMS OF SUBSCRIPTION

3.1 The Securities will be offered for sale until the earliest of (i) the date upon which subscriptions for the Maximum Offering Amount offered hereunder have been accepted by the Company, (ii) the date the Offering is terminated by the Company and (iii) July 31, 2017, subject to the right of the Company and the Placement Agent to extend the Offering for an additional thirty (30) day period without prior notice to the investors in the Offering (the "***Termination Date***"). The Placement Agent is acting in such capacity with respect to the Offering on a "commercially reasonable best efforts" basis for the Maximum Offering Amount.

3.2 The Company may, in its discretion at any time prior to the Termination Date, hold an initial closing ("***Initial Closing***") and, at any time and from time to time after the Initial Closing, may hold subsequent closings (each such closing, including the Initial Closing, a "***Closing***," and the final such Closing, the "***Final Closing***"), in each case, with respect to any Securities for which subscriptions have been accepted prior to such date. In the event that (i) the Initial Closing does not occur prior to the Termination Date or (ii) this Agreement or the aggregate Purchase Price owed with respect to the Securities purchased by the Subscriber pursuant hereto is received after the Final Closing, all amounts paid by the Subscriber shall be returned to the Subscriber, without interest or deduction. The Subscriber may revoke its subscription and obtain a return of the subscription amount paid to the Escrow Account at any time before the date of the Initial Closing by providing written notice to the Placement Agent, the Company and the Escrow Agent as provided in Section 6.1 below. Upon receipt of a revocation notice from the Subscriber prior to the date of the Initial Closing, all amounts paid by the Subscriber shall be returned to the Subscriber, without interest or deduction. The Subscriber may not revoke this subscription or obtain a return of the subscription amount paid to the Escrow Agent on or after the date of the Initial Closing. Any subscription received after the Initial Closing but prior to the Termination Date shall be irrevocable.

3.3 The minimum purchase that may be made by any prospective investor shall be $50,000. Subscriptions for investment below the minimum investment may be accepted at the discretion of the Placement Agent and the Company. The Company and the Placement Agent reserve the right to reject any subscription made hereby, in whole or in part, in their sole discretion.

3.4 The Placement Agent and the Company may increase the Maximum Offering Amount to $25,000,000 without prior notice to the Subscriber.

3.5 Prior to the applicable Closing for the Securities purchased pursuant hereto, funds representing the aggregate Purchase Price for such Securities shall be deposited in the Escrow Account.

3.6 Certificates representing the Preferred Stock and the Warrants purchased by the Subscriber pursuant to this Agreement will be prepared for delivery to the Subscriber as soon as practicable following the applicable Closing (but in no event later than five (5) business days after the applicable Closing). The Subscriber hereby authorizes and directs the Company to deliver certificates representing the Securities purchased by the Subscriber pursuant to this Agreement directly to the Subscriber's address indicated on the signature page hereto.

3.7 The Company's agreement with each investor in the Offering, including the Subscriber, is a separate agreement and the sale of the Securities to each investor in the Offering, including the Subscriber, is a separate sale.

IV. CONDITIONS TO OBLIGATIONS OF THE SUBSCRIBER

4.1 The Subscriber's obligation to purchase the Securities at the Closing at which such purchase is to be consummated is subject to the fulfillment on or prior to such Closing of the following conditions, which conditions may be waived at the option of the Subscriber to the extent permitted by law:

(a) Representations and Warranties; Covenants. The representations and warranties made by the Company in Section 2 shall be true and correct (without giving effect to any "Material Adverse Effect," "material," "materially" or similar materiality qualifications therein, other than Section 2.13(i)) in all material respects as of the date hereof and as of the Closing Date, except for those representations and warranties which expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date (without giving effect to any "Material Adverse Effect", "material", "materially" or other similar materiality qualification therein). All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to the date of such Closing shall have been performed or complied with in all material respects.

(b) No Legal Order Pending. There shall not then be in effect any legal or other order enjoining or restraining the transactions contemplated by this Agreement.

(c) No Law Prohibiting or Restricting Such Sale. There shall not be in effect any law, rule or regulation prohibiting or restricting such sale or requiring any consent or approval of any person, which shall not have been obtained, to issue the Securities (except as otherwise provided in this Agreement).

(d) No Suspensions of Trading in Common Stock; Listing. Trading in the Common Stock shall not have been suspended by the SEC or any trading market (except for any suspensions of trading of not more than one trading day solely to permit dissemination of material information regarding the Company) at any time since the date of execution of this Agreement, and the Common Stock shall have been at all times since such date listed or quoted for trading on the Company's principal trading market.

(e) Legal Opinion. The Company's corporate counsel shall have delivered a legal opinion addressed to Placement Agent in a form reasonably acceptable to the Placement Agent.

(f) Notice of Disqualification Events. The Company will notify the Purchasers and the Placement Agent in writing, prior to the Closing Date, of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, reasonably be expected to become a Disqualification Event relating to any Issuer Covered Person, in each case of which it is aware.

V. COVENANTS OF THE COMPANY

5.1 Listing of Securities. The Company agrees, (i) if the Company applies to have the Common Stock traded on any other trading market, it will include in such application the Underlying Shares, and will take such other action as is necessary or desirable to cause the Underlying Shares to be listed on such other trading market as promptly as possible, (ii) it will comply in all material respects with the Company's reporting, filing and other obligations under the Charter Documents or rules of the principal trading market of the Common Stock and (iii) for so long as the Board of Directors determines that it remains advisable and in the Company's best interest, the Company will take all commercially reasonable action necessary to continue the listing and trading of its Common Stock on a trading market.

5.2 Reservation of Shares. The Company shall at all times while the Preferred Stock and the Warrants are outstanding maintain a reserve from its duly authorized shares of Common Stock of a number of shares of Common Stock sufficient to allow for the issuance of the Underlying Shares.

5.3 Replacement of Certificates. If any certificate or instrument evidencing any Securities or the Underlying Shares is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement securities. If a replacement certificate or instrument evidencing any securities is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

5.4 Furnishing of Information. The Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. As long as Subscriber owns Securities, if the Company is not required to file reports pursuant to the Exchange Act, it will prepare and furnish to Subscriber and make publicly available in accordance with Rule 144(c) such information as is required for the Subscribers to be able to sell the Securities under Rule 144 within the requirements provided thereby. The Company further covenants that it will take such further action as any holder of Securities may reasonably request, to the extent required from time to time, to enable such person to sell such Securities without registration under the Securities Act within the requirements of the exemption provided by Rule 144.

5.5 Securities Laws; Publicity. The Company shall (a) by 9:30 a.m. (New York City time) on the Trading Day immediately following the date hereof, issue a press release disclosing the material terms of the transactions contemplated hereby and (b) file a Current Report on Form 8-K, including the Offering Materials as exhibits thereto (to the extent any information contained therein is material, non-public information), with the SEC within the time required by the Exchange Act. From and after the issuance of such press release, the Company represents to the Subscriber (other than any Subscriber who has a representative on the Company's board of directors or who is an employee of the Company) that it shall have publicly disclosed all material, non-public information delivered to any Subscriber by the Company or any of its Subsidiaries or any of its or their respective officers, directors, employees or agents in connection with the transactions contemplated by the Offering Materials. In addition, effective upon the issuance of such press release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and the Subscriber or any of its Affiliates on the other hand, shall terminate. The Company and the Placement Agent shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Subscriber, or include the name of any Subscriber in any filing with the SEC or any regulatory agency or trading market, without the prior written consent of such Subscriber, except: (a) as required by federal securities law in connection with the filing of any Offering Materials (including signature pages thereto) with the SEC and (b) to the extent such disclosure is otherwise required by law, in which case the Company shall, if permitted by applicable law, provide the Subscriber with prior notice of such disclosure permitted under this clause (b).

5.6 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof promptly upon request of the Subscriber. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Subscriber at the Closing under applicable securities or "blue sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Subscriber.

5.7 Equal Treatment of Subscribers. No consideration (including any modification of any Offering Materials) shall be offered or paid to any person to amend or consent to a waiver or modification of any provision of any of the Offering Materials unless the same consideration is also offered to all of the investors in the Offering, including the Subscriber.

5.8 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Offering Materials, the Company covenants and agrees that neither it, nor any other person acting on its behalf, will provide Subscriber or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto Subscriber shall have executed a written agreement regarding the confidentiality and use of such information. The Company understands and confirms that Subscriber shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

5.9 Indemnification of Purchasers. Subject to the provisions of this Section 5.9, the Company will indemnify and hold each Subscriber and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "***Subscriber Party***") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable and documented attorneys' fees and costs of investigation that any such Subscriber Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Offering Materials or (b) any action instituted against the Subscriber Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Subscriber Party, with respect to any of the transactions contemplated by the Offering Materials (unless such action is based upon a breach of such Subscriber Party's representations, warranties or covenants under the Offering Materials or any agreements or understandings such Subscriber Party may have with any such stockholder or any violations by such Subscriber Party of state or federal securities laws or any conduct by such Subscriber Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Subscriber Party in respect of which indemnity may be sought pursuant to this Agreement, such Subscriber Party shall promptly, and in no event later than ten (10) days after such Subscriber's receipt of notice of such action, notify the Company in writing, and the Company shall have the right to participate in or assume the defense thereof with counsel of its own choosing reasonably acceptable to the Subscriber Party. Any Subscriber Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Subscriber Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Subscriber Party, in which case the Company shall be responsible for the reasonable and documented fees and expenses of no more than one such separate counsel. The Company will not be liable to any Subscriber Party under this Agreement (y) for any settlement by a Subscriber Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Subscriber Party's breach of any of the representations, warranties, covenants or agreements made by such Subscriber Party in this Agreement or in the other Offering Materials. The indemnification required by this Section 5.8 with respect to expenses shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Subscriber Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

5.10 Use of Proceeds. The Company shall use the net proceeds from the Offering for the purposes set forth in the Offering Materials.

VI. MISCELLANEOUS

6.1 Any notice or other communication given hereunder shall be deemed sufficient if in writing and sent by registered or certified mail, return receipt requested, delivered by hand against written receipt therefor, or sent in portable document format ("***pdf***") via electronic mail, addressed as follows:

if to the Company, to it at:

Diffusion Pharmaceuticals Inc.
2020 Avon Court, Suite 4
Charlottesville, Virginia 22902
Attn: David Kalergis, Chief Executive Officer
Email: dkalergis@diffusionpharma.com

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

Dechert LLP
1095 Avenue of the Americas
New York, New York 10036
Attn: David Rosenthal, Esq.
Email: david.rosenthal@dechert.com

if to the Subscriber, to the Subscriber's address indicated on the signature page of this Agreement.

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

Attn:
Email:

if to the Escrow Agent, to it at:

Corporate Stock Transfer
3200 Cherry Creek Drive, South
Suite 430
Denver, CO 80209
Attn: Carylyn Ball, President
Email: cbell@corporatestock.com

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

Collegiate Peaks Bank
885 S. Colorado Blvd
Denver, CO 80246
Attn: Hope Spencer
Email: hope.spencer@collegiatepeaksbank.com

6.2 Notices shall be deemed to have been given or delivered (i) on the third (3rd) business day following the date of postmark in the case of delivery by registered or certified mail, (ii) on the date of delivery in the case of delivery by hand or (iii) on the date of delivery if delivered by electronic mail; provided that if such e-mail is received after 4:00 p.m. Eastern Time on a business day or at any time on a non-business day, such notice shall be deemed delivered on the following business day. Except as otherwise provided herein, this Agreement shall not be changed, modified or amended except by a writing signed by the Company and the Subscriber, and this Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Company and the Subscriber. 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 any party to exercise any right hereunder in any manner impair the exercise of any such right.

6.3 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 Subscriber (other than in connection with a change of control or by operation of law). Any Subscriber may assign any or all of its rights under this Agreement to any Person to whom such Subscriber assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Offering Materials that apply to the "Subscribers."

6.4 The Offering Materials, together with the exhibits hereto and 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. The Placement Agent shall be deemed a third party beneficiary of the representations and warranties and covenants made by the Company and the Subscriber in this Agreement.

6.5 Upon the execution and delivery of this Agreement by the Subscriber and the Company, this Agreement shall become a binding obligation of the Subscriber with respect to the purchase of Securities as provided herein; provided, however, that, for the avoidance of doubt, the Company hereby reserves the right to (i) enter into subscription agreements with other prospective investors in the Offering and (ii) reject any subscription, in whole or in part, including, as applicable, that of the Subscriber, provided the Company returns to such prospective investor any funds paid by such prospective investor(s), with respect to such rejected subscription or portion thereof, without interest or deduction.

6.6 Any action, arbitration, claim, hearing, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before any federal, state, local or foreign government or any court of competent jurisdiction, administrative or regulatory body, agency, bureau, or commission in any domestic or foreign jurisdiction, any appropriate division of any of the foregoing or any arbitrator, or other legal action (each, a "Proceeding") relating to this Agreement or the transactions contemplated hereby shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Offering Materials (whether brought against a party hereto or its affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the Southern District of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the Southern District of New York for the adjudication of any Proceeding related to this Agreement, the other Offering Materials or the transactions contemplated hereby or thereby, and hereby irrevocably waives, and agrees not to assert in any Proceeding that it is not personally subject to the jurisdiction of any such court, that Proceeding is improper or is an inconvenient venue for such Proceeding.

6.7 In order to discourage frivolous Proceedings the parties agree that unless a claimant in any Proceeding arising out of this Agreement succeeds in establishing a claim and recovering a judgment against another party (regardless of whether such claimant succeeds against one of the other parties to the Proceeding), then the non-claimant party shall be entitled to recover from such claimant all of such other party's reasonable legal costs and expenses relating to such Proceeding and/or incurred in preparation therefor.

6.8 If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid by such court, shall not be affected thereby.

6.9 Subject to applicable statute of limitations, the representations and warranties contained herein shall survive the Closing and the delivery of the Securities

6.10 The Company and the Subscriber agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

6.11 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument. Delivery of executed signature pages hereof by facsimile transmission or pdf shall constitute effective and binding execution and delivery of this Agreement.

6.12 Nothing in this Agreement shall create or be deemed to create any rights or remedies in any person or entity that is not a party to this Agreement.

6.13 The Company and the Subscriber agree that in the event of any breach or threatened breach by the other party of any covenant, obligation or other provision set forth in this Agreement, the non-breaching or non-threatening party, as applicable, shall be entitled (in addition to any other remedy that may be available to it) to seek (a) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision, and (b) an injunction restraining such breach or threatened breach.

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SHARES OF PREFERRED STOCK BEING SUBSCRIBED FOR: _____

PURCHASE PRICE (PER SHARE): $_____

AGGREGATE PURCHASE PRICE: _____

Signature	Signature (if purchasing jointly)
Name Typed or Printed	Name Typed or Printed
Title (if Subscriber is an Entity)	Title (if Subscriber is an Entity)
Address	Address
City, State and Zip Code	City, State and Zip Code
Telephone-Business	Telephone-Business
Telephone-Residence	Telephone-Residence
Facsimile	Facsimile
Tax ID # or Social Security #	Tax ID # or Social Security #
E-Mail Address	E-Mail Address

Name in which Securities should be issued: _____

Dated: _____, 2017

This Subscription Agreement is agreed to and accepted as of _____, 2017.

DIFFUSION PHARMACEUTICALS INC.

By:_____
Name:
Title: