SECURITIES & EXCHANGE COMMISSION EDGAR FILING

COUNTERPATH CORP

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

COUNTERPATH CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**20-0004161**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Suite 300, One Bentall Centre
505 Burrard Street
Vancouver, British Columbia V7X 1M3, Canada
(Address of Principal Executive Offices)(Zip Code)

Amended 2010 Stock Option Plan
Employee Share Purchase Plan
(Full title of the plan)

Incorp Services, Inc.
3773 Howard Hughes Pkwy, Suite 500S
Las Vegas, Nevada 89169-6014
(Name and address of agent for service)

(702) 866-2500
(Telephone number, including area code, of agent for service)

Copies of all communications to:

Clark Wilson LLP
Suite 900 - 885 West Georgia Street
Vancouver, British Columbia V6C 3H1, Canada
Telephone: (604) 687-5700
Attention: Mr. Virgil Z. Hlus

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ]	Smaller reporting company [X]
	Emerging growth company [ ]

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

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered[1]	Proposed maximum offering price per share[4]	Proposed maximum aggregate offering price[4]	Amount of registration fee
Common Stock	200,000[2]	$1.41	$282,000	$34.18
Common Stock	70,000[3]	$1.41	$98,700	$11.96
Total	**270,000**		**$380,700**	**$46.14**

(1) An indeterminate number of additional shares of common stock shall be issuable pursuant to Rule 416 under the Securities Act of 1933 to prevent dilution resulting from stock splits, stock dividends or similar transactions and in such an event the number of shares registered shall automatically be increased to cover the additional shares in accordance with Rule 416.

(2) Consists of up to additional 200,000 shares of our common stock issuable pursuant to our Amended 2010 Stock Option Plan. Our Amended 2010 Stock Option Plan provides for the grant of stock options to acquire a maximum of 1,186,000 shares of our common stock, 506,000 (5,060,000 on a pre-split basis) of which have been previously registered under a registration statement on Form S-8 (Registration No. 333-125812) filed on January 30, 2009, 180,000 (1,800,000 on a pre-split basis) of which have been previously registered under a registration statement on Form S-8 (Registration No. 333-186956) filed on February 28, 2013, 100,000 (1,000,000 on a pre-split basis) of which have been previously registered under a registration statement on Form S-8 (Registration No. 333-200992) filed on December 16, 2014 and 200,0000 of which have been previously registered under a registration statement on Form S-8 (Registration No. 333-215844) filed on January 31, 2017.

(3) Consists of up to additional 70,000 shares of our common stock issuable pursuant to our Employee Share Purchase Plan. Our Employee Share Purchase Plan authorizes the purchase from or issuance by, as applicable, our company of a maximum of 220,000 shares of our common stock, 150,000 (1,500,000 on a pre-split basis) of which have been previously registered under a registration statement on Form S-8 (Registration No. 333-157036) filed on January 30, 2009.

(4) Estimated in accordance with Rule 457 (h) under the Securities Act of 1933 solely for the purpose of computing the amount of the registration fee, and based on the average of the high and low prices of our common stock as reported on the NASDAQ Capital Market on January 29, 2019.

EXPLANATORY NOTE

We prepared this registration statement in accordance with the requirements of Form S-8 under the Securities Act of 1933, to register an aggregate of an additional 270,000 shares of our common stock that are issuable pursuant to our Amended 2010 Stock Option Plan and Employee Share Purchase Plan. We have previously filed a registration statement on Form S-8 (Registration No. 333-125812) to register an aggregate of 506,000 (5,060,000 on a pre-split basis) shares of our common stock, consisting of 80,000 (800,000 on a pre-split basis) shares of our common stock that are issuable pursuant to our 2004 Stock Option Plan and 426,000 (4,260,000 on a pre-split basis) shares of our common stock that are issuable pursuant to our Amended and Restated 2005 Stock Option Plan. In addition, we have previously filed a registration statement on Form S-8 (Registration No. 333-186956) to register 180,000 (1,800,000 on a pre-split basis) shares of our common stock that are issuable pursuant to our Amended 2010 Stock Option Plan, a registration statement on Form S-8 (Registration No. 333-200992) to register 100,000 (1,000,000 on a pre-split basis) shares of our common stock that are issuable pursuant to our Amended 2010 Stock Option Plan and a registration statement on Form S-8 (Registration No. 333-215844) to register 200,000 shares of our common stock that are issuable pursuant to our Amended 2010 Stock Option Plan. In addition, we have previously filed a registration statement on Form S-8 (Registration No. 333-157036) to register 150,000 (1,500,000 on a pre-split basis) shares of our common stock pursuant to our Employee Share Purchase Plan.

The additional shares being registered in this registration statement on Form S-8 are of the same class as securities covered by the registration statement on Form S-8 (Registration No. 333-215844) filed on January 31, 2017, the registration statement on Form S-8 (Registration No. 333-200992) filed on December 16, 2014, the registration statement on Form S-8 (Registration No. 333-186956) filed on February 28, 2013, the registration statement on Form S-8 (Registration No. 333-125812) filed on January 30, 2009 and the registration statement on Form S-8 (Registration No. 333-157036) filed on January 30, 2009, the contents of which are incorporated herein by reference in accordance with General Instruction E to Form S-8, to the extent not otherwise amended or superseded by the content of this registration statement.

On October 22, 2009, our stockholders approved an increase in the number of shares issuable under our Amended and Restated 2005 Stock Option Plan by 80,000 (800,000 on a pre-split basis). On September 27, 2010, our stockholders approved the consolidation of our 2004 Stock Option Plan and our Amended and Restated 2005 Stock Option Plan into one plan referred to as the 2010 Stock Option Plan for our employees, directors, officers and consultants of our company and our subsidiaries. On September 27, 2011, our stockholders approved an increase in the number of shares issuable under the 2010 Stock Option Plan by 100,000 (1,000,000 on a pre-split basis). Upon the increase in the number of shares issuable under the 2010 Stock Option Plan, our stock option plan was renamed “Amended 2010 Stock Option Plan”. On September 9, 2014, our stockholders approved an increase in the number of shares issuable under the Amended 2010 Stock Option Plan by 100,000 (1,000,000 on a pre-split basis).

Effective November 2, 2015, our company effected a one-for-ten reverse stock split of the shares of our common stock with each resulting fractional share being round up to the next whole share. On September 12, 2016, our stockholders approved an increase in the number of shares issuable under the Amended 2010 Stock Option Plan by 200,000. On September 20, 2018, our stockholders approved an increase in the number of shares issuable under the Amended 2010 Stock Option Plan by 200,000.

In addition, we have previously filed a registration statement on Form S-8 (Registration No. 333-157036) to register an aggregate of 150,000 (1,500,000 on a pre-split basis) shares of our common stock that are issuable pursuant to our Employee Share Purchase Plan. Effective as of October 22, 2009, our Employee Share Purchase Plan was amended to decrease the number of shares of common stock issuable under the plan by 80,000 (800,000 on a pre-split basis) shares to 70,000 (700,000 on a pre-split basis) shares. Effective as of September 10, 2015, our Employee Share Purchase Plan was amended to increase the number of shares of common stock issuable under the plan by 50,000 (500,000 on a pre-split basis) shares to 120,000 (1,200,000 on a pre-split basis) shares. Effective as of October 22, 2018, our Employee Share Purchase Plan was amended to increase the number of shares of common stock issuable under the plan by 100,000 shares to 220,000 shares.

Pursuant to Rule 429 promulgated under the Securities Act of 1933, a prospectus relating to this registration statement is a combined prospectus relating also to the registration statement on Form S-8 (Registration No. 333-125812) filed on January 30, 2009, the registration statement on Form S-8 (Registration No. 333-157036) filed on January 30, 2009, the registration statement on Form S-8 (Registration No. 333-186956) filed on February 28, 2013, the registration statement on Form S-8 (Registration No. 333-200992) filed on December 16, 2014 and the registration statement on Form S-8 (Registration No. 333-215844) filed on January 31, 2017.

In addition, this registration statement, which is a new registration statement, also constitutes a post-effective amendment to the registration statement on Form S-8 (Registration No. 333-125812) filed on January 30, 2009, the registration statement on Form S-8 (Registration No. 333-157036) filed on January 30, 2009, the registration statement on Form S-8 (Registration No. 333-186956) filed on February 28, 2013, the registration statement on Form S-8 (Registration No. 333-200992) filed on December 16, 2014 and the registration statement on Form S-8 (Registration No. 333-215844) filed on January 31, 2017.

The combined Section 10(a) prospectus for our Amended 2010 Stock Option Plan updates, among other things, certain information regarding our stock option plan, including the increase in the number of shares issuable under our stock option plan and the one-for-ten reverse stock split of the shares of our common stock. The combined Section 10(a) prospectus for our Employee Share Purchase Plan updates, among other things, certain information regarding our Employee Share Purchase Plan, including the increase in the number of shares issuable under our Employee Share Purchase Plan, the extension of the expiry date of our Employee Share Purchase Plan and the one-for-ten reverse stock split of the shares of our common stock.

Under cover of this registration statement on Form S-8 is a combined reoffer prospectus prepared in accordance with Part I of Form S-3 under the Securities Act of 1933 (in accordance with Section C of the General Instructions to Form S-8). The reoffer prospectus may be used for reoffers and resales of up to an aggregate of 159,131 “restricted securities” and/or “control securities” (as such term is defined in Form S-8) issued or issuable upon exercise of the stock options granted pursuant to our Amended 2010 Stock Option Plan or pursuant to our Employee Share Purchase Plan on a continuous or delayed basis in the future. The combined reoffer prospectus updates, among other things, certain information regarding the ownership of our common stock by the selling stockholders and the number of shares of our common stock available for resale by each selling shareholder.

Part I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.*

Item 2. Registrant Information and Employee Plan Annual Information.*

* The document(s) containing the information specified in Part I of Form S-8 will be sent or given to participants of our Amended 2010 Stock Option Plan or Employee Share Purchase Plan as specified by Rule 428(b)(1) under the Securities Act of 1933. Such documents are not being filed with the Securities and Exchange Commission, but constitute, along with the documents incorporated by reference into this registration statement, a prospectus that meets the requirements of Section 10(a) of the Securities Act of 1933.

Reoffer Prospectus

159,131 Shares

COUNTERPATH CORPORATION

Common Stock

The selling stockholders identified in this reoffer prospectus may offer and sell up to 159,131 shares of our common stock issued or issuable upon exercise of stock options granted pursuant to our Amended 2010 Stock Option Plan or issued pursuant to our Employee Share Purchase Plan.

The selling stockholders may sell all or a portion of the shares being offered pursuant to this reoffer prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or at negotiated prices.

The selling stockholders and any brokers executing selling orders on their behalf may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, in which event commissions received by such brokers may be deemed to be underwriting commissions under the Securities Act of 1933.

We will not receive any proceeds from the sale of the shares of our common stock by the selling stockholders. We may, however, receive proceeds upon exercise of the stock options by the selling stockholders. We will pay for expenses of this offering, except that the selling stockholders will pay any broker discounts or commissions or equivalent expenses and expenses of their legal counsels applicable to the sale of their shares.

Our common stock is listed for trading on the NASDAQ Capital Market under the symbol "CPAH" and on the Toronto Stock Exchange under the symbol "PATH". On January 31, 2019, the last reported sales prices of our common stock on the NASDAQ Capital Market and the Toronto Stock Exchange were $1.43 per share and CDN$1.73 per share, respectively.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this reoffer prospectus is January 31, 2019.

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As used in this reoffer prospectus, the terms “we”, “us”, “our”, and “CounterPath” refer to CounterPath Corporation, unless otherwise indicated. All dollar amounts refer to U.S. dollars unless otherwise indicated.

Prospectus Summary

Our Business

We design, develop and sell software and services that enable enterprises and telecommunication service providers to deliver Unified Communications (UC) services, including voice, video, messaging and collaboration functionality, over their Internet Protocol, or IP, based networks. We are capitalizing upon numerous industry trends, including the rapid adoption of mobile technology, the proliferation of bring-your-own-device to work programs, the need for secure business communications, the need for centralized provisioning, the migration towards cloud-based services and the migration towards all IP networks. We are also capitalizing on a trend where communication services such as Skype and WhatsApp are becoming more available over-the-top (OTT) of the incumbent operators’ networks or enterprise networks (a.k.a. Internet OTT providers). We offer our solutions under perpetual license agreements that generate one-time license revenue and under subscription license agreements that generate recurring license revenue. We sell our solutions through our own online store, through third-party online stores, directly using our in-house sales team and through channel partners. Our channel partners include original equipment manufacturers, value added distributers and value added resellers. Enterprises typically leverage our Enterprise OTT solutions to increase employee productivity and to reduce certain costs. Telecommunication service providers typically deploy our Operator OTT solutions as part of a broad strategy to defend their subscriber base from competitive threats by offering innovative new services. Our original equipment manufacturers and value added resellers typically integrate our solutions into their products and then sell a bundled solution to their end customers, which include both telecommunication service providers and enterprises.

Our principal executive offices are located at Suite 300, One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia V7X 1M3, Canada. Our telephone number is (604) 320-3344.

The Offering

The selling stockholders identified in this reoffer prospectus may offer and sell up to 159,131 shares of our common stock issued or issuable upon exercise of stock options granted pursuant to our Amended 2010 Stock Option Plan or issued pursuant to our Employee Share Purchase Plan.

The selling stockholders may sell all or a portion of the shares being offered pursuant to this reoffer prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or at negotiated prices.

Number of Shares Outstanding

There were 5,946,832 shares of our common stock issued and outstanding as at January 31, 2019.

Use of Proceeds

We will not receive any proceeds from the sale of any shares of our common stock by the selling stockholders. We may, however, receive proceeds upon exercise of the stock options by the selling stockholders. If we receive proceeds upon exercise of these stock options, we intend to use these proceeds for working capital and general corporate purposes.

Risk Factors

An investment in our common stock involves a high degree of risk. The risks described below include material risks to our company or to investors purchasing shares of our common stock that are known to our company. If any of the following risks actually occur, our business, financial condition and results of operations could be materially harmed. As a result, the trading price of our common stock could decline and you might lose all or part of your investment. When determining whether to buy our common stock, you should also refer to the other information contained in or incorporated by reference in this reoffer prospectus.

Risks Associated with Our Business and Industry

Lack of cash flow which may affect our ability to continue as a going concern.

Presently, our operating cash flows are not sufficient to meet operating and capital expenses. Our business plan calls for continued research and development of our products and expansion of our market share. We will require additional financing to fund working capital and pay for operating expenses and capital requirements until we achieve a positive cash flow.

There is no assurance that actual cash requirements will not exceed our estimates. In particular, additional capital may be required in the event that:

- we incur delays and additional expenses as a result of technology failure;
- we are unable to create a substantial market for our products; or
- we incur any significant unanticipated expenses.

The occurrence of any of the aforementioned events could adversely affect our ability to meet our proposed business plans.

We depend on a mix of revenues and outside capital to pay for the continued development of our technology and the marketing of our products. Such outside capital may include the sale of additional stock and/or commercial borrowing. There can be no assurance that capital will continue to be available if necessary to meet these continuing development costs or, if the capital is available, that it will be on terms acceptable to us. Disruptions in financial markets and challenging economic conditions have and may continue to affect our ability to raise capital. The issuance of additional equity securities by us would result in a dilution, possibly a significant dilution, in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

Our revenue, operating results and gross margin can fluctuate significantly and unpredictably from quarter-to-quarter and from year-to-year, and we expect that they will continue to do so, which could have a material adverse effect on our operating results.

The rate at which our customers order our products, and the size of these orders, are highly variable and difficult to predict. In the past, we have experienced significant variability in our customer purchasing practices on a quarterly and annual basis, and we expect that this variability will continue, as a result of a number of factors, many of which are beyond our control, including:

- demand for our products and the timing and size of customer orders;
- length of sales cycles, which may be extended by selling our products through channel partners;
- length of time of deployment of our products by our customers;
- customers' budgetary constraints;
- competitive pressures; and
- general economic conditions.

As a result of this volatility in our customers' purchasing practices, our revenue has historically fluctuated unpredictably on a quarterly and annual basis and we expect this to continue for the foreseeable future. Our budgeted expense levels depend in part on our expectations of future revenue. Because any substantial adjustment to expenses to account for lower levels of revenue is difficult and takes time, if our revenue declines, our operating expenses and general overhead would likely be high relative to revenue, which could have a material adverse effect on our operating margin and operating results.

We may be unable to predict subscription renewal rates and the impact these rates may have on our future revenue and operating results.

Some of our products and services are sold on a subscription basis that is generally month-to-month or one year in length. Our customers have no obligation to renew their subscriptions for our services after the expiration of their initial subscription period, and some customers elect not to renew. We cannot provide assurance that our subscriptions will be renewed at the same or higher level of service, for the same number of licenses or for the same duration of time, if at all. We cannot provide assurance that we will be able to accurately predict future customer renewal rates. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their level of satisfaction with our services, our ability to continue to regularly add features and functionality, the reliability (including uptime) of our subscription services, the prices of our services, the prices of services offered by our competitors, mergers and acquisitions affecting our customer base, reductions in our customers' spending levels or declines in customer activity as a result of economic downturns or uncertainty in financial markets. If our customers do not renew their subscriptions for our services or if they renew on terms less favorable to us, our revenue may decline.

If we are not able to manage our operating expenses, then our financial condition may be adversely affected.

Operating expenses of $4,533,338 and $8,518,448 exceeded revenue by $2,092,077 and $3,189,357 for the three and six months ended October 31, 2018, respectively. Operating expenses increased to $15,175,511 for the year ended April 30, 2018 from $13,639,207 for the year ended April 30, 2017 and our revenue increased to $12,381,741 for the year ended April 30, 2018 from $10,685,590 for the year ended April 30, 2017. Our ability to reach and maintain profitability is conditional upon our ability to manage our operating expenses. There is a risk that we will have to increase our operating expenses in the future. Factors that could cause our operating expenses to increase include our determination to spend more on sales and marketing in order to increase product sales or our determination that more research and development expenditures are required in order to keep our current software products competitive or in order to develop new products for the market. To the extent that our operating expenses increase without a corresponding increase in revenue, our financial condition would be adversely impacted.

We face larger and better-financed competitors, which may affect our ability to achieve or maintain profitability.

Management is aware of similar products which compete directly with our products and some of the companies developing these similar products are larger and better-financed than us and may develop products superior to those of our company. In addition to price competition, increased competition may result in other aggressive business tactics from our competitors, such as:

- emphasizing their own size and perceived stability against our smaller size and narrower recognition;
- providing customers "one-stop shopping" options for the purchase of network equipment and application software;
- offering customers financing assistance;
- making early announcements of competing products and employing extensive marketing efforts; and
- asserting infringement of their intellectual property rights.

Such competition may potentially adversely affect our profitability.

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital, or a delisting from a stock exchange on which our common stock trades. Because our operations have been partially financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our continued operations. Any reduction in our ability to raise equity capital in the future would force us to reallocate funds from other planned uses and would have a significant negative effect on our business plans and operations, including our ability to develop new products and continue our current operations. If our stock price declines, there can be no assurance that we can raise additional capital or generate funds from operations sufficient to meet our obligations.

The majority of our directors and officers are located outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or some of our directors or officers.

The majority of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against us or our officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Consequently, investors may be effectively prevented from pursuing remedies under United States federal securities laws against some of our directors or officers.

We may in the future be subject to damaging and disruptive intellectual property litigation that could materially and adversely affect our business, results of operations and financial condition, as well as the continued viability of our company.

We may be unaware of filed patent applications and issued patents that could relate to our products and services. Intellectual property litigation, if determined against us, could:

- result in the loss of a substantial number of existing customers or prohibit the acquisition of new customers;
- cause us to lose access to key distribution channels;
- result in substantial employee layoffs or risk the permanent loss of highly-valued employees;
- materially and adversely affect our brand in the market place and cause a substantial loss of goodwill;
- affect our ability to raise additional capital;
- cause our stock price to decline significantly; and
- lead to the bankruptcy or liquidation of our company.

Parties making claims of infringement may be able to obtain injunctive or other equitable relief that could effectively block our ability to provide our products or services and could cause us to pay substantial royalties, licensing fees or damages. The defense of any lawsuit could result in time-consuming and expensive litigation, regardless of the merits of such claims.

We could lose our competitive advantages if we are not able to protect any proprietary technology and intellectual property rights against infringement, and any related litigation could be time-consuming and costly.

Our success and ability to compete depends to a significant degree on our proprietary technology incorporated in our software. If any of our competitors copy or otherwise gain access to our proprietary technology or develops similar technologies independently, we would not be able to compete as effectively. We also consider our family of registered and unregistered trademarks including CounterPath, Bria, eyebeam, X-Lite, and Softphone.com invaluable to our ability to continue to develop and maintain the goodwill and recognition associated with our brand. The measures we take to protect the proprietary technology software, and other intellectual property rights, which presently are based upon a combination of patents, patents pending, copyright, trade secret and trademark laws, may not be adequate to prevent their unauthorized use. Further, the laws of foreign countries may provide inadequate protection of such intellectual property rights.

We may need to bring legal claims to enforce or protect such intellectual property rights. Any litigation, whether successful or unsuccessful, could result in substantial costs and divert resources from intended uses. In addition, notwithstanding any rights we have secured in our intellectual property, other persons may bring claims against us that we have infringed on their intellectual property rights, including claims based upon the content we license from third parties or claims that our intellectual property right interests are not valid. Any claims against us, with or without merit, could be time consuming and costly to defend or litigate, divert our attention and resources, result in the loss of goodwill associated with our service marks or require us to make changes to our website or other of our technologies.

Our products may become obsolete and unmarketable if we are unable to respond adequately to rapidly changing technology and customer demands.

Our industry is characterized by rapid changes in technology and customer demands. As a result, our products may quickly become obsolete and unmarketable. Our future success will depend on our ability to adapt to technological advances, anticipate customer demands, develop new products and enhance our current products on a timely and cost-effective basis. Further, our products must remain competitive with those of other companies with substantially greater resources. We may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of new products or enhanced versions of existing products. Also, we may not be able to adapt new or enhanced services to emerging industry standards, and our new products may not be favorably received.

Unless we can establish broad market acceptance of our current products, our potential revenues may be significantly reduced.

We expect that a substantial portion of our future revenue will be derived from the sale of our software products. We expect that these product offerings and their extensions and derivatives will account for a majority of our revenue for the foreseeable future. Broad market acceptance of our software products is, therefore, critical to our future success and our ability to continue to generate revenues. Failure to achieve broad market acceptance of our software products as a result of competition, technological change, or otherwise, would significantly harm our business. Our future financial performance will depend primarily on the continued market acceptance of our current software product offerings and on the development, introduction and market acceptance of any future enhancements. There can be no assurance that we will be successful in marketing our current product offerings or any new product offerings, applications or enhancements, and any failure to do so would significantly harm our business.

Our use of open source software could impose limitations on our ability to commercialize our products.

We incorporate open source software into our products. Although we closely monitor our use of open source software, the terms of many open source software licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to sell our products. In such event, we could be required to make our proprietary software generally available to third parties, including competitors, at no cost, to seek licenses from third parties to continue offering our products, to re-engineer our products or to discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis or at all, any of which could adversely affect our revenues and operating expenses.

We may not be able to obtain necessary licenses of third-party technology on acceptable terms, or at all, which could delay product sales and development and adversely impact product quality.

We have incorporated third-party licensed technology into our current products. We anticipate that we are also likely to need to license additional technology from third-parties to develop new products or product enhancements in the future. Third-party licenses may not be available or continue to be available to us on commercially reasonable terms. The inability to retain any third-party licenses required in our current products or to obtain any new third-party licenses to develop new products and product enhancements could require us to obtain substitute technology of lower quality or performance standards or at greater cost, and delay or prevent us from making these products or enhancements, any of which could seriously harm the competitive position of our products.

Our products must interoperate with many different networks, software applications and hardware products, and this interoperability will depend on the continued prevalence of open standards.

Our products are designed to interoperate with our customers' existing and planned networks, which have varied and complex specifications, utilize multiple protocol standards, software applications and products from numerous vendors and contain multiple products that have been added over time. As a result, we must attempt to ensure that our products interoperate effectively with these existing and planned networks. To meet these requirements, we have and must continue to undertake development and testing efforts that require significant capital and employee resources. We may not accomplish these development efforts quickly or cost-effectively, or at all. If our products do not interoperate effectively, installations could be delayed or orders for our products could be cancelled, which would harm our revenue, gross margins and our reputation, potentially resulting in the loss of existing and potential customers. The failure of our products to interoperate effectively with our customers' networks may result in significant warranty, support and repair costs, divert the attention of our engineering personnel from our software development efforts and cause significant customer relations problems.

Additionally, the interoperability of our products with multiple different networks is significantly dependent on the continued prevalence of standards for IP multimedia services, such as SIP or Session Initiation Protocol. Some of our existing and potential competitors are network equipment providers who could potentially benefit from the deployment of their own proprietary non-standards-based architectures. If resistance to open standards by network equipment providers becomes prevalent, it could make it more difficult for our products to interoperate with our customers' networks, which would have a material adverse effect on our ability to sell our products to service providers.

We are subject to the credit risk of our customers, which could have a material adverse effect on our financial condition, results of operations and liquidity.

We are subject to the credit risk of our customers. Businesses that are good credit risks at the time of sale may become bad credit risks over time. In times of economic recession, the number of our customers who default on payments owed to us tends to increase. If we fail to adequately assess and monitor our credit risks, we could experience longer payment cycles, increased collection costs and higher bad debt expense.

We are exposed to fluctuations in interest rates and exchange rates associated with foreign currencies.

A majority of our revenue activities are transacted in U.S. dollars. However, we are exposed to foreign currency exchange rate risk inherent in conducting business globally in numerous currencies, of which the most significant to our operations for the year ended April 30, 2018 and the six months ended October 31, 2018 was the Canadian dollar. We are primarily exposed to a fluctuating Canadian dollar as our operating expenses are primarily denominated in Canadian dollars while our revenues are primarily denominated in U.S. dollars. We address certain financial exposures through a controlled program of risk management that includes the use of derivative financial instruments. Our company's foreign currency risk management program includes foreign currency derivatives with cash flow hedge accounting designation that utilizes foreign currency forward contracts to hedge exposures to the variability in the U.S. dollar equivalent of anticipated non-U.S. dollar-denominated cash flows. These instruments generally have a maturity of less than one year. For these derivatives, our company reports the after-tax gain or loss from the effective portion of the hedge as a component of accumulated other comprehensive income (loss) in stockholders' equity and reclassifies it into earnings in the same period in which the hedged transaction affects earnings, and within the same line item on the consolidated statements of operations as the impact of the hedged transaction. There can be no assurance that our hedging program will not result in a negative impact on our earnings and earnings per share. We did not enter into any forward contracts for hedging purposes during the years ended April 30, 2018 and 2017 and six months ended October 31, 2018.

Tax matters, including changes in tax rates, disagreements with taxing authorities and imposition of new taxes could impact our results of operations and financial condition.

We are subject to income taxes as well as non-income-based taxes, such as payroll, sales, use, value added, net worth, property, withholding and franchise taxes in both the U.S. and various foreign jurisdictions. From time to time, we are also subject to reviews, examinations and audits by taxing authorities with respect to such income and non-income-based taxes inside and outside of the U.S. When a taxing authority disagrees with our tax positions, we could face additional tax liabilities, including interest and penalties. Payment of such additional amounts upon final settlement or adjudication of any disputes could have a material impact on our results of operations and financial position.

In addition, we are directly and indirectly affected by new tax legislation and regulation and the interpretation of tax laws and regulations worldwide. Changes in legislation, regulation or interpretation of existing laws and regulations in the U.S. and other jurisdictions where we are subject to taxation could increase our taxes and have an adverse effect on our operating results and financial condition.

If a security breach or cyberattack of our IT networks and systems, or any of our products, occurs, our operations could be interrupted, our products and services may be perceived as vulnerable, and our brand and reputation could be damaged, which could reduce revenue, increase expenses, and expose us to legal claims or regulatory actions.

Cybersecurity refers to the combination of technologies, processes, and procedures established to protect information technology systems and data from unauthorized access, attack, or damage. We are subject to cybersecurity risks. Information cybersecurity risks have significantly increased in recent years and, while we have not experienced any material losses relating to cyber-attacks or other information security breaches, we could suffer such losses in the future. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could have a security impact. If one or more of such events occur, this potentially could jeopardize confidential and other information, including non-public personal information and sensitive business data, processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations or the operations of our customers or counterparties. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect our business, financial condition or results of operations. Privacy and information security laws and regulation changes, and compliance with those changes, may result in cost increases due to system changes and the development of new administrative processes. In the future, we may be required to expend significant additional resources to modify our protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. In addition, we may be subject to litigation and financial losses that are not fully insured.

Risks Associated with Our Common Stock

Our directors control a substantial number of shares of our common stock, decreasing your influence on stockholder decisions.

Based on the 5,943,082 shares of common stock that were issued and outstanding as of October 31, 2018, our directors owned approximately 50% of our outstanding common stock. As a result, our directors as a group could have a significant influence in delaying, deferring or preventing any potential change in control of our company; they will be able to strongly influence the actions of our board of directors even if they were to cease being directors of our company and can effectively control the outcome of actions brought to our stockholders for approval. Such a high level of ownership may adversely affect the exercise of your voting and other stockholder rights.

We do not expect to pay dividends in the foreseeable future.

We do not intend to declare dividends for the foreseeable future, as we anticipate that we will reinvest any future earnings in the development and growth of our business. Therefore, investors will not receive any funds unless they sell their common stock, and stockholders may be unable to sell their shares on favorable terms. We cannot assure you of a positive return on investment or that you will not lose the entire amount of your investment in our common stock.

The exercise of all or any number of outstanding stock options or the issuance of other stock-based awards or any issuance of shares to raise funds may dilute your holding of shares of our common stock.

If the holders of outstanding stock options and deferred share units exercise or settle all of their vested stock options and deferred share units as at October 31, 2018, then we would be required to issue an additional 1,059,762 shares of our common stock, which would represent approximately 15% of our issued and outstanding common stock after such issuances. The exercise of any or all outstanding stock options that are exercisable below market price will result in dilution to the interests of other holders of our common stock.

We may in the future grant to certain or all of our directors, officers, insiders and key employees stock options to purchase the shares of our common stock, bonus shares and other stock based compensation as non-cash incentives to such persons. Subject to applicable stock exchange rules, if any, we may grant these stock options and other stock based compensation at exercise prices equal to or less than market prices, and we may grant them when the market for our securities is depressed. The issuance of any additional shares of common stock or securities convertible into common stock will cause our existing shareholders to experience dilution of their holding of our common stock.

In addition, shareholders could suffer dilution in their net book value per share depending on the price at which such securities are sold. Such issuance may cause a reduction in the proportionate ownership and voting power of all other shareholders. The dilution may result in a decline in the price of our shares of common stock or a change in the control of our company.

We may be considered a "penny stock." Penny stock rules will limit the ability of our stockholders to sell their shares of common stock.

The SEC has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. In addition, since our common stock commenced trading on the NASDAQ Capital Market below the $4.00 minimum bid price per share requirement, our common stock would be considered a penny stock if we fail to satisfy the net tangible assets and revenue tests in Rule 3a51-1 under the Securities Exchange Act of 1934. Our securities may be covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements, which may limit a stockholder's ability to buy and/or sell shares of our common stock.

The FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for its shares.

Securities analysts may not publish favorable research or reports about our business or may publish no information which could cause our stock price or trading volume to decline.

The trading market for our common stock will be influenced by the research and reports that industry or financial analysts publish about us and our business. We do not control these analyst reports. As a relatively small public company, we may be slow to attract research coverage and the analysts who publish information about our common stock will have had relatively little experience with our company, which could affect their ability to accurately forecast our results and make it more likely that we fail to meet their estimates. If any of the analysts who cover us issue an adverse opinion regarding our stock price, our stock price may decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports covering us, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Forward-Looking Statements

This reoffer prospectus and the information and documents incorporated by reference into this reoffer prospectus contain or will contain forward-looking statements which relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. Forward-looking statements are based on material factors and assumptions made by our company in light of management’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate in the circumstances, including but not limited to, general economic conditions, product pricing levels and competitive intensity, supply constraints, the timing and success of new product introductions, our expectations regarding our business, strategy, opportunities and prospects, including our ability to implement meaningful changes to address business challenges, and our expectations regarding the cash flow from operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled “Risk Factors” beginning on page 3 of this reoffer prospectus, that may cause our company’s or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. We caution you not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as required by applicable law, including the securities laws of the United States and Canada, we disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

The Offering

The selling stockholders identified in this reoffer prospectus may offer and sell up to 159,131 shares of our common stock issued or issuable upon exercise of stock options granted pursuant to our Amended 2010 Stock Option Plan or issued pursuant to our Employee Share Purchase Agreement.

Use of Proceeds

We will not receive any proceeds from the sale of the shares of our common stock by the selling stockholders. We may, however, receive proceeds upon exercise of the stock options granted to the selling stockholders. If we receive proceeds upon exercise of stock options, we intend to use these proceeds for working capital and general corporate purposes.

Determination of Offering Price

The selling stockholders may sell all or a portion of the shares being offered pursuant to this reoffer prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or at negotiated prices.

Selling Stockholders

The selling stockholders may offer and sell, from time to time, any or all of shares of our common stock issued or issuable upon exercise of the stock options granted pursuant to our Amended 2010 Stock Option Plan or issued pursuant to our Employee Share Purchase Plan.

The following table identifies the selling stockholders and indicates (i) the nature of any material relationship that such selling stockholder has had with us for the past three years, (ii) the number of shares held by the selling stockholders, (iii) the amount to be offered for each of the selling stockholder’s account, and (iv) the number of shares and percentage of outstanding shares of the common shares in our capital to be owned by each selling stockholder after the sale of the shares offered by them pursuant to this offering. The selling stockholders are not obligated to sell the shares offered in this reoffer prospectus and may choose not to sell any of the shares or only a part of the shares that they receive.

The information provided in the following table with respect to the selling stockholders has been obtained from each of the selling stockholders. Because the selling stockholders may offer and sell all or only some portion of the shares of our common stock being offered pursuant to this reoffer prospectus, the numbers in the table below representing the amount and percentage of these shares of our common stock that will be held by the selling stockholders upon termination of the offering are only estimates based on the assumption that each selling stockholder will sell all of his or her shares of our common stock being offered in the offering. In addition, the selling stockholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time or from time to time since the date on which he or she provided the information regarding the shares of common stock beneficially owned by them, all or some portion of the shares of common stock beneficially owned by them in transactions exempt from the registration requirements of the Securities Act of 1933.

None of the selling stockholders is a broker-dealer or an affiliate of a broker-dealer. We may require the selling stockholders to suspend the sales of the shares of our common stock being offered pursuant to this reoffer prospectus upon the occurrence of any event that makes any statement in this reoffer prospectus or the related registration statement untrue in any material respect or that requires the changing of statements in those documents in order to make statements in those documents not misleading.

Name of Selling Stockholder	Shares Owned by the Selling Stockholder before the Offering[1]	Total Shares Offered in the Offering	Number of Shares to Be Owned by Selling Stockholder and Percent of Total Issued and Outstanding Shares After the Offering [1]	
			# of Shares[2]	% of Class[2][3]
David Karp[4]	107,568[5]	87,622[6]	60,988	1%
Todd Carothers[7]	48,560[8]	71,509[9]	12,050	*
Totals	**156,128**	**159,131**	**73,038**	1%

Notes

* Less than 1%.

(1) Beneficial ownership is determined in accordance with Securities and Exchange Commission rules and generally includes voting or investment power with respect to shares of common stock. Shares of common stock subject to options, warrants and convertible preferred stock currently exercisable or convertible, or exercisable or convertible within 60 days, are counted as outstanding for computing the percentage of the person holding such options, warrants or convertible preferred stock but are not counted as outstanding for computing the percentage of any other person. We believe that the selling stockholders have sole voting and investment powers over their shares.

(2) We have assumed that the selling stockholders will sell all of the shares being offered in this offering.

(3) Based on 5,946,832 shares of our common stock issued and outstanding as of January 31, 2019. Shares of our common stock being offered pursuant to this reoffer prospectus by a selling stockholder are counted as outstanding for computing the percentage of that particular selling stockholder but are not counted as outstanding for computing the percentage of any other person.

(4) David Karp is the Interim Chief Executive Officer, Chief Financial Officer, Treasurer and Secretary of our company.

(5) Includes 28,958 shares of our common stock underlying 28,958 stock options that are vested or will be vested within 60 days of January 31, 2019, consisting of 13,333 stock options issued on July 15, 2016, that are exercisable at a price of $2.40 per share, expiring on July 15, 2021 and 15, 625 stock options issued on December 14, 2017, that are exercisable at a price of $2.89 per share, expiring December 14, 2022. Also includes 48,759 shares of a total of 123,198 shares of our common stock underlying deferred share units. Does not include 41,042 shares of our common stock underlying 41,042 unvested stock options which are being offered under this reoffer prospectus.

(6) Consists of 84,253 shares of common stock issued or issuable upon exercise of stock options and 3,369 shares of common stock issued under our Employee Share Purchase Plan.

(7) Todd Carothers is the Executive Vice President, Sales and Marketing of our company.

(8) Includes 32,501 shares of our common stock underlying 32,501 stock options that are vested or will be vested within 60 days of January 31, 2019, consisting of 10,000 stock options issued on July 11, 2014 that are exercisable at a price of $2.50 per share, expiring on July 11, 2019, 6,876 stock options issued on July 17, 2015 that are exercisable at a price of $2.50 per share, expiring on July 17, 2020 and 15,625 stock options issued on December 14, 2017, that are exercisable at a price of $2.89 per share, expiring December 14, 2022. Also includes 3,824 shares of a total of 43,824 shares of our common stock underlying deferred share units. Does not include 34,999 shares of our common stock underlying 34,999 unvested stock options which are being offered under this reoffer prospectus.

(9) Consists of 69,645 shares of common stock issued or issuable upon exercise of stock options and 1,864 share of common stock issued under our Employee Share Purchase Plan.

Plan of Distribution

The selling stockholders may, from time to time, sell all or a portion of the shares of our common stock on any market upon which our common stock may be listed or quoted (currently the NASDAQ Capital Market and the Toronto Stock Exchange), in privately negotiated transactions or otherwise. Such sales may be at fixed prices prevailing at the time of sale, at prices related to the market prices or at negotiated prices. The shares of our common stock being offered for resale pursuant to this reoffer prospectus may be sold by the selling stockholders by one or more of the following methods, without limitation:

1. block trades in which the broker or dealer so engaged will attempt to sell the shares of our common stock as agent but may position and resell a portion of the block as principal to facilitate the transaction;
2. purchases by broker or dealer as principal and resale by the broker or dealer for its account pursuant to this reoffer prospectus;
3. an exchange distribution in accordance with the rules of the applicable exchange;
4. ordinary brokerage transactions and transactions in which the broker solicits purchasers;
5. privately negotiated transactions;
6. market sales (both long and short to the extent permitted under the federal securities laws);
7. at the market to or through market makers or into an existing market for the shares;
8. through transactions in options, swaps or other derivatives (whether exchange listed or otherwise);
9. a combination of any aforementioned methods of sale; and
10. Any other method permitted pursuant to applicable law.

In effecting sales, brokers and dealers engaged by the selling stockholders may arrange for other brokers or dealers to participate. Brokers or dealers may receive commissions or discounts from a selling stockholder or, if any of the broker-dealers act as an agent for the purchaser of such shares, from a purchaser in amounts to be negotiated which are not expected to exceed those customary in the types of transactions involved. Broker-dealers may agree with a selling stockholder to sell a specified number of the shares of our common stock at a stipulated price per share. Such an agreement may also require the broker-dealer to purchase as principal any unsold shares of our common stock at the price required to fulfill the broker-dealer commitment to the selling stockholder if such broker-dealer is unable to sell the shares on behalf of the selling stockholder. Broker-dealers who acquire shares of our common stock as principal may thereafter resell the shares of our common stock from time to time in transactions which may involve block transactions and sales to and through other broker-dealers, including transactions of the nature described above. Such sales by a broker-dealer could be at prices and on terms then prevailing at the time of sale, at prices related to the then-current market price or in negotiated transactions. In connection with such resale, the broker-dealer may pay to or receive from the purchasers of the shares commissions as described above.

The selling stockholders and any broker-dealers or agents that participate with the selling stockholders in the sale of the shares of our common stock may be deemed to be “underwriters” within the meaning of the Securities Act of 1933 in connection with these sales. In that event, any commissions received by the broker-dealers or agents and any profit on the resale of the shares of common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act of 1933.

From time to time, any of the selling stockholders may pledge shares of our common stock pursuant to the margin provisions of customer agreements with brokers. Upon a default by a selling stockholder, his or her broker may offer and sell the pledged shares of our common stock from time to time. Upon a sale of the shares of our common stock, we believe that the selling stockholders will satisfy the prospectus delivery requirements under the Securities Act of 1933. We intend to file any amendments or other necessary documents in compliance with the Securities Act of 1933 which may be required in the event any of the selling stockholders defaults under any customer agreement with brokers.

To the extent required under the Securities Act of 1933, a post-effective amendment to the registration statement of which this reoffer prospectus forms a part will be filed disclosing the name of any broker-dealers, the number of shares of our common stock involved, the price at which our common stock is to be sold, the commissions paid or discounts or concessions allowed to such broker-dealers, where applicable, that such broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this reoffer prospectus and other facts material to the transaction.

We and the selling stockholders will be subject to applicable provisions of the Securities Exchange Act of 1934 and the rules and regulations under it, including, without limitation, Rule 10b-5 and, insofar as a selling stockholder is a distribution participant and we, under certain circumstances, may be a distribution participant, under Regulation M. All of the foregoing may affect the marketability of our common stock.

All expenses for this reoffer prospectus and related registration statement including legal, accounting, printing and mailing fees are and will be borne by us. Any commissions, discounts or other fees payable to brokers or dealers in connection with any sale of the shares of common stock will be borne by the selling stockholders, the purchasers participating in such transaction, or both.

Any shares of our common stock being offered pursuant to this reoffer prospectus which qualify for sale pursuant to Rule 144 under the Securities Act of 1933, may be sold under Rule 144 rather than pursuant to this reoffer prospectus.

Under the Securities Exchange Act of 1934, any person engaged in a distribution of the shares offered by this reoffer prospectus may not simultaneously engage in market making activities with respect to our common shares during the applicable “cooling off” periods prior to the commencement of such distribution. In addition, and without limiting the foregoing, the selling stockholders will be subject to applicable provisions of the Securities Exchange Act of 1934 and the rules and regulations thereunder, which provisions may limit the timing of purchases and sales of the shares by the selling stockholders.

Experts and Counsel

Our consolidated financial statements as of April 30, 2018 and April 30, 2017 and for the years then ended have been incorporated by reference in this reoffer prospectus in reliance on the report of BDO Canada LLP, an independent registered public accounting firm, which has also been incorporated by reference in this reoffer prospectus, given on the authority of said firm as experts in auditing and accounting.

Clark Wilson LLP, of Suite 900 – 885 West Georgia Street, Vancouver, British Columbia, Canada has provided an opinion on the validity of the shares of our common stock being offered pursuant to this reoffer prospectus.

Interest of Named Experts and Counsel

No expert named in the registration statement of which this reoffer prospectus forms a part as having prepared or certified any part thereof (or is named as having prepared or certified a report or valuation for use in connection with such registration statement) or counsel named in this reoffer prospectus as having given an opinion upon the validity of the securities being offered pursuant to this reoffer prospectus or upon other legal matters in connection with the registration or offering such securities was employed for such purpose on a contingency basis. Also at the time of such preparation, certification or opinion or at any time thereafter, through the date of effectiveness of such registration statement or that part of such registration statement to which such preparation, certification or opinion relates, no such person had, or is to receive, in connection with the offering, a substantial interest, direct or indirect, in our company or any of its parents or subsidiaries. Nor was any such person connected with our company or any of its parents or subsidiaries as a promoter, managing or principal underwriter, voting trustee, director, officer or employee.

Material Changes

There have been no material changes to the affairs of our company since April 30, 2018 which have not previously been described in a report on Form 10-K, Form 10-Q or Form 8-K filed with the Securities and Exchange Commission.

Incorporation of Certain Information by Reference

The following documents filed by our company with the Securities and Exchange Commission are incorporated into this reoffer prospectus by reference:

1. our annual report on Form 10-K filed on July 25, 2018 (including portions of our proxy statement for the annual meeting of stockholders held on September 20, 2018, filed on August 24, 2018, to the extent specifically incorporated by reference therein);

2. our quarterly reports on Form 10-Q filed on September 13, 2018 and December 12, 2018;

3. our current reports on Form 8-K filed on September 20, 2018, September 24, 2018, and October 12, 2018; and

4. the description of our common stock contained in our Form 8-A filed on June 29, 2012, which refers to the description of our securities contained in our registration statement on Form S-1 filed on October 7, 2011, including any amendments or reports filed for the purpose of updating such description.

In addition to the foregoing, all documents that we subsequently file pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment indicating that all of the securities offered pursuant to the registration statement of which this reoffer prospectus forms a part have been sold or deregistering all securities then remaining unsold, will be deemed to be incorporated by reference into this reoffer prospectus and to be part hereof from the date of filing of such documents. Any statement contained in a document incorporated by reference in this reoffer prospectus will be deemed to be modified or superseded for purposes of this reoffer prospectus to the extent that a statement contained in this reoffer prospectus or in any subsequently filed document that is also incorporated by reference in this reoffer prospectus modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this reoffer prospectus.

Where You Can Find More Information

We will provide to each person, including any beneficial holder, to whom this reoffer prospectus is delivered, at no cost, upon written or oral request, a copy of any or all of the information that has been incorporated by reference in this reoffer prospectus but not delivered with this reoffer prospectus. Requests for documents should be directed to CounterPath Corporation, Suite 300, One Bentall Centre, 505 Burrard Street, Vancouver, British Columbia V7X 1M3, Canada, Attention: Chief Financial Officer, telephone number (604) 320-3344. Exhibits to these filings will not be sent unless those exhibits have been specifically incorporated by reference in such filings.

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. Such filings are available to the public over the internet at the Securities and Exchange Commission's website at http://www.sec.gov. The public may also read and copy any materials we file with the Securities and Exchange Commission at its public reference room at 100 F Street, N.E. Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the Securities and Exchange Commission at 1-800-SEC-0330.

We have filed with the Securities and Exchange Commission a registration statement on Form S-8 under the Securities Act of 1933 with respect to the securities offered under this reoffer prospectus. This reoffer prospectus, which forms a part of that registration statement, does not contain all information included in the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits.

You should only rely on the information incorporated by reference or provided in this reoffer prospectus or any supplement. We have not authorized anyone else to provide you with different information. This reoffer prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. You should not assume that the information in this reoffer prospectus or any supplement is accurate as of any date other than the date of this reoffer prospectus.

159,131 Shares

COUNTERPATH CORPORATION

Common Stock

Reoffer Prospectus

January 31, 2019

Part II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by our company with the Securities and Exchange Commission are incorporated into this registration statement by reference:

1. our annual report on Form 10-K filed on July 25, 2018 (including portions of our proxy statement for the annual meeting of stockholders held on September 20, 2018, filed on August 24, 2018, to the extent specifically incorporated by reference therein);

2. our quarterly reports on Form 10-Q filed on September 13, 2018 and December 12, 2018;

3. our current reports on Form 8-K filed on September 20, 2018, September 24, 2018, and October 12, 2018; and

4. the description of our common stock contained in our Form 8-A filed on June 29, 2012, which refers to the description of our securities contained in our registration statement on Form S-1 filed on October 7, 2011, including any amendments or reports filed for the purpose of updating such description.

In addition to the foregoing, all documents that we subsequently file pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment indicating that all of the securities offered pursuant to this registration statement have been sold or deregistering all securities then remaining unsold, will be deemed to be incorporated by reference into this registration statement and to be part hereof from the date of filing of such documents. Any statement contained in a document incorporated by reference in this registration statement will be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained in this registration statement or in any subsequently filed document that is also incorporated by reference in this registration statement modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

No expert named in this registration statement as having prepared or certified any part thereof (or is named as having prepared or certified a report or valuation for use in connection with this registration statement) or counsel named in this registration statement as having given an opinion upon the validity of the securities being offered pursuant to this registration statement or upon other legal matters in connection with the registration or offering such securities was employed for such purpose on a contingency basis. Also at the time of such preparation, certification or opinion or at any time thereafter, through the date of effectiveness of such registration statement or that part of such registration statement to which such preparation, certification or opinion relates, no such person had, or is to receive, in connection with the offering, a substantial interest, direct or indirect, in our company or any of its parents or subsidiaries. Nor was any such person connected with our company or any of its parents or subsidiaries as a promoter, managing or principal underwriter, voting trustee, director, officer or employee.

Item 6. Indemnification of Directors and Officers.

Nevada corporation law provides that:

- a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful;

- a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper; and

- to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, the corporation shall indemnify him against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with the defense.

We may make any discretionary indemnification only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

- by our stockholders;

- by our board of directors by majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;

- if a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion;

- if a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion; or

- by court order.

Our bylaws provide that we shall, to the maximum extent permitted by applicable law, have the power to indemnify each of our agents against expenses and shall have the power to advance to each such agent expenses incurred in defending any such proceeding to the maximum extent permitted by that law. For this purpose, an "agent" includes any person who is or was a director, officer, employee or other agent of our company; or is or was serving at the request of our company as a director, officer, employee or agent of our company or another foreign or domestic corporation, partnership, joint venture, trust or other enterprise; or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of our company or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" include, without limitation, all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of our company. Our bylaws also provide that we may, upon the resolution of the directors, purchase and maintain insurance on behalf of any agent of our company against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not we would have the power to indemnify the agent against such liability under our bylaws.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit Number	Description
(4)	**Instruments Defining the Rights of Security Holders, including Indentures**
4.1	Articles of Incorporation (incorporated by reference from our Registration Statement on Form SB-2 filed on July 16, 2003)
4.2	Certificate of Designation (incorporated by reference from our Registration Statement on Form S-8 filed on January 31, 2017)
4.3	Articles of Merger (incorporated by reference from our Current Report on Form 8-K filed on September 15, 2005)
4.4	Articles of Merger (incorporated by reference from our Registration Statement on Form S-8 filed on January 31, 2017)
4.5	Certificate of Amendment (incorporated by reference from our Quarterly Report in the Form 10-Q filed on December 12, 2013)
4.6	Certificate of Change (incorporated by reference from our Registration Statement on Form S-8 filed on January 31, 2017)
4.7	Amended Bylaws (incorporated by reference from our Current Report on Form 8-K filed on July 2, 2012)
4.8*	Employee Share Purchase Plan
4.9*	Amended 2010 Stock Option Plan
(5)	**Opinion regarding Legality**
5.1*	Opinion of Clark Wilson LLP regarding the legality of the securities being registered
(23)	**Consents of Experts and Counsel**
23.1*	Consent of BDO Canada LLP
23.2*	Consent of Clark Wilson LLP (included in Exhibit 5.1)
(24)	**Power of Attorney**
24.1*	Power of Attorney (included in signature page)

*Filed herewith.

Item 9. Undertakings.

The undersigned registrant hereby undertakes:

1. to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

   i. to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

   ii. to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

   iii. to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

   provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the registration statement is on Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement;

2. that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

3. to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Vancouver, Province of British Columbia on January 31, 2019.

COUNTERPATH CORPORATION

By: */s/ David Karp*
David Karp
Interim Chief Executive Officer, Chief Financial Officer, Treasurer and Secretary
Date: January 31, 2019

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints David Karp and Terence Matthews, and each of them, his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement (and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933 for the offering which this registration statement relates), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or any of them, or of their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Terence Matthews Terence Matthews	Chairman and Director	January 31, 2019
/s/ David Karp David Karp	Interim Chief Executive Officer, Chief Financial Officer, Treasurer and Secretary	January 31, 2019
/s/ Owen Matthews Owen Matthews	Vice Chairman and Director	January 31, 2019
/s/ Bruce Joyce Bruce Joyce	Director	January 31, 2019
/s/ Chris Cooper Chris Cooper	Director	January 31, 2019

/s/ Larry Timlick Larry Timlick	Director	January 31, 2019
/s/ Steven Bruk Steven Bruk	Director	January 31, 2019

COUNTERPATH CORPORATION

EMPLOYEE SHARE PURCHASE PLAN

Adopted October 1, 2008

Amended November 6, 2008, October 22, 2009, September 10, 2015, November 2, 2015 and October 22, 2018

COUNTERPATH CORPORATION

EMPLOYEE SHARE PURCHASE PLAN

Table of Contents

1. PURPOSE OF THE PLAN

1.1 The Company hereby establishes a share purchase plan (the "Plan") for the Employees of the Company and its Subsidiaries.

1.2 Subject to all required regulatory approvals, this Plan shall be effective as of and from October 1, 2008 (the "Commencement Date") until the Expiry Date, unless earlier terminated as provided herein.

1.3 The purpose of this plan is to give employees of the Company access to another equity participation vehicle by way of an opportunity to purchase common shares of the Company through payroll deductions and encourage them to use their combined best efforts on behalf of the Company to improve its profits through increased sales, reduction of costs and increased efficiency.

2. DEFINITIONS

2.1 In this Plan, the following terms shall have the meanings set forth below.

(a) "Account(s)" means one or more of a Cash Account, an RRSP Account, or a TFSA Account created by the Trustee for a Participant, in which the assets held by the Trustee for such Participant under the terms of this Plan are held and recorded.

(b) "Acquirer" means the successor to all or substantially all of the assets or capital shares of the Company, or any other successor of the business of the Company as determined by the Board of Directors, in either case pursuant to a Change of Control, and includes the affiliated entities of any such successor;

(c) "Basic Compensation" means the base salary received by an Employee in the applicable Pay Period but does not include, without limitation, overtime pay, commissions, bonus payments, or the value of other benefits or amounts contributed by the Company under this Plan.

(d) "Board of Directors" means the board of directors of the Company, or if the Board of Directors has delegated administration of the Plan to a compensation committee, then "Board of Directors" shall mean such compensation committee.

(e) "Business Day" means any day other than a Saturday, Sunday or statutory or civic holiday on which chartered banks in Vancouver, British Columbia are open for business.

(f) "Cash Account" means an account, which is not a registered retirement savings plan account, created by the Trustee for a Participant in which the assets subject to this Plan are held and recorded.

(g) "Cessation Date" means the date that the Participant ceases for any reason (other than death or Retirement, but otherwise including, without limitation, resignation, Disability, or termination of employment with or without cause), to render Service to the Company or a Subsidiary; provided, that, notwithstanding any other term or provision of this Plan, in the event of the termination of the Participant's Service without cause, the Cessation Date shall be the date the Participant is given actual notice of termination by the Company or a Subsidiary, without reference to any period of notice of termination to which the Participant may be entitled at law or pursuant to any employment agreement, whether or not such termination has been effected in accordance with applicable law.

(h) "Change of Control" means (i) a merger, amalgamation, consolidation, reorganization or arrangement of the Company with or into another corporation (other than a merger, amalgamation, consolidation, reorganization or arrangement of the Company with one or more of its related entities (as defined in NI 45-106); (ii) a tender offer for all or substantially all of the outstanding common shares of the Company; (iii) the sale of all or substantially all of the assets of the Company; or (iv) any other acquisition of the business of the Company as determined by the Board of Directors.

(i) "Commencement Date" has the meaning set forth in Section 1.2 of this Plan.

(j) "Company" means CounterPath Corporation, and any successor company resulting from the amalgamation of the Company and any other company or other entity resulting from any other form of corporate reorganization thereof.

(k) "Disability" means the inability of the Participant to engage in substantial gainful activity by reason of a medically determinable physical or mental impairment (which state shall be determined by the Company on the basis of such medical evidence as the Company deems warranted in the circumstances).

(l) “Election to Purchase Shares” means an election, substantially in the form as set forth in Appendix A hereto, setting out the terms of an Employee’s election to participate in, and purchase Shares under, the Plan.

(m) “Employee” means a person (including a resident of the United States or outside of North America) under a permanent full-time or part-time contract of employment with the Company or a Subsidiary who participates in the Company’s or any of its Subsidiaries’ regular benefit plans (which fact shall be determined exclusively by the Board of Directors) including, without limitation, any such person who is also an officer or a director of the Company or a Subsidiary.

(n) “Expiry Date” means October 1, 2028.

(o) “Exchange” means the Toronto Stock Exchange in the case of shares purchased in Canada and the NASDAQ in the case of shares purchased in the United States or any other share exchange upon which the Shares are then listed and traded.

(p) “form” means any paper-based, web-based or any other electronic form as determined by the Company from time to time and includes the forms attached hereto which may be delivered, executed or otherwise completed in a method determined by the Company including the determination that such delivery, execution or completion be by way of any electronic or web- based means.

(q) “Insider” has the meaning set forth in the Securities Act and includes associates and affiliates (as such terms are defined by the Exchange) of the Insider.

(r) “Market Price” means the closing trading price of the Shares on the Exchange on such date in question, or, if Shares were not traded on such date on the Exchange, then on the preceding trading day during which a trade occurred.

(s) “Matching Assets” means all dividends and other assets allocated to a Participant’s Account on account of the Matching Shares.

(t) “Matching Shares” means Shares issued by the Company, or purchased by the Trustee on behalf of the Company, as contemplated by Section 4.2 of this Plan.

(u) “NI 45-106” means National Instrument 45-106 – Prospectus Exemptions, promulgated under the Securities Act, as such instrument may be amended from time to time, or any successor instrument thereto;

(v) “Participant” means any eligible Employee (as determined solely by the Board of Directors) who has elected to participate in the Plan, who has submitted an Election to Purchase Shares and who has not subsequently withdrawn from the Plan.

(w) “Participant Assets” means all dividends and other assets allocated to a Participant’s Account on account of the Participant Shares.

(x) “Participant Shares” means Shares purchased by the Trustee on behalf of the Participant with monies contributed by the Participant.

(y) “Pay Period” means the normal weekly, bi-weekly or monthly pay period as determined by the Company from time to time.

(z) "Payroll Administrator" means, initially, ADP and thereafter the Payroll Administrator selected by the Company, and the successor or successors thereto from time to time.

(aa) "Purchase Price" means, on any particular day with reference to Shares, the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the end of the month in question as determined by the Company.

(bb) "Retirement" means retirement at age sixty-five (65) or older.

(cc) "RRSP Account" means a registered retirement savings plan account.

(dd) "Securities Act" means the *Securities Act* (British Columbia), as the same may be amended from time to time.

(ee) "Service" means continuous service to the Company or any of its Subsidiaries as an Employee.

(ff) "Share Compensation Arrangement" means a plan or program established or maintained by the Company providing for the acquisition of securities of the Company as compensation or as an incentive or benefit for services provided to the Company.

(gg) "Shares" means the common shares in the capital of the Company as presently constituted; provided that upon any subdivision, consolidation or reorganization of such shares or other change in the corporate structure or share capital of the Company, "Shares" shall mean such ordinary shares as are subdivided, consolidated, reorganized or changed, with such adjustment in the number thereof as may be thereby deemed appropriate by the Company.

(hh) "Subsidiary" means a corporation (located in Canada, the United States or outside of North America) or other entity which is controlled by the Company. For the purposes of this definition, the Company controls a body corporate or other entity if:

(i) in the case of a body corporate:

A. securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are held, other than by way of security only, by or for the benefit of the Company, and

B. the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate; and

(ii) in the case of an entity other than a body corporate, more than 50% of the voting or equity interests of such entity are controlled, directly or indirectly, by or for the benefit of the Company.

(ii) "TFSA Account" means a tax-free savings account.

(jj) "Trustee" means the agent or agents of the Plan appointed by the Company in accordance with Section 12.1 of this Plan, and the successor or successors thereto from time to time.

3. ELIGIBILITY FOR MEMBERSHIP IN THE PLAN

3.1 The Plan is open to all eligible Employees (as determined solely by the Board of Directors) at any time after the Employee has completed his/her probationary employment period with the Company subject to the rules set forth below. Participation in the Plan is entirely voluntary.

(a) Enrolment. An Employee shall become a Participant by duly executing and delivering to the Company an Election to Purchase Shares; provided that, the Participant's participation in the Plan shall only be effective on the first day of the first Pay Period following the date that is thirty (30) days after such Election to Purchase Shares is received by the Company. The Election to Purchase Shares authorizes the Company or a Subsidiary, as applicable, to make regular payroll deductions for contributions to the Plan in respect of Participants.

(b) Termination of Employment. Participation in the Plan shall cease on the Cessation Date (in the event that the Participant's Service is terminated for any reason other than death or Retirement) or the death or Retirement of the Employee, whichever is first to occur.

(c) Re-Employment. Except in cases of leave of absence approved in writing by the Company or a Subsidiary, a former Employee who is subsequently re-employed by the Company or a Subsidiary shall be considered a new Employee for the purposes of the Plan.

(d) Leave of Absence. A Participant who is on leave of absence or is absent due to illness or Disability shall not be permitted to make any contribution for that period of absence; during that period of absence, such Participant shall be deemed to remain in the employ of the Company or a Subsidiary for all other purposes of the Plan.

(e) Election to Purchase Shares. Each Employee who requests information about the Plan shall have delivered to him or her a copy of the Plan together with an Election to Purchase Shares to become a Participant. Execution of an Election to Purchase Shares by the Employee and admittance by the Company of the Employee as a Participant shall be deemed to be an acceptance by the Employee of the terms and forms of the Plan without further action or other formality.

(f) Plan Shares. The Participant Shares that may be purchased by the Trustee from the Company on behalf of the Participants, and, the Matching Shares that may be issued by the Company to the Trustee on behalf of the Participants, in accordance with the terms of the Plan at any time, shall be authorized and unissued Shares of the Company in an amount up to but not exceeding an aggregate of 220,000 Shares, and such number of Shares shall be set aside for the purposes of the Plan. The Company reserves the right to allocate Shares to Participants on a pro-rata basis should the number of Shares to be purchased or issued under the Plan exceed 220,000 Shares.

(g) Price of Shares. The price at which Participant Shares purchased from the Company and Matching Shares issued by the Company in accordance with the terms hereof shall be the Purchase Price or the price at which purchased on the open market.

4. CONTRIBUTIONS

4.1 Employee Contributions.

(a) Each Participant shall contribute through payroll deductions to the Plan in each Pay Period, at the Participant's option as designated by the Participant, an amount equal to or between the following minimum and maximum amounts (in whole percentages only):

(i) a minimum of one percent (1%) of the Participant's Basic Compensation; and

(ii) a maximum of six percent (6%) of the Participant's Basic Compensation.

(b) If a Participant is resident in Canada, a Participant shall be permitted to contribute Participant Shares and Matching Shares to such Participant's RRSP Account or TFSA Account. The Participant is solely responsible for ensuring that contributions made to the Plan do not exceed the maximum dollar limit under the Income Tax Act (Canada) for contributions to registered retirement savings plans. For greater certainty, neither the Company nor any Subsidiary nor the Trustee shall be responsible for any taxes or penalties that result from a breach of the maximum dollar limit under the Income Tax Act (Canada).

(c) The Company or a Subsidiary, as agent of the Participant, shall make (or direct the Payroll Administrator to make) the payroll deductions required by the terms of the Plan and pay (or direct the Payroll Administrator to pay) the Participant's contribution to the Trustee in accordance with Section 4.1(e) below, and the Company, its Subsidiaries and each Payroll Administrator is authorized by the Participant to do so by such Participant's execution of an Election to Purchase Shares.

(d) The Participant may change his or her contribution level twice in any 12 month period by filing a form with the Company, substantially in the form as set forth in Appendix B hereto (or other applicable form as provided by the Trustee), indicating the change to the Company, at least 30 days prior to the applicable effective date of such change.

(e) On the last day Business Day of each month, the Company shall (or shall direct the Payroll Administrator to) forward all monies deducted from Participants by means of payroll deductions (as provided in Section 4.1 hereof), to the Trustee who shall hold such monies for the benefit of each of the Participants (subject to the provisions of Section 7 hereof). The Trustee shall maintain a separate Account or Accounts for each Participant to which shall be credited all of such Participant's contributions.

4.2 Corporate Contribution. On the last Business Day of each month, the Company will either (1) forward monies equal to fifty (50%) of the Participant's contributions such that the Trustee may acquire Matching Shares equal to fifty (50%) of the aggregate number of Participant Shares purchased by the Trustee on behalf of the Participants for such month as set out in Section 6 herein, or (2) issue to the Trustee that number of Matching Shares equal to fifty (50%) of the aggregate number of Participant Shares purchased by the Trustee on behalf of the Participants for such month. All Matching Shares so issued or purchased shall be immediately released and transferred to the Participant's Cash Account, RRSP Account, or TFSA Account, as directed by the Participant, for the benefit of the Participant.

4.3 Tax Treatment of Contributions. The tax ramifications for Participants participating in the Plan will depend on a number of factors, including whether or not a Participant elects to purchase Shares pursuant to the Plan in an RRSP, TFSA, 401K, or other Account. Participants should note that income tax laws are subject to change and such changes may affect the tax treatment of the Plan and the Participant's individual tax treatment. Participants should consult their tax advisors to determine their individual tax treatment in connection with their participation in the Plan. The Corporation will withhold appropriate income taxes and other required withholdings on the basis of each Participant's actual salary.

4.4 Costs and Expenses. The Company or its Subsidiaries shall pay all administration expenses in connection with the operation of the Plan, including, without limitation, all commissions for purchases of Shares. Commissions, taxes and all governmental or other charges in connection with sales, as well as all charges for or associated with any transfers, withdrawals or personal administrative requests, are payable by the Participant who orders the transaction for his or her Account.

5. DIVIDEND AND INTEREST PAYMENTS AND VOTING RIGHTS

5.1 Dividends and Interest. Dividends on Shares will be allocated to the appropriate Accounts by the Trustee upon receipt of such amounts by the Trustee. Cash dividends are reinvested in the Shares as soon as possible subject to available trading volumes. Contributions are withheld by the Trustee without interest or benefit accruing to the Participant.

5.2 Reports and Voting. The Trustee will deliver to each Participant, as promptly as practicable, by mail or otherwise, all notices of meetings, proxy statements and other material distributed by the Company to its shareholders. There is no charge to the Participants for the Trustee's retention of share certificates, or in connection with the notices, proxies or other such material. The full Shares in each Participant's Account shall be voted in accordance with such Participant's signed proxy instructions duly delivered. In the absence of such instructions, the Shares will not be voted. In the alternative, the Trustee may sign a proxy granting a Participant a right to vote, on behalf of the Trustee, the Shares held by the Trustee in the Participant's Account.

6. PURCHASE OF SHARES

6.1 Purchase of Participant Shares. On the last Business Day of each month, the Trustee shall pool all contributions received from the Participants and the Company during such month and shall forthwith, at the written direction of the Company, either:

(a) subscribe for and purchase from the Company such number of Participant Shares, at the Purchase Price, that those contributions can buy; or

(b) purchase through a stock broker on the open market through the facilities of the Exchange such number of Participant Shares, at the price on the open market, that those contributions can buy; provided that if such purchase cannot be completed within fifteen (15) days, then the Trustee shall purchase the Participant Shares from the Company as provided for in Section 6.1(a) hereof.

Such direction by the Company to the Trustee shall be and remain effective until the Company provides a subsequent direction to the Trustee. The Company shall pay all brokers' commissions, or similar fees, incurred in connection with any purchases of Shares by the Trustee. The Company shall have no control over the timing or price of Participant Shares purchased on the open market in accordance with Section 6.1(b).

6.2 Issuance of Matching Shares. On the last Business Day of each month, if applicable, the Company shall issue to the Trustee such number of Matching Shares equal to fifty (50%) of the aggregate number of Participant Shares purchased by the Trustee pursuant to Section 6.1 above.

6.3 Share Certificates. Certificates or an applicable book entry representing the Shares purchased, issued or otherwise received by the Trustee pursuant to the Plan shall be registered in the name of the Trustee and shall be held by the Trustee for the benefit of the Company and the Participants in accordance with the terms of this Plan.

6.4 Crediting of Shares to Accounts. The monthly aggregate number of Shares purchased by the Trustee with the contributions made by the Participants shall be allocated by the Trustee to each Account of the Participants, in proportion to the contributions made by or on behalf of the Participant. If applicable, the monthly aggregate number of Matching Shares issued by the Company to the Trustee shall be allocated by the Trustee to each Account of the Participants, as being attributable to the Participant in respect to whom such Matching Shares were issued. Allocations of fractional shares shall be permitted.

Stock dividends, stock splits, or both, as applicable, in respect of Shares that are held in the Participant's Account will be credited to the Account without charge. Distributions of other securities (except pursuant to a merger, consolidation or other reorganization of the Company) and rights to subscribe may be sold and the proceeds will be handled in the same manner as a cash dividend.

7. VESTING OF CONTRIBUTIONS

7.1 Participant Shares. All Participant Shares, Participant Assets, Matching Shares and Matching Assets shall be fully vested immediately upon receipt of such Shares or assets, as applicable, by the Trustee.

7.2 Rights of Matching Shares The Matching Shares shall have the same rights (including, without limitation, voting, dividend or liquidation rights) as the Company's common shares and shall be eligible for inclusion in an RRSP or TFSA.

7.3 Termination of Service. On the termination of the Participant's Service for any reason: (i) the Participant Shares and Participant Assets, and (ii) any and all Matching Shares and Matching Assets, shall be dealt with as provided in Section 9.

8. WITHDRAWALS, TRANSFERS, SALES AND SUSPENSIONS

8.1 Withdrawal, Transfer or Sale. At the end of any month and subject to prior express notice to the Company and the Trustee (such notice being in a form as determined by the Company and the Trustee), a Participant may withdraw, transfer or sell up to 100% of the Shares in such Participant's Account; provided that during the previous twelve (12) calendar months such Participant has not made more than one other withdrawal, transfer or sale from the Plan. After obtaining approval from the Company for such withdrawal, transfer or sale, the Trustee shall satisfy such withdrawal, transfer or sale request by: (i) in the case of a withdrawal or transfer request, delivering all Shares (other than fractional Shares) requested to be withdrawn or transferred by the Participant, held in the Participant's Account, to the Participant or such third party as designated by the Participant, and (ii) in the case of a sale, by selling all Shares (other than fractional Shares) requested to be sold by the Participant, held in the Participant's Account, and distribute the cash proceeds to the Participant, less any commissions or fees, as applicable, provided that any such sale of Shares is in accordance with Section 14.2. No withdrawal or transfer of any cash amount in a Participant's Account shall be permitted as part of a withdrawal or transfer of Shares from such Account pursuant to the provisions of this Section 8.1. The value of any fractional Shares requested to be withdrawn, transferred or sold shall be converted to cash by the Trustee and allocated to such Participant's Account for payment to such Participant.

If a Participant makes two withdrawals, transfers or sales from the Plan in any twelve (12) month period pursuant to the provisions of Section 8.1 hereof, then such Participant shall be prohibited from making further contributions to, or withdrawals, transfers or sales from, the Plan (other than a withdrawal, transfer or sale of the remaining assets in such Participant's Account upon termination of such Participant's membership in the Plan as set forth in Section 10 hereof) until the first Business Day of the month following the first anniversary of such second withdrawal, transfer or sale. The form to be used by a Participant for the withdrawal, transfer or sale of Shares shall be substantially in the form as set forth in Appendix C hereto, which shall indicate, among other things, the number of Shares such Participant wishes to withdraw, transfer or sell and, in the case of a withdrawal or transfer, the particulars relating to the registration of the Shares that are to be delivered, if any.

Notwithstanding the foregoing, the Company, in its sole discretion, has the right to vary or amend the number of withdrawals, transfers or sales permitted by any Participant in accordance with this Section 8.1 based on extenuating circumstances or compassionate grounds. Such variance or amendment shall only apply to the Participant in question.

8.2 Suspension of Contributions. A Participant may elect at any time to suspend contributions to the Plan by giving at least thirty (30) days prior express written notice to the Company to that effect. During such period of suspension, the rights and obligations of such Participant, the Company and its Subsidiaries, and the Trustee shall remain in full force and effect. A Participant who has suspended contributions under this Section 8.2 may resume contributions to the Plan on a subsequent date by express written notice to the Company to that effect at least thirty (30) days prior to such date. The form to be used by a Participant for such a suspension shall be substantially in the form as set forth in Appendix D hereto. The form to be used by a Participant to resume contributions to the Plan shall be substantially in the form as set forth in Appendix E hereto.

9. DISTRIBUTION ON RETIREMENT, TERMINATION OF EMPLOYMENT OR DEATH

9.1 Termination of Employment or Retirement of Participant. A Participant whose Service is terminated for any reason other than death, or a Participant who retires, must withdraw or otherwise transfer all of the Participant Shares, Participant Assets, Matching Shares and Matching Assets in the Participant's Account within ninety (90) days of such termination of Service (for greater certainty, the number of Matching Shares to be released to the Participant under this Section 9.1 shall be determined as of the date the actual notice of termination of Service is given by the Corporation to the Participant without reference to any "notice period" or "severance period" or any other period after the date that actual notice of termination of Service is given) or retirement. In the absence of specific instructions as to the method of distribution or transfer within the said ninety (90) day period, Participant shall be deemed to have elected to request that:

(a) such Shares in the non-registered component of his or her Cash Account be transferred to an account in his or her name administered by the Trustee (ongoing administration costs being borne by the Participant); and

(b) if the Participant's Shares are held in his or her RRSP Account, such Shares be transferred to a registered retirement savings plan of the former Participant under a group plan trusteed by the Trustee (ongoing RRSP administration costs being borne by the Participant); and

(c) if the Participant's Shares are held in his or her TFSA Account, request such Shares and be transferred to a TFSA of the former Participant under a group plan trusteed by the Trustee (ongoing TFSA administration costs being borne by the Participant).

9.2 Death of Participant. Following the death of a Participant, the Shares and other assets in such Participant's Account will be distributed by the Trustee to such Participant's estate or Account beneficiary, if any. The distribution shall be made by the Trustee in accordance with the written instructions of the legal representative of the Participant's estate (provided that the Trustee has been provided with all relevant supporting documentation that it customarily requires) or by the Account beneficiary by:

(a) the delivery of all Shares (other than any fractional Shares) and any cash held in the Participant's Account;

(b) the distribution of cash realized from the sale of such Shares by the Trustee;

(c) a transfer to another registered retirement savings plan, if permitted by law; or

(d) a combination thereof.

The value of any fractional Shares shall be distributed in cash in an amount equal to the fraction multiplied by the Market Price on the Business Day prior to the date of payment. If the legal representative of the Participant's estate or Account beneficiary fails to make an election within ninety (90) days of the Participant's death, then the Trustee shall make delivery in accordance with the provisions set forth in Section 9.2(a) above.

9.3 Notifications to Trustee. The Company shall notify the Trustee in writing upon the Retirement, termination of employment or death of a Participant.

10. DISTRIBUTION OF BENEFITS ON TERMINATION OF MEMBERSHIP

10.1 Cancellation of Participation. A Participant may cancel his or her Election to Purchase Shares at any time by express notice of cancellation delivered to and receipted for by the Company and the Trustee (such notice being in a form as determined by the Company and the Trustee). Upon receipt of such notice of cancellation, the Trustee shall return to the Participant the appropriate portion of the Participant's Account in the manner set out in Section 9.1 hereof. Payment thereof shall constitute a discharge of the Company's and its Subsidiaries' obligations to the Participant under the Plan. If a Participant cancels his or her Election to Purchase Shares under the Plan, then the Participant shall not be entitled to rejoin or otherwise participate in such Plan until the first anniversary of such cancellation. The form to be used by a Participant to cancel his or her Election to Purchase Shares shall be substantially in the form as set forth in Appendix F hereto.

11. AMENDMENT OR TERMINATION OF PLAN

11.1 Amendment or Termination. The Company reserves the right to discontinue use of payroll deductions at any time such action is deemed advisable, in its sole discretion. The Plan may be amended, altered or discontinued by the Company at any time, subject to obtaining: (i) any necessary approval of any applicable regulatory authority including, without limitation, the Exchange if the Shares are listed on the Exchange or any other stock exchange or market on which the Shares are then listed or admitted to trading; and (ii) if required by the rules of the Exchange if the Shares are listed on the Exchange, the approval of the shareholders of the Company in accordance with the rules, regulations and policies of the Exchange at a duly constituted meeting of shareholders ("Shareholder Approval"). Notwithstanding the foregoing, the following amendments to the Plan may be made by the Board without Shareholder Approval:

(a) amendments of a technical, clerical or "housekeeping" nature, or to clarify any provision of the Plan, including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;

(b) suspension or termination of the Plan;

(c) amendments to respond to changes in legislation, regulations, instruments (including NI 45- 106), stock exchange rules (including the rules, regulations and policies of the Exchange) or accounting or auditing requirements;

(d) amendments respecting administration of the Plan;

(e) any amendment to the definition of "Employee";

(f) any amendment to the definition of "Subsidiary";

(g) changes to the vesting provisions for any outstanding Matching Shares;

(h) amendments to the Participant contribution provisions of the Plan;

(i) amendments to the withdrawal and suspension provisions of the Plan;

(j) amendments to the number or percentage of Matching Shares contributed by the Company;

(k) amendments to the termination provisions of the Plan;

(l) adjustments to reflect stock dividends, stock splits, reverse stock splits, share combinations or other alterations of the capital stock of the Company; and

(m) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the Exchange).

Shareholder Approval will be required for the following types of amendments:

(i) amendments to the number of Shares issuable under the Plan, including an increase to the fixed maximum number of Shares or a change from a fixed maximum number of Shares to a fixed maximum percentage; and

(ii) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Exchange).

In the event of any conflict between subsections (a) to (m) and subsections (i) to (ii), above, the latter shall prevail to the extent of any conflict.

In the event of any amendment or termination of the Plan in accordance with this Section 11, such amendment or termination will not result in the forfeiture of any funds deducted from the Basic Compensation of any Participant, or any dividends or other distributions in respect of the Participant Shares, effective before the effective date of amendment or termination of the Plan. In the event of any termination, each Participant shall be entitled to 100% of the Participant Shares, Participant Assets, Matching Shares and Matching Assets in the Participant's Account as of the date of such termination, which shall be distributed to each Participant within ninety (90) days following termination of the Plan.

12. TRUSTEE

12.1 The Company shall designate the Trustee to open and maintain Accounts for the benefit of the Participants and to arrange for purchases of the Participant Shares and receipt of the Matching Shares. The Company may, in its discretion, substitute another corporation as Trustee under the Plan and the Trustee may terminate its services, provided such substitution or termination, as the case may be, shall be on ninety (90) days notice given by the party effecting the action.

12.2 The Trustee is authorized and directed by the Company and the Participants to purchase Participant Shares and receive Matching Shares, provided that the Trustee has been provided with the contributions and necessary payroll information. The Trustee agrees to make such purchases of Participant Shares as soon as such contributions are received, and if such Participant Shares are being purchased on the open market subject to the trading volume of the Shares. Participant Shares shall be allocated absolutely, and Matching Shares shall be allocated subject to the terms and provisions of the Plan (including without limitation Section 7.2 hereof) by the Trustee to such Participant's Account.

12.3 The Trustee shall maintain an Account for each Participant showing a record of the assets held in each such Participant's Account under the Plan, and the interest accrued thereon, if any. The Trustee shall furnish to the Participants a summary by way of a password-protected web-page containing the following information:

(a) the total amount of the contributions made by such Participant; and

(b) the number of Shares in such Participant's Account.

Each such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary shall have been received by the Trustee within three (3) months of the date of such statement.

12.4 The Trustee shall be protected in acting and relying upon any written notice, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document (collectively referred to as the "Documents") furnished to it and signed by any person required to or entitled to execute and deliver to the Trustee any such Documents in connection with any action or omission of the Trustee hereunder, not only as to its due execution and the validity and effectiveness of the Documents' provisions, but also as to the truth and accuracy of any information therein contained, which the Trustee in good faith believes to be genuine.

12.5 No amendment, change or modification to the Plan shall be made which will, without the Trustee's consent, alter the duties of the Trustee under the Plan.

13. ADMINISTRATION

13.1 The Trustee shall act on behalf of the Company and its Subsidiaries in the day-to-day administration of the Plan.

13.2 Subject to the provisions of the Plan, the Company shall be authorized to interpret the Plan and to establish, amend and rescind any rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. The Company may correct any defect, supply any omission and reconcile any inconsistency in the Plan and, to the extent it shall be deemed desirable by the Company, to carry it into effect. The determinations of the Company in the administration of the Plan, as described herein, shall be final and conclusive. The Company shall provide the Trustee with written notice of any amendments or changes to the Plan as described herein.

14. MARKET FLUCTUATION AND SELLING OF SHARES

14.1 **THERE IS NO GUARANTEE UNDER THE PLAN AGAINST LOSS OF VALUE OF THE SHARES. IN SEEKING THE BENEFITS OF PARTICIPATION IN THE PLAN, AN EMPLOYEE MUST ACCEPT THE RISK OF A DECLINE IN THE MARKET PRICE OF THE SHARES AND THE TOTAL LOSS OF HIS OR HER INVESTMENT IN THE SHARES.** Neither the Company nor its Subsidiaries nor the Trustee will bear any responsibility for any loss that may occur as a result of such market fluctuation or otherwise. Neither the Company nor its Subsidiaries nor the Trustee makes any representation or warranty that the Shares are suitable investments for any particular eligible Employee. Subject to Section 6, any purchase or sale of the Shares or any other security by the Trustee provided for in this Plan may be at such price or prices and at such time or times for the purchase or sale of such Shares or securities, as are readily available on the Exchange. Subject to Section 6, neither the Trustee nor the Company nor its Subsidiaries shall be liable for the failure to purchase or sell the Shares or any other securities at any particular price, time or at all.

14.2 Issuance and Selling of Shares . No Shares issued to the Participant, or on behalf of the Participant, may be sold by the Participant, or on behalf of the Participant, unless such sale is in accordance with all applicable securities laws and the Company's insider trading policy in effect from time to time. Accordingly, the Trustee shall obtain the approval of the Company for each sale by or on behalf of a Participant to ensure compliance with all applicable securities laws and the Company's insider trading policy.

15. MISCELLANEOUS PROVISIONS

15.1 The fiscal year of the Plan shall coincide with the Company's fiscal year end.

15.2 Subject to Section 12.5, the Company reserves the right, at any time, to make rules regarding the interpretation, implementation and organization of the Plan, to prescribe, modify, amend or rescind the provisions of this Plan or to suspend this Plan; provided that no prescription, modification, amendment, rescission or suspension shall deprive a Participant of benefits vested in the Participant under the Plan or divert the use of the funds in the Accounts for purposes other than the exclusive benefit of the Participants.

15.3 Participants shall provide to the Company, its Subsidiaries and the Trustee any information that might be required of them in the administration of this Plan.

15.4 Neither this Plan nor any Trustee agreement entered into between the Company and the Trustee pursuant to this Plan shall give any Employee the right to be employed, or to continue to be employed, by the Company or any of its Subsidiaries.

15.5 No right or interest of any Participant in or under this Plan shall be subject to assignment, sale, transfer, pledge, encumbrance or charge, in whole or in part, either directly or by operation of law or otherwise in any manner otherwise than by death or mental incompetency, and shall be exercisable, during the Participant's lifetime, only by the Participant. No attempted assignment, sale, transfer, pledge, encumbrance or charge thereof shall be effective and any attempt to do so shall be void. Any attempt to violate the provisions of this Section 15.5 shall be deemed a decision by the Participant to terminate participation in this Plan whereupon all of the Employee's contributions credited to a violating Participant's Account shall be immediately refunded to the Participant and the Participant shall no longer be considered a participant in the Plan. The Company shall notify the Trustee in writing of the need for such a refund.

15.6 No Participant or any other person shall have any right in or to any part of the corpus or income of the Accounts of the Plan, or any part of the assets thereof (including, without limitation, the assignment of any part of the Plan as a pledge or collateral for any loan or debt), except as and when and to the extent expressly provided by the Plan.

15.7 Participation in the Plan will not give any Participant any right or claim to any payment except as such payment is provided for under the provisions of the Plan and only to the extent that assets are available in the hands of the Trustee for the making of such payment and to the extent provided for in the Plan.

15.8 Any act or matter to be taken or decided by the Company under the Plan may be taken by or decided by the Board of Directors or the Company unless otherwise expressly set forth in this Plan.

15.9 The laws of the Province of British Columbia shall apply to this Plan, any amendments thereto, and the administration thereof, and all rights and obligations thereunder shall be determined in accordance with such laws and according to such Province.

15.10 Any purchase, sale or offering of Shares under the Plan shall be made on the express condition that an application to purchase Shares may not be made, nor may the purchase of any Shares thereunder be effected, under circumstances which would constitute a violation of any applicable securities or other law or regulation or any listing requirement, by-law or regulation of the Exchange or any other stock exchange on which the Shares are listed. The operation of the Plan may be suspended at any time, in the discretion of the Company, if necessary to ensure compliance with any applicable securities or other law or regulation or any listing requirement, by-law or regulation of the Exchange or any other stock exchange on which the Shares are listed or proposed to be listed. The Shares under the Plan may not be offered, sold, transferred, pledged hypothecated or otherwise assigned in the United States or any other jurisdiction unless pursuant to an available exemption under applicable securities laws. The Shares under the Plan have not been registered under the United States Securities Act of 1933, as amended, nor qualified under or pursuant to the securities or "Blue Sky" laws of any state. The Company's obligation to issue and deliver Shares is subject to the availability, on terms and conditions reasonably satisfactory to the Company, of an exemption from prospectus and registration requirements in respect of the issuance, sale and delivery of such Shares under applicable securities and "Blue Sky" laws.

15.11 The Plan is effective beginning on the Commencement Date and will terminate on the Expiry Date.

15.12 Nothing contained in this Plan shall restrict or limit or be deemed to restrict or limit the rights or power of the Board of Directors in connection with any allotment and issuance of any securities of the Company.

15.13 Any word contained herein importing gender shall include the masculine and feminine and neuter. All references in this Plan to the words “herein”, “hereby”, “hereto”, “hereof”, and words of similar import refer to this Plan as a whole and not to any particular Section, schedule or appendix unless otherwise stated or the context otherwise requires.

ADOPTED as of October 1, 2008, as amended November 6, 2008, October 22, 2009, September 10, 2015, November 2, 2015 and October 22, 2018.

COUNTERPATH CORPORATION

By: */s/ David Karp*
Name: David Karp
Title: Interim Chief Executive Officer

Appendix A – Form of Election to Purchase Shares
Employee Share Purchase Plan
effective _____, 2008

To: **COUNTERPATH CORPORATION** (the "Company")
Attention: Trustee, Employee Share Purchase Plan

The undersigned employee acknowledges that he/she has been advised by the Company of the Company's employee share purchase plan (the "Plan") that the undersigned is eligible to participate in the Plan and that the undersigned has received a copy of the Plan and has read and understands the terms of the Plan.

The undersigned irrevocably accepts the terms, conditions and forms of the Plan and hereby elects to participate in the Plan and hereby directs and authorizes the Company to deduct from the undersigned's salary, by way of payroll deduction on each Pay Period, the amount (the "Employee Contribution") of _____% of the undersigned's Participant's Basic Compensation (minimum of 1% of the undersigned's Participant's Basic Compensation, maximum 6% of the undersigned's Participant's Basic Compensation, in whole percentages only). The Employee Contribution shall be used by the Trustee to purchase common shares ("Shares") in the capital of the Company in accordance with the terms and subject to the conditions of the Plan.

The undersigned hereby authorizes and directs the Trustee to purchase Shares on behalf of the undersigned in accordance with the terms of the Plan, and directs that the Shares be allocated by the Trustee to the Participant's Account. In consideration of the Company establishing the Plan, the undersigned hereby irrevocably directs and authorizes the Trustee to carry out and perform the trusts created by the Plan and to hold the Shares purchased by the Trustee on behalf of the undersigned in accordance with the terms of the Plan and all of the rights, privileges and benefits conferred by the Plan for the benefit of the undersigned, on the terms and subject to the conditions contained in the Plan.

In case of the undersigned's death, the undersigned hereby designates that all assets then contained in the undersigned's Account shall be distributed to _____ as my beneficiary for such assets. The name of the trustee, if any, in the event such beneficiary is a minor child is _____.

Whenever used herein, any words or terms not otherwise defined in this Election to Purchase Shares, but defined in the Plan, shall have the meanings ascribed thereto in the Plan.

DATED as of the _____day of _____, 20_____.

_____
(Witness)

_____
(Signature of Employee)

_____
(Please Print Name)

_____
(Please Print Address)

Appendix B – Form of Instrument Changing Employee Contribution Level
Employee Share Purchase Plan
effective _____, 2008

To: **COUNTERPATH CORPORATION** (the "Company")
Attention: Trustee, Employee Share Purchase Plan

The undersigned employee hereby gives notice to, and directs, the Company to change the undersigned's contribution to the Company's employee share purchase plan (the "Plan") to _____% of the undersigned's Participant's Basic Compensation (minimum of 1% of the undersigned's Participant's Basic Compensation, maximum 6% of the undersigned's Participant's Basic Compensation, in whole percentages only), to be calculated accordingly and deducted per Pay Period pursuant to the terms of such Plan.

Whenever used herein, any words or terms not otherwise defined in this Instrument Changing Employee Contribution Level, but defined in the Plan, shall have the meanings ascribed thereto in the Plan.

DATED as of the _____day of _____, 20_____.

(Witness)	(Signature of Employee)
(Account Number)	(Please Print Name)
	(Please Print Address)

Appendix C – Form of Withdrawal, Transfer or Sale of Shares
Employee Share Purchase Plan
effective _____, 2008

To: **COUNTERPATH CORPORATION** (the "Company"),
Attention: Trustee, Employee Share Purchase Plan

In connection with the Company's employee share purchase plan (the "Plan") and pursuant to the terms of the Plan, the undersigned employee hereby requests to:

[ ] (1) withdraw Shares from the undersigned's account and register such Shares in the undersigned's name and delivered to the undersigned's address below;

[ ] (2) transfer Shares from the undersigned's account to , registered as follows ;

[ ] (3) sell Shares from the undersigned's account and forward the proceeds (net of fees, commissions and withholding taxes) to the undersigned by cheque at the address below;

[ ] (4) sell Shares from the undersigned's account and transfer the proceeds (net of fees and commissions) to another RRSP Account or TFSA Account as set out below; and

[ ] (5) transfer Shares from the undersigned's account to another RRSP Account or TFSA Account as set out below.

For requests to transfer Shares or cash to another financial institution:

Institution Name: _____

Institution Address: _____

Contact Name: _____

Contact Phone Number: _____

CUID: _____

RRSP/TFSA Account Details:

Account Number: _____

In the past 12 months, this withdrawal, transfer or sale is my:

First

Second (I understand that I am restricted from making further contributions to, or withdrawals, transfers or sales from, the Plan for a period of 12 months from the date of this withdrawal, transfer or sale)

Third (I understand that I must terminate my membership in the Plan with this withdrawal, transfer or sale)

Whenever used herein, any words or terms not otherwise defined in this Withdrawal, Transfer or Sale of Shares, but defined in the Plan, shall have the meanings ascribed thereto in the Plan.

DATED as of the _____day of _____, 20_____.

(Witness)	(Signature of Employee)
(Account Number)	(Please Print Name)
	(Please Print Address)

The Company hereby authorizes the above withdrawal, transfer or sale by the Trustee.

COUNTERPATH CORPORATION

Per: _____
Name: _____
Title: _____

Appendix D – Form of Instrument Suspending Contributions
Employee Share Purchase Plan
effective _____, 2008

To: **COUNTERPATH CORPORATION** (the "Company")
Attention: Trustee, Employee Share Purchase Plan (the "Plan")

The undersigned employee hereby elects to suspend the undersigned's contributions to the Plan until further notice, pursuant to the terms of the Plan.

DATED as of the _____day of _____, 20_____.

(Witness)	(Signature of Employee)
(Account Number)	(Please Print Name)
	(Please Print Address)

Appendix E – Form of Instrument Resuming Contributions
Employee Share Purchase Plan
effective _____, 2008

To: **COUNTERPATH CORPORATION** (the "Company")
Attention: Trustee, Employee Share Purchase Plan (the "Plan")

The undersigned employee hereby requests to resume the undersigned's contribution to the Company's employee share purchase plan (the "Plan") in an the amount of _____ % of the undersigned's Participant's Basic Compensation (minimum of 1% of the undersigned's Participant's Basic Compensation, maximum 6% of the undersigned's Participant's Basic Compensation, in whole percentages only), pursuant to the Plan.

Whenever used herein, any words or terms not otherwise defined in this Instrument Resuming Contributions, but defined in the Plan, shall have the meanings ascribed thereto in the Plan.

DATED as of the _____day of _____, 20_____.

(Witness)	(Signature of Employee)
(Account Number)	(Please Print Name)
	(Please Print Address)

Appendix F – Form of Instrument Cancelling Participation
Employee Share Purchase Plan
effective _____, 2008

To: **COUNTERPATH CORPORATION** (the "Company")
Attention: Trustee, Employee Share Purchase Plan (the "Plan")

The undersigned employee hereby gives notice to, and directs, the Company to cancel the undersigned's Election to Purchase Shares and the undersigned's participation in the Plan, pursuant to the terms of the Plan.

The undersigned hereby directs the Company and the Trustee to forward the assets in my account to which I am entitled pursuant to the terms of the Plan as follows:

[ ] (1) Please forward a share certificate to me, registered in my name as set forth below, for all of the Shares in my Account to which I am entitled. I understand that any fractional shares in my account will be converted to cash and forwarded to me, with any cash in my account, by cheque.

[ ] (2) Please transfer all of the Shares in my account to which I am entitled to , at the following address, registered as follows . I understand that any fractional shares in my account will be converted to cash and forwarded to me, with any cash in my account, by cheque.

[ ] (3) Please sell all of the Shares in my account to which I am entitled and forward the proceeds (net of fees and commissions) to me by cheque.

DATED as of the _____ day of _____, 20_____.

(Witness)	(Signature of Employee)
(Account Number)	(Please Print Name)
	(Please Print Address)

COUNTERPATH CORPORATION

AMENDED 2010 STOCK OPTION PLAN

This 2010 Stock Option Plan (the "Plan") provides for the grant of options to acquire shares of common stock, no par value (the "Common Stock"), of CounterPath Corporation, a Nevada company (the "Company"). For the purposes of Eligible Employees (as defined below) who are subject to tax in the United States, stock options granted under this Plan that qualify under Section 422 of the United States Internal Revenue Code of 1986, as amended (the "Code"), are referred to in this Plan as "Incentive Stock Options". Incentive Stock Options and stock options that do not qualify under Section 422 of the Code ("Non-Qualified Stock Options") and stock options granted to non-United States residents under this Plan are referred to collectively as "Options".

1. PURPOSE

1.1 The purpose of this Plan is to retain the services of valued key employees and consultants of the Company and such other persons as the Plan Administrator shall select in accordance with Section 3 below, and to encourage such persons to acquire a greater proprietary interest in the Company, thereby strengthening their incentive to achieve the objectives of the shareholders of the Company, and to serve as an aid and inducement in the hiring of new employees and to provide an equity incentive to consultants and other persons selected by the Plan Administrator.

1.2 This Plan shall at all times be subject to all legal requirements relating to the administration of stock option plans, if any, under applicable Canadian federal and provincial, and United States federal and state securities laws, the Code, the rules of any applicable stock exchange or stock quotation system, and the rules of any foreign jurisdiction applicable to Options granted to residents therein (collectively, the "Applicable Laws").

2. ADMINISTRATION

2.1 This Plan shall be administered initially by the Board of Directors of the Company (the "Board"), except that the Board may, in its discretion, establish a committee composed of two (2) or more members of the Board to administer the Plan, which committee (the "Committee") may be an executive, compensation or other committee, including a separate committee especially created for this purpose. The Board or, if applicable, the Committee is referred to herein as the "Plan Administrator".

2.2 If and so long as the Common Stock is registered under Section 12(b) or 12(g) of the United States *Securities Exchange Act* of 1934, as amended (the "Exchange Act"), the Board shall consider in selecting the Plan Administrator and the membership of any Committee, with respect to any persons subject or likely to become subject to Section 16 of the Exchange Act, the provisions regarding (a) "outside directors" as contemplated by Section 162(m) of the Code, and (b) "Non-Employee Directors" as contemplated by Rule 16b-3 under the Exchange Act.

2.3 The Committee shall have the powers and authority vested in the Board hereunder (including the power and authority to interpret any provision of the Plan or of any Option). The members of any such Committee shall serve at the pleasure of the Board. A majority of the members of the Committee shall constitute a quorum, and all actions of the Committee shall be taken by a majority of the members present. Any action may be taken by a written instrument signed by all of the members of the Committee and any action so taken shall be fully effective as if it had been taken at a meeting.

2.4 The Board may at any time amend, suspend or terminate the Plan, subject to such shareholder approval as may be required by Applicable Laws, including the rules of an applicable stock exchange or other national market system, provided that:

(a) no Options may be granted during any suspension of the Plan or after termination of the Plan; and

(b) any amendment, suspension or termination of the Plan will not affect Options already granted, and such Options will remain in full force and affect as if the Plan had not been amended, suspended or terminated, unless mutually agreed otherwise between the Optionee (as defined below) and the Plan Administrator, which agreement will have to be in writing and signed by the Optionee and the Company.

2.5 Subject to the provisions of this Plan, and with a view to effecting its purpose, the Plan Administrator shall have sole authority, in its absolute discretion, to:

(a) construe and interpret this Plan;

(b) define the terms used in the Plan;

(c) prescribe, amend and rescind the rules and regulations relating to this Plan;

(d) correct any defect, supply any omission or reconcile any inconsistency in this Plan;

(e) grant Options under this Plan;

(f) determine the individuals to whom Options shall be granted under this Plan and whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option, or otherwise;

(g) determine the time or times at which Options shall be granted under this Plan;

(h) determine the number of shares of Common Stock subject to each Option, the exercise price of each Option, the duration of each Option and the times at which each Option shall become exercisable;

(i) determine all other terms and conditions of the Options; and

(j) make all other determinations and interpretations necessary and advisable for the administration of the Plan.

2.6 All decisions, determinations and interpretations made by the Plan Administrator shall be binding and conclusive on all participants in the Plan and on their legal representatives, heirs and beneficiaries, subject to any contrary determination by the Board.

3. ELIGIBILITY

3.1 Incentive Stock Options may be granted to any individual who, at the time the Option is granted, is an employee of the Company or any Related Company (as defined below) ("Eligible Employees") subject to tax in the United States.

3.2 Non-Qualified Stock Options may be granted to Eligible Employees, Consultants, and to such other persons who are not Eligible Employees as the Plan Administrator shall select, subject to any Applicable Laws.

3.3 Options may be granted in substitution for outstanding options of another company in connection with the merger, consolidation, acquisition of property or stock or other reorganization between such other company and the Company or any subsidiary of the Company. Options also may be granted in exchange for outstanding Options.

3.4 Unless otherwise approved by the Plan Administrator and Disinterested Shareholders (as such term is defined in Applicable Laws), no person shall be eligible to receive in any fiscal year Options to purchase more than 5% of the outstanding shares of Common Stock (subject to adjustment as set forth in Section 5.1(m) hereof). Any person to whom an Option is granted under this Plan is referred to as an "Optionee". Any person who is the owner of an Option is referred to as a "Holder".

3.5 As used in this Plan, the term "Related Company" shall mean any company (other than the Company) that is a "Parent Company" of the Company or "Subsidiary Company" of the Company, as those terms are defined in Sections 424(e) and 424(f), respectively, of the Code (or any successor provisions) and the regulations thereunder (as amended from time to time).

4. STOCK

4.1 The maximum number of shares of Common Stock issuable under the Plan is 1,186,000. The number of shares with respect to which Options may be granted hereunder is subject to adjustment as set forth in Section 5.1(m) hereof. In the event that any outstanding Option expires or is terminated for any reason, the shares of Common Stock allocable to the unexercised portion of such Option may again be subject to an Option granted to the same Optionee or to a different person eligible under Section 3 of this Plan; provided however, that any cancelled Options will be counted against the maximum number of shares with respect to which Options may be granted to any particular person as set forth in Section 3 hereof.

5. TERMS AND CONDITIONS OF OPTIONS

5.1 Each Option granted under this Plan shall be evidenced by a written agreement approved by the Plan Administrator (the "Agreement"). Agreements may contain such provisions, not inconsistent with this Plan, as the Plan Administrator in its discretion may deem advisable. All Options also shall comply with the following requirements:

(a) Number of Shares and Type of Option

Each Agreement shall state the number of shares of Common Stock to which it pertains and, for Optionees subject to tax in the United States, whether the Option is intended to be an Incentive Stock Option or a Non-Qualified Stock Option, *provided that:*

(i) in the absence of action to the contrary by the Plan Administrator in connection with the grant of an Option, all Options shall be Non-Qualified Stock Options;

(ii) the aggregate fair market value (determined at the Date of Grant, as defined below) of the stock with respect to which Incentive Stock Options are exercisable for the first time by an Optionee subject to tax in the United States during any calendar year (granted under this Plan and all other Incentive Stock Option plans of the Company, a Related Company or a predecessor company) shall not exceed U.S.$100,000, or such other limit as may be prescribed by the Code as it may be amended from time to time (the "Annual Limit"); and

(iii) any portion of an Option which exceeds the Annual Limit shall not be void but rather shall be a Non-Qualified Stock Option.

(b) Date of Grant

Each Agreement shall state the date the Plan Administrator has deemed to be the effective date of the Option for purposes of this Plan (the "Date of Grant").

(c) Option Price

Each Agreement shall state the price per share of Common Stock at which it is exercisable. The Plan Administrator shall act in good faith to establish the exercise price in accordance with Applicable Laws; *provided that*:

(i) the per share exercise price for an Incentive Stock Option or any Option granted to a "covered employee" as such term is defined for purposes of Section 162(m) of the Code ("Covered Employee") shall not be less than the fair market value per share of the Common Stock at the Date of Grant as determined by the Plan Administrator in good faith;

(ii) with respect to Incentive Stock Options granted to greater-than-ten percent (>10%) shareholders of the Company (as determined with reference to Section 424(d) of the Code), the exercise price per share shall not be less than one hundred ten percent (110%) of the fair market value per share of the Common Stock at the Date of Grant as determined by the Plan Administrator in good faith;

(iii) Options granted in substitution for outstanding options of another company in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other company and the Company or any subsidiary of the Company may be granted with an exercise price equal to the exercise price for the substituted option of the other company, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur; and

(iv) with respect to Non-Qualified Stock Options, the exercise price per share shall be determined by the Plan Administrator at the time the Option is granted, but such price shall not be less than the closing trading price of the Common Stock on the OTCBB on the last trading day preceding the date on which the Option is granted (or if the Common Stock is not then listed and posted for trading on the OTCBB, on such other stock exchange on which the Common Shares are listed and posted for trading as may be selected by the Board of Directors). In the event that the Common Stock is not listed and posted for trading on any stock exchange or other quotation systems, the exercise price shall be the fair market value of the Common Stock as determined by the Plan Administrator.

(d) Duration of Options

At the time of the grant of the Option, the Plan Administrator shall designate, subject to paragraph 5.1(g) below, the expiration date of the Option, which date shall not be later than ten (10) years from the Date of Grant; *provided*, that: (a) the expiration date of any Incentive Stock Option granted to a greater-than-ten percent (>10%) shareholder of the Company (as determined with reference to Section 424(d) of the Code) shall not be later than five (5) years from the Date of Grant, and (b) if the expiration date falls on a date which is not a business day, then the expiration date shall be extended to the end of the next business day. In the absence of action to the contrary by the Plan Administrator in connection with the grant of a particular Option, and except in the case of Incentive Stock Options as described above, all Options granted under this Plan shall expire five (5) years from the Date of Grant.

(e) Vesting Schedule

No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Plan Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; *provided* that if no vesting schedule is specified at the time of grant, the Option shall vest as follows:

(i) on the first anniversary of the Date of Grant, the Option shall vest and shall become exercisable with respect to 25% of the Common Stock to which it pertains;

(ii) on the second anniversary of the Date of Grant, the Option shall vest and shall become exercisable with respect to an additional 25% of the Common Stock to which it pertains;

(iii) on the third anniversary of the Date of Grant, the Option shall vest and shall become exercisable with respect to an additional 25% of the Common Stock to which it pertains; and

(iv) on the fourth anniversary of the Date of Grant, the Option shall vest and shall become exercisable with respect to balance of the Common Stock to which it pertains.

The Plan Administrator may specify a vesting schedule for all or any portion of an Option based on the achievement of performance objectives established in advance of the commencement by the Optionee of services related to the achievement of the performance objectives. Performance objectives shall be expressed in terms of one or more of the following: return on equity, return on assets, share price, market share, sales, earnings per share, costs, net earnings, net worth, inventories, cash and cash equivalents, gross margin or the Company's performance relative to its internal business plan, or such other terms as determined and directed by the Board. Performance objectives may be in respect of the performance of the Company as a whole (whether on a consolidated or unconsolidated basis), a Related Company, or a subdivision, operating unit, product or product line of either of the foregoing. Performance objectives may be absolute or relative and may be expressed in terms of a progression or a range. An Option that is exercisable (in full or in part) upon the achievement of one or more performance objectives may be exercised only following written notice to the Optionee and the Company by the Plan Administrator that the performance objective has been achieved.

(f) Acceleration of Vesting

The vesting of one or more outstanding Options may be accelerated by the Plan Administrator at such times and in such amounts as it shall determine in its sole discretion. The vesting of Options also shall be accelerated under the circumstances described in Section 5.1(m) below.

(g) Term of Option

(i) Options that have vested as specified by the Plan Administrator or in accordance with this Plan, shall terminate, to the extent not previously exercised, upon the occurrence of the first of the following events:

A. the expiration of the Option, as designated by the Plan Administrator in accordance with Section 5.1(d) above;

B. the date of an Optionee's termination of employment or contractual relationship with the Company or any Related Company for cause (as determined in the sole discretion of the Plan Administrator);

C. the expiration of three (3) months from the date of an Optionee's termination of employment or contractual relationship with the Company or any Related Company for any reason whatsoever other than cause, death or Disability (as defined below); or

D. the expiration of one year (1) from termination of an Optionee's employment or contractual relationship by reason of death or Disability (as defined below).

(ii) Upon the death of an Optionee, any vested Options held by the Optionee shall be exercisable only by the person or persons to whom such Optionee's rights under such Option shall pass by the Optionee's will or by the laws of descent and distribution of the Optionee's domicile at the time of death and only until such Options terminate as provided above.

(iii) For purposes of the Plan, unless otherwise defined in the Agreement, "Disability" shall mean medically determinable physical or mental impairment which has lasted or can be expected to last for a continuous period of not less than six (6) months or that can be expected to result in death. The Plan Administrator shall determine whether an Optionee has incurred a Disability on the basis of medical evidence acceptable to the Plan Administrator. Upon making a determination of Disability, the Plan Administrator shall, for purposes of the Plan, determine the date of an Optionee's termination of employment or contractual relationship.

(iv) Unless accelerated in accordance with Section 5.1(f) above, unvested Options shall terminate immediately upon the Optionee resigning from or the Company terminating the Optionee's employment or contractual relationship with the Company or any Related Company for any reason whatsoever, including death or Disability.

(v) For purposes of this Plan, transfer of employment between or among the Company and/or any Related Company shall not be deemed to constitute a termination of employment with the Company or any Related Company. For purposes of this subsection, employment shall be deemed to continue while the Optionee is on military leave, sick leave or other *bona fide* leave of absence (as determined by the Plan Administrator). The foregoing notwithstanding, employment shall not be deemed to continue beyond the first ninety (90) days of such leave, unless the Optionee's re-employment rights are guaranteed by statute or by contract.

(h) Exercise of Options

(i) Options shall be exercisable, in full or in part, at any time after vesting, until termination. If less than all of the shares included in the vested portion of any Option are purchased, the remainder may be purchased at any subsequent time prior to the expiration of the Option term. No portion of any Option for less than fifty (50) shares (as adjusted pursuant to Section 5.1(m) below) may be exercised; *provided*, that if the vested portion of any Option is less than fifty (50) shares, it may be exercised with respect to all shares for which it is vested. Only whole shares may be issued pursuant to an Option, and to the extent that an Option covers less than one (1) share, it is unexercisable.

(ii) Options or portions thereof may be exercised by giving written notice to the Company, which notice shall specify the number of shares to be purchased, and be accompanied by payment in the amount of the aggregate exercise price for the Common Stock so purchased, which payment shall be in the form specified in Section 5.1(i) below. The Company shall not be obligated to issue, transfer or deliver a certificate of Common Stock to the Holder of any Option, until provision has been made by the Holder, to the satisfaction of the Company, for the payment of the aggregate exercise price for all shares for which the Option shall have been exercised and for satisfaction of any tax withholding obligations associated with such exercise.

(iii) During the lifetime of an Optionee, Options are exercisable only by the Optionee or in the case of a Non-Qualified Stock Option, transferee who takes title to such Option in the manner permitted by subsection 5.1(k) hereof.

(i) Payment upon Exercise of Option

Upon the exercise of any Option, the aggregate exercise price shall be paid to the Company in cash or by certified or cashier's check. In addition, if pre-approved in writing by the Plan Administrator who may arbitrarily withhold consent, the Holder may pay for all or any portion of the aggregate exercise price by complying with one or more of the following alternatives:

(i) by delivering to the Company shares of Common Stock previously held by such Holder, or by the Company withholding shares of Common Stock otherwise deliverable pursuant to exercise of the Option, which shares of Common Stock received or withheld shall have a fair market value at the date of exercise (as determined by the Plan Administrator) equal to the aggregate exercise price to be paid by the Optionee upon such exercise; or

(ii) by complying with any other payment mechanism approved by the Plan Administrator at the time of exercise.

(j) No Rights as a Shareholder

A Holder shall have no rights as a shareholder with respect to any shares covered by an Option until such Holder becomes a record holder of such shares, irrespective of whether such Holder has given notice of exercise. Subject to the provisions of Section 5.1(m) hereof, no rights shall accrue to a Holder and no adjustments shall be made on account of dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights declared on, or created in, the Common Stock for which the record date is prior to the date the Holder becomes a record holder of the shares of Common Stock covered by the Option, irrespective of whether such Holder has given notice of exercise.

(k) Transfer of Option

(i) Options granted under this Plan and the rights and privileges conferred by this Plan may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by applicable laws of descent and distribution or pursuant to a qualified domestic relations order, and shall not be subject to execution, attachment or similar process; *provided however* that, subject to applicable laws:

A. for Incentive Stock Options, any Agreement may provide or be amended to provide that a Non-Qualified Stock Option to which it relates is transferable without payment of consideration to immediate family members of the Optionee or to trusts or partnerships or limited liability companies established exclusively for the benefit of the Optionee and the Optionee's immediate family members; or

B. for Non-Qualified Stock Options, the Optionee's heirs or administrators may exercise any portion of the outstanding Options within one year of the Optionee's death.

(ii) Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any Option or of any right or privilege conferred by this Plan contrary to the provisions hereof, or upon the sale, levy or any attachment or similar process upon the rights and privileges conferred by this Plan, such Option shall thereupon terminate and become null and void.

(l) Securities Regulation and Tax Withholding

(i) Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all Applicable Laws. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and sale of any Options or shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such Options or shares.

(ii) As a condition to the exercise of an Option, the Plan Administrator may require the Holder to represent and warrant in writing at the time of such exercise that the shares are being purchased only for investment and without any then-present intention to sell or distribute such shares. At the option of the Plan Administrator, a stop-transfer order against such shares may be placed on the stock books and records of the Company, and a legend indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such shares in order to assure an exemption from registration. The Plan Administrator also may require such other documentation as may from time to time be necessary to comply with federal, provincial or state securities laws. THE COMPANY HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES OF STOCK ISSUABLE UPON THE EXERCISE OF OPTIONS.

(iii) The Holder shall pay to the Company by certified or cashier's check, promptly upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, state, provincial, local and foreign withholding taxes that the Plan Administrator, in its discretion, determines to result upon exercise of an Option or from a transfer or other disposition of shares of Common Stock acquired upon exercise of an Option or otherwise related to an Option or shares of Common Stock acquired in connection with an Option. Upon approval of the Plan Administrator, a Holder may satisfy such obligation by complying with one or more of the following alternatives selected by the Plan Administrator:

A. by delivering to the Company shares of Common Stock previously held by such Holder or by the Company withholding shares of Common Stock otherwise deliverable pursuant to the exercise of the Option, which shares of Common Stock received or withheld shall have a fair market value at the date of exercise (as determined by the Plan Administrator) equal to any withholding tax obligations arising as a result of such exercise, transfer or other disposition; or

B. by complying with any other payment mechanism approved by the Plan Administrator from time to time.

(iv) The issuance, transfer or delivery of certificates of Common Stock pursuant to the exercise of Options may be delayed, at the discretion of the Plan Administrator, until the Plan Administrator is satisfied that the applicable requirements of the federal, provincial and state securities laws and the withholding provisions under Applicable Laws have been met and that the Holder has paid or otherwise satisfied any withholding tax obligation as described in paragraph 5.1(l)(iii) above.

(m) Stock Dividend or Reorganization

(i) If: (1) the Company shall at any time be involved in a transaction described in Section 424(a) of the Code (or any successor provision) or any "corporate transaction" described in the regulations thereunder; (2) the Company shall declare a dividend payable in, or shall subdivide, reclassify, reorganize, or combine, its Common Stock; or (3) any other event with substantially the same effect shall occur, the Plan Administrator shall, subject to applicable law, with respect to each outstanding Option, proportionately adjust the number of shares of Common Stock subject to such Option and/or the exercise price per share so as to preserve the rights of the Holder substantially proportionate to the rights of the Holder prior to such event, and to the extent that such action shall include an increase or decrease in the number of shares of Common Stock subject to outstanding Options, the number of shares available under Section 4 of this Plan and the exercise price for such Options shall automatically be increased or decreased, as the case may be, proportionately, without further action on the part of the Plan Administrator, the Company, the Company's shareholders, or any Holder, so as to preserve the proportional rights of the Holder.

(ii) In the event that the presently authorized capital stock of the Company is changed into the same number of shares with a different par value, or without par value, the stock resulting from any such change shall be deemed to be Common Stock within the meaning of the Plan, and each Option shall apply to the same number of shares of such new stock as it applied to old shares immediately prior to such change.

(iii) If the Company shall at any time declare an extraordinary dividend with respect to the Common Stock, whether payable in cash or other property, the Plan Administrator may, subject to applicable law, in the exercise of its sole discretion and with respect to each outstanding Option, proportionately adjust the number of shares of Common Stock subject to such Option and/or adjust the exercise price per share so as to preserve the rights of the Holder substantially proportionate to the rights of the Holder prior to such event, and to the extent that such action shall include an increase or decrease in the number of shares of Common Stock subject to outstanding Options, the number of shares available under Section 4 of this Plan shall automatically be increased or decreased, as the case may be, proportionately, without further action on the part of the Plan Administrator, the Company, the Company's shareholders, or any Holder.

(iv) The foregoing adjustments in the shares subject to Options shall be made by the Plan Administrator, or by any successor administrator of this Plan, or by the applicable terms of any assumption or substitution document.

(v) The grant of an Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge, consolidate or dissolve, to liquidate or to sell or transfer all or any part of its business or assets.

6. EFFECTIVE DATE; SHAREHOLDER APPROVAL

6.1 Incentive Stock Options may be granted by the Plan Administrator from time to time on or after the date on which this Plan is adopted (the "Effective Date") through the day immediately preceding the tenth anniversary of the Effective Date.

6.2 Non-Qualified Stock Options may be granted by the Plan Administrator on or after the Effective Date and until this Plan is terminated by the Board in its sole discretion.

6.3 Termination of this Plan shall not terminate any Option granted prior to such termination.

6.4 The approval of Disinterested Shareholders will be obtained for any reduction in the exercise price of Options if the Optionee is an Insider of the Company at the time of the proposed amendment. The terms "Disinterested Shareholder" and "Insider" shall have the meanings as defined for those terms in the Applicable Laws.

6.5 Any Options granted by the Plan Administrator prior to the approval of this Plan by the shareholders of the Company shall be granted subject to ratification of this Plan by the shareholders of the Company within twelve (12) months before or after the Effective Date. If such shareholder ratification is sought and not obtained, all Options granted prior thereto and thereafter shall be considered Non-Qualified Stock Options and any Options granted to Covered Employees will not be eligible for the exclusion set forth in Section 162(m) of the Code with respect to the deductibility by the Company of certain compensation. In addition, any such Options will remain unvested unless and until shareholder approval is obtained.

7. NO OBLIGATIONS TO EXERCISE OPTION

7.1 The grant of an Option shall impose no obligation upon the Optionee to exercise such Option.

8. NO RIGHT TO OPTIONS OR TO EMPLOYMENT

8.1 Whether or not any Options are to be granted under this Plan shall be exclusively within the discretion of the Plan Administrator, and nothing contained in this Plan shall be construed as giving any person any right to participate under this Plan.

8.2 The grant of an Option shall in no way constitute any form of agreement or understanding binding on the Company or any Related Company, express or implied, that the Company or any Related Company will employ or contract with an Optionee for any length of time, nor shall it interfere in any way with the Company's or, where applicable, a Related Company's right to terminate Optionee's employment at any time, which right is hereby reserved.

9. APPLICATION OF FUNDS

9.1 The proceeds received by the Company from the sale of Common Stock issued upon the exercise of Options shall be used for general corporate purposes, unless otherwise directed by the Board.

10. INDEMNIFICATION OF PLAN ADMINISTRATOR

10.1 In addition to all other rights of indemnification they may have as members of the Board, members of the Plan Administrator shall be indemnified by the Company for all reasonable expenses and liabilities of any type or nature, including attorneys' fees, incurred in connection with any action, suit or proceeding to which they or any of them are a party by reason of, or in connection with, this Plan or any Option granted under this Plan, and against all amounts paid by them in settlement thereof (provided that such settlement is approved by independent legal counsel selected by the Company), except to the extent that such expenses relate to matters for which it is adjudged that such Plan Administrator member is liable for willful misconduct; provided, that within fifteen (15) days after the institution of any such action, suit or proceeding, the Plan Administrator member involved therein shall, in writing, notify the Company of such action, suit or proceeding, so that the Company may have the opportunity to make appropriate arrangements to prosecute or defend the same.

11. AMENDMENT OF PLAN

11.1 The Plan Administrator may, subject to Applicable Laws, at any time, modify, amend or terminate this Plan or modify or amend Options granted under this Plan, including, without limitation, such modifications or amendments as are necessary to maintain compliance with applicable statutes, rules or regulations; *provided however* that:

(a) no amendment with respect to an outstanding Option which has the effect of reducing the benefits afforded to the Holder thereof shall be made over the objection of such Holder;

(b) the events triggering acceleration of vesting of outstanding Options may be modified, expanded or eliminated without the consent of Holders;

(c) the Plan Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Plan Administrator may consider necessary for the Company to comply with or to avail the Company and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirement; and

(d) the Plan Administrator may not increase the number of shares available for issuance on the exercise of Incentive Stock Options without shareholder approval.

11.2 Without limiting the generality of Section 11.1 hereof, the Plan Administrator may modify grants to persons who are eligible to receive Options under this Plan who are foreign nationals or employed outside Canada and the United States to recognize differences in local law, tax policy or custom.

Effective Date: September 27, 2011 as amended July 10, 2014, September 12, 2016 and October 22, 2018.

CLARK WILSON LLP

Our File No. 28313-0001

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January 31, 2019

CounterPath Corporation
Suite 300, One Bentall Centre
505 Burrard Street
Vancouver, British Columbia V7X 1M3
Canada

Dear Sirs:

Re: CounterPath Corporation - Registration Statement on Form S-8

We are counsel to CounterPath Corporation (the **"Company"**), a corporation incorporated under the laws of the State of Nevada. In such capacity, we have assisted in the preparation of the Registration Statement of the Company on Form S-8 (the **"Registration Statement"**) in connection with the registration under the *Securities Act of 1933*, as amended, of an aggregate of 200,000 shares (the **"Option Shares"**) of common stock of the Company issuable pursuant the Amended 2010 Stock Option Plan (the **"Option Plan"**) and an aggregate of 70,000 shares (the **"ESPP Shares"**) of common stock of the Company issuable pursuant to the Employee Share Purchase Plan (the **"ESPP"**).

We have examined originals or copies, certified or otherwise identified to our satisfaction of the resolutions of the directors of the Company with respect to the matters herein. We have also examined such statutes and public and corporate records of the Company, and have considered such questions of law as we have deemed relevant and necessary as a basis for the opinion expressed herein. We have, for the purposes of this opinion, assumed the genuineness of all signatures examined by us, the authenticity of all documents and records submitted to us as originals and the conformity to all original documents of all documents submitted to us as certified, photostatic or facsimile copies. As to all questions of fact material to this opinion which have not been independently established, we have relied upon the statements or a certificate of an officer of the Company.

Based upon the foregoing and the examination of such legal authorities as we have deemed relevant, and subject to the qualifications and further assumptions set forth herein, we are of the opinion that:

- the Option Shares, once issued in accordance with the terms of the Option Plan and the terms of the respective stock option agreements entered into pursuant to the Option Plan, including payment of the exercise price, will be duly and validly authorized and issued as fully paid and non-assessable shares in the capital of the Company; and

- the ESPP Shares, once issued in accordance with the terms of the ESPP, will be duly and validly authorized and issued as fully paid and non-assessable shares in the capital of the Company.

This opinion letter is opining upon and is limited to the current federal laws of the United States and Nevada law including the statutory provisions, all applicable provisions of the Nevada Constitution and reported judicial decisions interpreting those laws, as such laws presently exist and to the facts as they presently exist. We express no opinion with respect to the effect or applicability of the laws of any other jurisdiction. We assume no obligation to revise or supplement this opinion letter should the laws of such jurisdiction be changed after the date hereof by legislative action, judicial decision or otherwise.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the *Securities Act of 1933*, as amended, or rules and regulations of the Securities and Exchange Commission.

Yours truly,

CLARK WILSON LLP

/s/ Clark Wilson LLP

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BDO Canada LLP
600 Cathedral Place
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Vancouver BC V6C 3L2 Canada

Consent of Independent Registered Public Accounting Firm

CounterPath Corporation
Vancouver, Canada

We hereby consent to the incorporation by reference in the Prospectus constituting a part of this Registration Statement of our report dated July 24, 2018, relating to the consolidated financial statements of CounterPath Corporation appearing in the Company's Annual Report on Form 10-K for the year ended April 30, 2018.

We also consent to the reference to us under the caption "Experts" in the Prospectus.

/s/ BDO Canada LLP

BDO Canada LLP
Vancouver, Canada
January 31, 2019