

EMPATHO CORP.

- and -

GARFINKLE BIDERMAN LLP

- and -

FIRST REPUBLIC CAPITAL CORPORATION

SUBSCRIPTION RECEIPT AGREEMENT

Providing for the Issuance of 12,552,000 Subscription Receipts

Dated as of June 29, 2021

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION.....	4
1.1 Definitions.....	4
1.2 Headings.....	9
1.3 References.....	9
1.4 Certain Rules of Interpretation.....	9
1.5 Day Not a Business Day	9
1.6 Applicable Law	9
1.7 Conflict	9
1.8 Currency.....	9
1.9 Severability	9
1.10 Schedules	10
1.11 Meaning of “outstanding” for Certain Purposes	10
ARTICLE 2 ISSUE OF SUBSCRIPTION RECEIPTS	10
2.1 Issue of Subscription Receipts	10
2.2 Payment Acknowledgement.....	11
2.3 Terms of Subscription Receipts	12
2.4 Fractional Subscription Receipts.....	12
2.5 Register for Subscription Receipts.....	12
2.6 Registers Open for Inspection	13
2.7 Receiptholder not a Shareholder	13
2.8 Subscription Receipts to Rank <i>Pari Passu</i>	13
2.9 Signing of Subscription Receipt Certificates	13
2.10 Certification by the Subscription Receipt Agent.....	13
2.11 Issue in Substitution for Subscription Receipt Certificates Lost, etc.	14
2.12 Exchange of Subscription Receipt Certificates	14
2.13 Transferability and Ownership of Subscription Receipts.....	14
2.14 Funds to be Placed in Escrow	16
2.15 Subscription Receipts and Trading.....	16
2.16 Cancellation of Surrendered Subscription Receipt Certificates	16
2.17 Uncertificated Subscription Receipts and Beneficial Holders of Subscription Receipts.....	16
2.18 Reliance by the Subscription Receipt Agent.....	17
ARTICLE 3 ESCROW RELEASE OR TERMINATION	17
3.1 Certificate of Escrow Release Conditions.....	17
3.2 Release of the Escrowed Funds.....	18
3.3 Issue of Subscription Shares and Warrants and Payment Thereon	18
3.4 Fractions.....	19
3.5 Payment on Termination.....	20
3.6 Additional Payments by the Company.....	20
3.7 Withholding	20
ARTICLE 4 ESCROWED FINDER’S COMMISSION	20
4.1 Escrowed Finder’s Commission to be placed in Escrow	20
4.2 Release of the Escrowed Finder’s Commission	20
ARTICLE 5 ADJUSTMENT.....	21
5.1 Definitions.....	21
5.2 Adjustment	21
5.3 Duties of the Subscription Receipt Agent	22
5.4 Notice of Adjustment	23
ARTICLE 6 INVESTMENT OF PROCEEDS AND PAYMENT OF INTEREST	23
6.1 Investment of Proceeds	23
6.2 Segregation of Proceeds.....	24
6.3 Third Party Interest	24
ARTICLE 7 RIGHTS OF THE COMPANY AND COVENANTS	24
7.1 General Covenants	24
7.2 The Subscription Receipt Agent’s Remuneration, Expenses and Indemnification	26

7.3	Performance of Covenants by the Subscription Receipt Agent.....	26
7.4	Accounting.....	26
7.5	Payments by the Subscription Receipt Agent	26
7.6	Regulatory Matters.....	26
7.7	Anti-Money Laundering & Privacy	26
7.8	Privacy	27
7.9	Use of Accounts.....	27
	ARTICLE 8 ENFORCEMENT.....	27
8.1	Suits by Receipholders.....	27
	ARTICLE 9 MEETINGS OF RECEIPHOLDERS	28
9.1	Right to Convene Meetings.....	28
9.2	Notice.....	28
9.3	Chairman.....	28
9.4	Quorum	28
9.5	Power to Adjourn	29
9.6	Show of Hands	29
9.7	Poll and Voting	29
9.8	Regulations.....	29
9.9	The Company and Subscription Receipt Agent may be Represented	30
9.10	Powers Exercisable by Special Resolution	30
9.11	Meaning of Special Resolution	31
9.12	Powers Cumulative	31
9.13	Minutes	31
9.14	Instruments in Writing	32
9.15	Binding Effect of Resolutions.....	32
	ARTICLE 10 SUPPLEMENTAL AGREEMENTS AND SUCCESSOR PERSONS	32
10.1	Provision for Supplemental Agreements for Certain Purposes	32
10.2	Successor Persons	33
	ARTICLE 11 CONCERNING THE SUBSCRIPTION RECEIPT AGENT.....	33
11.1	Rights and Duties of the Subscription Receipt Agent	33
11.2	Evidence, Experts and Advisers.....	34
11.3	Securities, Documents and Monies Held by the Subscription Receipt Agent.....	35
11.4	Actions by the Subscription Receipt Agent to Protect Interest	35
11.5	The Subscription Receipt Agent is not Required to Give Security	35
11.6	Protection of the Subscription Receipt Agent	35
11.7	Replacement of the Subscription Receipt Agent; Successor by Merger	36
11.8	Conflict of Interest	37
11.9	Acceptance of Appointment.....	37
11.10	The Subscription Receipt Agent Not to be Appointed Receiver	38
	ARTICLE 12 GENERAL	38
12.1	Notice to the Company, Subscription Receipt Agent and Finder.....	38
12.2	Notice to Receipholders	39
12.3	Ownership of Subscription Receipts	39
12.4	Satisfaction and Discharge of Agreement	39
12.5	Sole Benefit of Parties and Receipholders	40
12.6	Force Majeure	40
12.7	Time of Essence.....	40
12.8	Counterparts.....	40

SUBSCRIPTION RECEIPT AGREEMENT

THIS SUBSCRIPTION RECEIPT AGREEMENT is dated as of the 29th day of June, 2021.

AMONG:

EMPATHO CORP.

(the “Company”)

- and -

FIRST REPUBLIC CAPITAL CORPORATION

(“FRCC”)

- and -

GARFINKLE BIDERMAN LLP

(the “Subscription Receipt Agent”)

WHEREAS the Company, is proposing to issue and sell up to a maximum of 12,552,000 subscription receipts of the Company (the “**Subscription Receipts**”) representing the right to acquire one Unit (as defined herein) in connection with the proposed reverse takeover (the “**Reverse Takeover**”) by the Company of Shane Resources Ltd. (“**Shane**”), a reporting issuer in the provinces of Alberta, British Columbia and Saskatchewan, which is expected to involve, among other things,: (i) the consolidation of the common shares of each of the Company and Shane; (ii) the acquisition by Shane of all of the shares of the Company, directly or indirectly, pursuant to the terms and conditions of a transaction agreement (the “**Transaction Agreement**”) among Shane, Shane Subco and the Company; and (iii) the amalgamation (the “**Amalgamation**”) of Shane Subco with the Company, on the terms and conditions of the Transaction Agreement.

AND WHEREAS the Subscription Receipts shall have a price of \$0.25 per Subscription Receipt (the “**Subscription Price**”);

AND WHEREAS each Subscription Receipt shall be automatically exchanged, without any further act or formality on the part of the holder of such Subscription Receipt, and for no additional consideration, for one Unit, immediately prior to the completion of the Reverse Takeover and upon the satisfaction or waiver (to the extent such waiver is permitted) of the following escrow release conditions (the “**Escrow Release Conditions**”) at or before 5:00 p.m. (Toronto time) on the date that is 120 days after the Closing Date (as defined herein) (the “**Escrow Release Deadline**”):

- (i) the Transaction Agreement, in form and substance satisfactory to FRCC, acting reasonably, shall have been entered into by the Company and Shane (and any subsidiary of Shane, if necessary) and shall remain in full force and effect, unamended, without waiver of any representation, warranty, covenant, condition or other provision, and FRCC shall be satisfied, in all material respects, acting reasonably, as to the completion or satisfaction by the Company and Shane (and any subsidiary of Shane, if necessary) of all conditions precedent to the Reverse Takeover in accordance with the terms of the Transaction Agreement, without amendment or waiver (unless such amendment or waiver is acceptable to FRCC, acting reasonably) shall have occurred, except for those conditions that have been waived by the Company (with FRCC’s consent, not to be unreasonably withheld);
- (ii) the receipt of all regulatory, shareholder and third party approvals, if any, required in connection with the Reverse Takeover, including the Resulting Issuer Shares (as defined herein) and Resulting

Issuer Warrants (as defined herein) being approved for listing on the TSXV (as defined herein), or such other stock exchange mutually agreed to by the Company and FRCC;

- (iii) the Company shall not be in breach or default of any of its covenants or obligations under this Agreement (as defined herein) or the Finder Agreement (as defined herein), except (in the case of the Finder Agreement only) for those breaches or defaults that have been waived by FRCC, and all conditions set out in the Engagement Agreement (as defined herein) shall have been fulfilled, which shall all be confirmed to be true in a certificate of a senior officer of the Company; and
- (iv) the delivery of the Escrow Release Certificate (as defined herein) by FRCC to the Subscription Receipt Agent in accordance with the terms of this Agreement, including as to the satisfaction of all of the Escrow Release Conditions, following receipt of a certificate of the Chief Executive Officer of the Company (or such other officers as may be acceptable to FRCC, in its sole discretion) certifying to FRCC that the Escrow Release Conditions (other than this paragraph (iv)) have been satisfied.

AND WHEREAS all things necessary have been done and performed by the Company to make the Subscription Receipts, when certified by the Subscription Receipt Agent and issued as provided in this Agreement, legal, valid and binding obligations of the Company with the benefits of and subject to the terms of this Agreement;

AND WHEREAS the Subscription Receipt Agent has agreed to act as agent on behalf of the holders of Subscription Receipts on the terms and conditions set forth in this Agreement;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Company and not by the Subscription Receipt Agent or the Finder;

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, by each of the Company, Subscription Receipt Agent and FRCC, the Company hereby appoints the Subscription Receipt Agent as agent for the Receiptholders (as defined herein), to hold all rights, interests and benefits contained herein for and on behalf of those Persons (as defined herein) who from time to time become holders of Subscription Receipts issued pursuant to this Agreement, and the Company, Subscription Receipt Agent and FRCC hereby agree and declare as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the recitals, unless there is something in the subject matter or context inconsistent therewith or unless otherwise expressly provided, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) **“Agreement”** means this subscription receipt agreement, as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof;
- (b) **“Amalgamation”** has the meaning given to that term in the recitals hereto;
- (c) **“Applicable Canadian Securities Laws”** means, collectively, the applicable securities laws of each of the provinces and territories of Canada to the extent that any Receiptholders are resident therein, and the respective regulations and rules made and forms prescribed thereunder together with all applicable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the applicable securities commissions or other securities regulatory authorities in such provinces and territories of Canada;
- (d) **“Applicable Securities Laws”** means, collectively, the applicable securities laws of each of the Offering Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all

applicable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the applicable securities commissions or other securities regulatory authorities in each of the Offering Jurisdictions;

- (e) “**Approved Bank**” has the meaning given to that term in Section 6.1;
- (f) “**Book-Entry Only System**” means the book-based securities transfer system administered by CDS in accordance with its operating rules and procedures in force from time to time;
- (g) “**Business Day**” means any day which is not Saturday, Sunday or a statutory holiday in Toronto, Ontario, or any other day on which businesses of the Subscription Receipt Agent and/or Canadian banks are generally closed;
- (h) “**FRCC**” has the meaning attributed to that term on page 1 of this Agreement;
- (i) “**Capital Reorganization**” has the meaning given to that term in Section 5.2(b);
- (j) “**CDS**” means CDS Clearing and Depository Services Inc. and its successors in interest;
- (k) “**Certify**” means: (i) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Company and certified by manual signature of an authorized officer of the Subscription Receipt Agent; and (ii) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all of its internal procedures such that the particulars of such Uncertificated Subscription Receipt are entered in the register of Subscription Receipts, and “**Certified**” and “**Certification**” have the appropriate correlative meanings, and internal procedures means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Subscription Receipt Agent’s internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Subscription Receipt Agent;
- (l) “**Closing Date**” means the date hereof;
- (m) “**Company**” has the meaning attributed to that term on page 1 of this Agreement;
- (n) “**Designated Office**” means the offices of the Subscription Receipt Agent from time to time in Toronto, Ontario;
- (o) “**Directors**” means the directors of the Company;
- (p) “**Dividends**” means the dividends (payable in cash or securities, property or assets of equivalent value) declared payable on the Subscription Shares;
- (q) “**Earned Interest**” means the interest or other income actually earned, if any, on the investment of Escrowed Funds (or the reinvestment of such interest or other income) from the date hereof to, but not including, the date on which the Escrowed Funds are released in accordance with Article 3;
- (r) “**Engagement Agreement**” means the engagement agreement dated April 5, 2021 entered into by and among the Finder, Company and Shane in respect of the Offering;
- (s) “**Escrow Account**” has the meaning attributed thereto in Subsection 2.2(a);
- (t) “**Escrow Release Certificate**” means a written notice in substantially the form set out in Schedule “B” attached hereto executed by the Company and FRCC confirming that the Escrow Release Conditions have been satisfied or waived in accordance with this Agreement;

- (u) “**Escrow Release Conditions**” has the meaning attributed to that term in the recitals hereto;
- (v) “**Escrow Release Date**” means the date on which the Escrow Release Conditions have been satisfied or waived and the Subscription Shares and Warrants have been issued to the Receiptholders and the Escrowed Funds have been released to the Company and the Finder, as applicable, all in accordance with the terms of this Agreement;
- (w) “**Escrow Release Deadline**” has the meaning attributed to that term in the recitals hereto;
- (x) “**Escrow Release Time**” means the time that the Escrow Release Conditions are satisfied at or before the Escrow Release Deadline;
- (y) “**Escrowed Finder’s Commission**” means \$188,280.00, being 75% of the Finder’s Fee, payable in cash upon satisfaction of the Escrow Release Conditions (out of the Escrowed Funds);
- (z) “**Escrowed Funds**” means, the Subscription Proceeds, together with all interest and other income earned thereon;
- (aa) “**Exchange Act**” means United States *Securities Exchange Act of 1934*;
- (bb) “**Finder**” means FRCC;
- (cc) “**Finder’s Commission**” means (i) a corporate finance fee pursuant to the Offering, equal to 2.0% of the aggregate proceeds of the Subscription Receipts (the “**Corporate Finance Fee**”), (ii) the cash commission paid to the Finder pursuant to the Offering, equal to 6.0% of the aggregate gross proceeds of the Subscription Receipts (together with the Corporate Finance Fee, the “**Finder’s Fee**”), (iii) corporate finance warrants granted and issued by the Company to the Finder on or immediately prior to the Escrow Release Date, entitling the Finder to subscribe for that number of Units of the Resulting Issuer as is equal to 2.0% of the total number of Subscription Receipts sold pursuant to the Offering (the “**Corporate Finance Finder’s Warrants**”), (iv) compensation warrants granted and issued by the Company to the Finder on or immediately prior to the Escrow Release Date, entitling the Finder to subscribe for that number of Units of the Resulting Issuer as is equal to 6.0% of the total number of Subscription Receipts sold pursuant to the Offering (together with the Corporate Finance Finder’s Warrants, the “**Finder’s Warrants**”) as further described in the Engagement Agreement;
- (dd) “**Finder’s Expenses**” means all reasonable fees and expenses of counsel for the Finder (up to a maximum of \$50,000 in respect of the fees of Finder’s legal counsel, exclusive of disbursements, and all applicable taxes) and all reasonable costs and out-of-pocket expenses of the Finder, and all applicable taxes;
- (ee) “**Indemnified Parties**” has the meaning attributed thereto in Subsection 11.6(h);
- (ff) “**Offering**” means the non-brokered private placement offering of Subscription Receipts for aggregate gross proceeds of up to \$3,138,000.00 at the Subscription Price pursuant to the Engagement Agreement;
- (gg) “**Offering Jurisdictions**” means any province or territory of Canada, the United States, and such other jurisdictions outside of Canada and the United States in which the Subscription Receipts, Subscription Shares and Warrants may be lawfully offered for sale;
- (hh) “**Officers’ Certificate**” has the meaning attributed to that term in Section 3.1(a);
- (ii) “**Person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

- (jj) **“QIB Letter”** means the Qualified Institutional Buyer Letter in the form attached to the Subscription Agreements;
- (kk) **“Qualified Institutional Buyer”** means a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act;
- (ll) **“Receiptholders”** or **“holders”** means persons who appear on the register of Subscription Receipts maintained pursuant to Section 2.5;
- (mm) **“Receiptholders’ Request”** means an instrument signed in one or more counterparts by Receiptholders holding not less than 25% of the aggregate number of all Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;
- (nn) **“Resulting Issuer”** means the new issuer resulting from the Reverse Takeover, which will be named “Empatho Corp.” or such similar name that may be determined by the Company;
- (oo) **“Resulting Issuer Share”** means a common share of the Resulting Issuer upon effecting the Reverse Takeover;
- (pp) **“Resulting Issuer Warrant”** means a warrant to purchase one Resulting Issuer Share upon effecting the Reverse Takeover;
- (qq) **“Reverse Takeover”** has the meaning attributed to that term in the recitals hereto;
- (rr) **“Shane Subco”** means a wholly-owned subsidiary of Shane to be incorporated under the *Canada Business Corporations Act* prior to and in connection with the Reverse Takeover;
- (ss) **“Shareholders”** means the registered holders from time to time of Subscription Shares;
- (tt) **“Shortfall”** has the meaning attributed to that term in Section 3.5(c);
- (uu) **“Special Distribution”** has the meaning attributed to that term in Section 5.2(c);
- (vv) **“Subscribers”** means a purchaser of the Subscription Receipts pursuant to a Subscription Agreement;
- (ww) **“Subscription Agreements”** means the subscription agreements executed by the Company and each of the Receiptholders for the Subscription Receipts;
- (xx) **“Subscription Price”** means the sum of \$0.25 per Subscription Receipt;
- (yy) **“Subscription Proceeds”** means the gross proceeds raised in connection with the Offering, less (i) 25% of the Finder’s Fee, and (ii) all of the Finder’s Expenses incurred prior to the Closing Date, which will be delivered to and held in escrow on behalf of the Subscribers by the Subscription Receipt Agent and invested in an interest bearing account at an Approved Bank, comprised of short-term obligations of, or guaranteed by, the Government of Canada or any other investments that may be approved by FRCC;
- (zz) **“Subscription Receipt Agent”** has the meaning attributed to that term on page 1 of this Agreement;
- (aaa) **“Subscription Receipt Certificate”** means a certificate evidencing one or more Subscription Receipts substantially in the form attached as Schedule “A” hereto with such appropriate insertions, deletions, substitutions and variations as may be required or permitted by the terms of this Agreement or as may be required to comply with any applicable law or the rules of any applicable stock exchange;
- (bbb) **“Subscription Receipt”** has the meaning given to that term in the recitals hereto;

- (ccc) **“Subscription Share”** means one common share in the capital of the Company;
- (ddd) **“Subscription Share Reorganization”** has the meaning given to that term in Section 5.2(a);
- (eee) **“Subsidiary of the Company”** means a corporation, commercial trust, partnership or other entity of which a majority of the outstanding voting securities are owned, directly or indirectly, by the Company or by one or more Subsidiaries of the Company and, as used in this definition, “voting securities” means shares of any class of any corporation or securities which represent a beneficial interest in a commercial trust, partnership or other entity ordinarily entitled to vote for the election of the majority of the directors of an entity irrespective of whether or not stock of any class or securities shall have or might have the right to vote for directors;
- (fff) **“Termination”** means the earliest to occur of any of the following events: (i) the Escrow Release Time failing to occur at or before the Escrow Release Deadline; or (ii) the termination of the Transaction Agreement in accordance with its terms; or (iii) the Company advising FRCC as the Finder, or announcing to the public that it does not intend to, or cannot, satisfy the Escrow Release Conditions;
- (ggg) **Termination Date**” means the date on which a Termination occurs;
- (hhh) **“Termination Notice”** has the meaning given to that term in Section 3.5(a);
- (iii) **“Transaction Agreement”** has the meaning given to that term in the recitals hereto;
- (jjj) **“TSXV”** means the TSX Venture Exchange;
- (kkk) **“Uncertificated Subscription Receipts”** means any Subscription Receipts that are not represented by a Subscription Receipt Certificate;
- (lll) **“Unit”** means a unit of the Company consisting of one Subscription Share and one Warrant, subject to certain adjustments;
- (mmm) **“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (nnn) **“U.S. Accredited Investor”** means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;
- (ooo) **“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (ppp) **“U.S. Purchaser”** means an original purchaser of Subscription Receipts who was, at the time of purchase: (i) a U.S. Person or a person purchasing the Subscription Receipts in the United States; (ii) a person purchasing Subscription Receipts on behalf of, or for the account or benefit of, any U.S. Person or person in the United States; (iii) a person that received an offer to purchase the Subscription Receipts while in the United States; or (iv) any person that was in the United States at the time such person’s buy order was made or the subscription for the Subscription Receipts was executed or delivered;
- (qqq) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- (rrr) **“Warrant”** means a Subscription Share purchase warrant of the Company issuable under the terms of a warrant indenture to be entered into between the Company and Capital Transfer Agency, ULC as warrant agent; and

(sss) “**written direction of the Company**”, “**written request of the Company**” and “**certificate of the Company**” and any other document required to be signed by the Company, means, respectively, a written direction, order, request, consent, certificate or other document signed in the name of the Company by any officer or Director and may consist of one or more instruments so executed.

1.2 Headings

The headings, the table of contents and the division of this Agreement into Articles, Sections and Subsections are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.3 References

Unless otherwise specified in this Agreement:

- (a) references to Articles, Sections, Subsections and Schedules are to Articles, Sections, Subsections and Schedules in this Agreement; and
- (b) “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions, without reference to a particular provision, refer to this Agreement.

1.4 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

- (a) the singular includes the plural and vice versa; and
- (b) references to any gender shall include references to all genders.

1.5 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day with the same force and effect as if taken within the period for the taking of such action.

1.6 Applicable Law

This Agreement and the Subscription Receipts shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.7 Conflict

In the event of a conflict or inconsistency between a provision in the body of this Agreement and in any Subscription Receipt Certificate issued hereunder, the provision in the body of this Agreement shall prevail to the extent of the inconsistency.

1.8 Currency

Except as otherwise stated, all dollar amounts expressed in this Agreement and in the Subscription Receipts are in lawful money of Canada and all payments required to be made hereunder and thereunder shall be made in Canadian dollars.

1.9 Severability

Each of the provisions in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability

of any of the other provisions hereof.

1.10 Schedules

The following Schedules attached to this Agreement form an integral part of this Agreement:

- (a) Schedule "A" - Form of Subscription Receipt Certificate; and
- (b) Schedule "B" - Form of Escrow Release Certificate.

1.11 Meaning of "outstanding" for Certain Purposes

Except as provided in Sections 3.3 and 3.5(e) and subject to the terms of this Agreement, every Subscription Receipt Certificate countersigned as certified and delivered by the Subscription Receipt Agent hereunder shall be deemed to be outstanding until it has been surrendered to the Subscription Receipt Agent pursuant to this Agreement, provided however that:

- (a) where a Subscription Receipt Certificate has been issued in substitution for a Subscription Receipt Certificate that has been lost, stolen or destroyed, only the Subscription Receipt Certificate so issued in substitution shall be counted for the purpose of determining the Subscription Receipts outstanding; and
- (b) for the purpose of any provision of this Agreement entitling holders of outstanding Subscription Receipts to vote, sign consents, requests or other instruments or take any other action under this Agreement, Subscription Receipts owned legally or equitably by the Company or any affiliated entity thereof (including any Subsidiary of the Company or any partnership to which the Company may be directly or indirectly a party to) shall be disregarded, except that:
 - (i) for the purpose of determining whether the Subscription Receipt Agent shall be protected in relying on any vote, consent, request or other instrument or other action, only the Subscription Receipts of which the Subscription Receipt Agent has notice that they are so owned shall be disregarded; and
 - (ii) Subscription Receipts so owned that have been pledged in good faith other than to the Company or any affiliated entity thereof (including any Subsidiary of the Company or any partnership to which the Company may be directly or indirectly a party to) shall not be so disregarded if the pledgee establishes to the satisfaction of the Subscription Receipt Agent, by providing the Subscription Receipt Agent with a legal opinion of counsel, of the pledgee's right to vote the Subscription Receipts in the pledgee's discretion free from the control of the Company or any affiliated entity thereof (including any Subsidiary of the Company or any partnership to which the Company may be directly or indirectly a party to) pursuant to the terms of the pledge.

ARTICLE 2 ISSUE OF SUBSCRIPTION RECEIPTS

2.1 Issue of Subscription Receipts

- (a) A maximum of 12,552,000 Subscription Receipts are hereby created and authorized to be issued by the Company at a price of \$0.25 per Subscription Receipt.
- (b) The Company hereby irrevocably directs the Subscription Receipt Agent, immediately following the execution and delivery of this Agreement, to, in accordance with written directions of the Company and in accordance with this Agreement, issue an aggregate of 12,552,000 Subscription Receipts in one or more Subscription Receipt Certificates.
- (c) Each Subscription Receipt Certificate, certificated or uncertificated, and any certificates representing the Subscription Shares, shall bear the following legends, as applicable:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) JUNE 29, 2021, AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.”

- (d) All Subscription Receipts issued to U.S. Purchasers that did not subscribe pursuant to a QIB Letter shall be issued as Subscription Receipt Certificates. Each Subscription Receipt Certificate issued to a U.S. Purchaser that did not subscribe pursuant to a QIB Letter, and each Subscription Receipt Certificate issued in exchange therefor or in substitution thereof, and any certificates representing the Subscription Shares, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

“THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, OR (B) OUTSIDE THE UNITED STATES TO A PERSON WHO IS NOT A “U.S. PERSON” (AS DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT) IN ACCORDANCE WITH AN APPLICABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

- (e) The parties hereby acknowledge and agree that the Subscription Receipts sold to U.S. Purchasers that are Qualified Institutional Buyers pursuant to an available exemption from registration under the U.S. Securities Act and the Subscription Shares and Warrants issued upon conversion of such Subscription Receipts, have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Subscription Receipts are, and the Subscription Shares and Warrants issued upon conversion of such Subscription Receipts will be, “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and that each such U.S. Purchaser was or will be required to execute a QIB Letter in which it agrees, to induce the Company to issue the Subscription Receipts to the U.S. Purchaser without a U.S. Securities Act restrictive legend, that: (i) if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the Subscription Receipts or the Subscription Shares or Warrants it will do so only: (A) to the Company (though the Company is under no obligation to purchase any such securities) or (B) outside the United States to a Person that is not a U.S. Person and in compliance with applicable local laws or regulations; (ii) the Subscription Receipts and the Subscription Shares and Warrants will not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons; (iii) it will cause any CDS participant holding the Subscription Receipts or the Subscription Shares and Warrants on its behalf and the beneficial purchaser of such securities to comply with these restrictions; and (iv) for so long as the Subscription Receipts or the Subscription Shares and Warrants constitute restricted securities, it will not deposit any of such securities into the facilities of the Depository Trust Company, or a successor depository within the United States, or arrange for the registration of any of such securities with Cede & Co. or any successor thereto.
- (f) Subject to the terms and conditions hereof, each Subscription Receipt issued will be automatically converted by the Company at the Escrow Release Time, without payment of additional consideration, into one Subscription Share and one Warrant, with each Subscription Share to be immediately exchanged for one Resulting Issuer Share and each Warrant to be immediately exchanged for one Resulting Issuer Warrant. For greater certainty, Subscription Shares will not be evidenced by certificates and will only be recorded on the records of the Company.

2.2 Payment Acknowledgement

- (a) The Subscription Receipt Agent hereby acknowledges receipt:

- (i) from FRCC, of funds by wire transfer, in the aggregate amount of \$3,075,240.00, being the Finder's Expenses in the amount of \$57,500.00 and the Subscription Proceeds in the amount of \$3,017,740.00, including the Escrowed Finder's Commission associated therewith, and confirms that the Subscription Proceeds have been deposited in a segregated account (the "**Escrow Account**") in the name of Garfinkle Biderman LLP to be held and dealt with in accordance with this Agreement.
- (b) The Company hereby:
 - (i) acknowledges that the amounts received by the Subscription Receipt Agent pursuant to Subsection 2.2(a)(i) in accordance with the direction of the Company to the Finder represents payment in full by the Finder of the Subscription Proceeds;
 - (ii) irrevocably directs that the Finder deliver the Subscription Proceeds to the Subscription Receipt Agent on the Closing Date by way of certified cheque, bank draft or electronic wire transfer;
 - (iii) irrevocably directs the Subscription Receipt Agent to retain the full amount of the Escrowed Funds in accordance with the terms of this Agreement pending release of such amounts in accordance with the terms of this Agreement;
 - (iv) irrevocably directs the Subscription Receipt Agent, immediately following the execution and delivery of this Agreement, to certify and deliver to FRCC, in accordance with a written direction of the Company, one or more Subscription Receipt Certificates, or evidence of electronic delivery, representing, in the aggregate, 12,552,000 Subscription Receipts registered in accordance with the Subscription Agreements received from such Subscribers pursuant to the Offering.
- (c) FRCC hereby:
 - (i) irrevocably directs the Subscription Receipt Agent to retain the Escrowed Finder's Commission in accordance with the terms of this Agreement pending release and payment of such amount in accordance with the terms of this Agreement; and

2.3 Terms of Subscription Receipts

Each Subscription Receipt shall evidence the right of the holder: (a) to receive, if the Escrow Release Time occurs at or before the Escrow Release Deadline, for no additional consideration, for each Subscription Receipt held by the Receiptholder, one Subscription Share and one Warrant, which are to be immediately exchanged for one Resulting Issuer Share and one Resulting Issuer Warrant and (ii) if a Termination occurs, to receive an amount equal to the sum of the Subscription Price per such Subscription Receipt and a pro rata share of the Earned Interest, less applicable withholding taxes, if any, all in the manner and on the terms and conditions set out in this Agreement.

2.4 Fractional Subscription Receipts

No fractional Subscription Receipts shall be issued or otherwise provided for hereunder. All fractions of a Subscription Receipt will be rounded down and the Company shall not pay any amounts to the holder in satisfaction of the right to otherwise have received a fraction of a Subscription Receipt.

2.5 Register for Subscription Receipts

The Company hereby appoints the Subscription Receipt Agent as transfer agent and registrar of the Subscription Receipts, and the Company shall cause to be kept by the Subscription Receipt Agent at the Designated Office, a securities register in which shall be entered the names and addresses of holders of Subscription Receipts and the other particulars, prescribed by law, of the Subscription Receipts held by them. The Company shall also cause to be kept by the Subscription Receipt Agent at the Designated Office the register of transfers, and may also cause to be kept by the Subscription Receipt Agent, branch registers of transfers in which shall be recorded the particulars of the transfers of Subscription Receipts, registered in that branch register of transfers.

2.6 Registers Open for Inspection

The registers hereinbefore referred to shall be open at all reasonable times during regular business hours of the Subscription Receipt Agent on any Business Day for inspection by the Company, Finder or any Receiptholder. The Subscription Receipt Agent shall, from time to time when requested to do so in writing by the Company, furnish the Company with a list of the names and addresses of Receiptholders, upon payment of the reasonable charges of the Subscription Receipt Agent, entered in the registers kept by the Subscription Receipt Agent and showing the number of Subscription Receipts held by each such holder.

2.7 Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt shall confer or be construed as conferring upon a Receiptholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend meetings of Shareholders, or the right to receive Dividends or any continuous disclosure materials of the Company. Receiptholders are entitled to exercise only those rights expressly provided for by this Agreement on the terms and conditions set forth herein.

2.8 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts will rank *pari passu*, with all other Subscription Receipts, notwithstanding whatever may be the actual date of issue of the Subscription Receipt.

2.9 Signing of Subscription Receipt Certificates

The Subscription Receipt Certificates shall be signed by any officer of the Company or any Director. The signature of such officer or Director may be mechanically reproduced in electronic form and Subscription Receipt Certificates bearing such electronic signature shall, subject to Section 2.10, be binding upon the Company as if they had been manually signed by such officer or Director. Notwithstanding that the person whose manual or electronic signature appears on any Subscription Receipt Certificate as such officer or Director may no longer hold such position at the date of such Subscription Receipt Certificate or at the date of certification or delivery thereof, any Subscription Receipt Certificate signed as aforesaid shall, subject to Section 2.10, be valid and binding upon the Company and the holder thereof shall be entitled to the benefits of this Agreement.

2.10 Certification by the Subscription Receipt Agent

- (a) The Subscription Receipt Agent shall Certify Subscription Receipts to be issued by the Company upon the written direction of the Company. No Subscription Receipt shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof until it has been Certified by manual signature by or on behalf of the Subscription Receipt Agent substantially in the form of the certificate set out in Schedule A hereto or, in the case of Uncertificated Subscription Receipts, until it has been Certified by entry on the register of the particulars of the Subscription Receipts and such Certification by the Subscription Receipt Agent upon any Subscription Receipt shall be conclusive evidence as against the Company that the Subscription Receipt so Certified has been duly issued hereunder and that the holder is entitled to the benefits hereof. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Subscription Receipts with respect to which this Agreement requires the Subscription Receipt Agent to maintain records or accounts. In case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error, and any Uncertificated Subscription Receipts recorded therein shall be binding on the Company.
- (b) The Certification by the Subscription Receipt Agent of Subscription Receipts issued hereunder shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or the Subscription Receipts (except the due Certification thereof by the Subscription Receipt Agent) and the Subscription Receipt Agent shall in no respect be liable for the use made of the Subscription Receipts or any of them or of the Escrowed Funds therefor except as otherwise specified herein. The Certification by or on behalf of the Subscription Receipt Agent of Subscription Receipts shall only constitute

a representation and warranty by the Subscription Receipt Agent that the Subscription Receipts have been duly Certified by or on behalf of the Subscription Receipt Agent pursuant to the provisions of this Agreement.

2.11 Issue in Substitution for Subscription Receipt Certificates Lost, etc.

- (a) In case any of the Subscription Receipt Certificates shall become mutilated or be lost, destroyed or stolen, the Company, subject to applicable law and compliance with Subsection 2.11(b) below, shall issue and thereupon the Subscription Receipt Agent shall certify and deliver, a new Subscription Receipt Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Subscription Receipt Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be in a form approved by the Subscription Receipt Agent and shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Subscription Receipt Certificates issued or to be issued hereunder.
- (b) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.11 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Company and to the Subscription Receipt Agent in their sole discretion, and such applicant may also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Company and Subscription Receipt Agent in their sole discretion and shall pay the reasonable charges of the Company and Subscription Receipt Agent in connection therewith.

2.12 Exchange of Subscription Receipt Certificates

- (a) Subscription Receipt Certificates may, upon compliance with the reasonable requirements of the Subscription Receipt Agent, acting reasonably, be exchanged for another Subscription Receipt Certificate or Subscription Receipt Certificates entitling the holder thereof to, in the aggregate, the same number of Subscription Receipts as represented by the Subscription Receipt Certificates so exchanged.
- (b) Subscription Receipt Certificates may be surrendered for exchange only at the Designated Office of the Subscription Receipt Agent during regular business hours of the Subscription Receipt Agent. Any Subscription Receipt Certificates so tendered for exchange shall be cancelled. Any one officer or Director shall sign, on behalf of the Company, all Subscription Receipt Certificates necessary to carry out exchanges as aforesaid and those Subscription Receipt Certificates shall be certified by or on behalf of the Subscription Receipt Agent.
- (c) Except as otherwise herein provided, the Subscription Receipt Agent may charge to the holder requesting an exchange a reasonable sum for each new Subscription Receipt Certificate issued in exchange for Subscription Receipt Certificate(s). Payment of such charges and reimbursement of the Subscription Receipt Agent or the Company for any governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange.

2.13 Transferability and Ownership of Subscription Receipts

- (a) The Subscription Receipts may be transferred only on the register kept at the Designated Office of the Subscription Receipt Agent by the holder or his legal representatives or his attorney duly appointed by an instrument in writing. Upon surrender for registration of transfer of Subscription Receipts at the Designated Office of the Subscription Receipt Agent (or, in the case of Uncertificated Subscription Receipts, in accordance with the procedures prescribed by CDS), the Company shall issue and thereupon the Subscription Receipt Agent shall certify and deliver a new Subscription Receipt Certificate of like tenor in the name of the designated transferee (or provide evidence of electronic deposit of same). However, notwithstanding the foregoing, Subscription Receipts shall be transferred only upon:

- (i) payment to the Subscription Receipt Agent of a reasonable sum for each new Subscription Receipt Certificate issued upon such transfer, and reimbursement of the Subscription Receipt Agent or the Company for any and all stamp taxes or governmental or other charges required to be paid in respect of such transfer;
- (ii) compliance with the provisions set out in Section 2.1; and
- (iii) such reasonable requirements as the Subscription Receipt Agent may prescribe,

and all such transfers shall be duly noted in such register by the Subscription Receipt Agent.

- (b) The Company and the Subscription Receipt Agent will deem and treat the registered owner of any Subscription Receipt as the beneficial owner thereof for all purposes and neither the Company nor the Subscription Receipt Agent shall be affected by any notice to the contrary.
- (c) The transfer register in respect of Subscription Receipts shall be closed at 5:00 p.m. (Toronto time) on the earlier of (i) the second Business Day immediately prior to the Escrow Release Date, and (ii) the date of the Escrow Release Deadline (subject to settlement).
- (d) Subject to the provisions of this Agreement and applicable law, a Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts. Either the issue of the Subscription Shares and Warrants as provided in Section 3.3, or the payment of the Subscription Price and the Earned Interest (less applicable withholding taxes, if any) as provided in Section 3.5, all in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Company and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Company nor the Subscription Receipt Agent shall be bound to inquire into the title of a Receiptholder.
- (e) Without limitation, signatures of Receiptholders, where so required under this Agreement, must be guaranteed by an authorized officer of a Canadian Schedule I Chartered Bank or by a medallion signature guarantee from a member of a recognized medallion signature guarantee program.
- (f) None of the Subscription Receipts or the Subscription Shares and Warrants issuable pursuant to the Subscription Receipts have been or will be registered under the U.S. Securities Act or under any United States state securities laws. A U.S. Purchaser may only offer, sell, pledge or otherwise transfer the Subscription Receipts or the Subscription Shares and Warrants issuable pursuant to the Subscription Receipts with the prior written consent of the Company (i) to the Company, or (ii) outside the United States to Persons who are not U.S. Persons in accordance with an applicable exemption under the U.S. Securities Act and in accordance with local laws and regulations.
- (g) The Subscription Receipt Agent shall have no duty to determine compliance of the transferor or transferee of Subscription Receipts with applicable state securities laws in respect of a transfer made pursuant to Section 2.13(f). The Subscription Receipt Agent shall be entitled to assume that all transfers of Subscription Receipts pursuant to Section 2.13(f) are legal and proper and may request any additional documentation it may require to process such transfer.
- (h) A transfer of Subscription Receipts initiated by a CDS participant shall constitute a representation to both the Company and the Subscription Receipt Agent that the CDS participant reasonably believes that the transferee (i) is not in the United States; (ii) is not a U.S. Person and is not acquiring such Subscription Receipts on behalf of a U.S. Person or a person in the United States; and (iii) has, in all other respects, complied with the terms of Regulation S under the U.S. Securities Act in connection with such transfer. If the CDS participant is not able to make or deliver the foregoing representation, then such Subscription Receipts shall be required to be withdrawn by the CDS participant and an individually registered Subscription Receipt Certificate shall be issued by the Subscription Receipt Agent to such beneficial owner or CDS participant and the procedures set forth in Section 2.13(f) shall be followed.

2.14 Funds to be Placed in Escrow

Upon delivery to the Subscription Receipt Agent of the Funds by wire transfer of funds into the Escrow Account to be held pursuant to the terms hereof, the Subscription Receipt Agent shall issue the Subscription Receipts and deliver to the Finder, as directed by FRCC and the Company, as applicable, the corresponding Subscription Receipt Certificates or Uncertificated Subscription Receipts. The Subscription Receipt Agent hereby agrees to hold the Escrowed Funds as agent for and on behalf of the Receipholders, Finder and Company and to disburse and deal with the same as provided herein.

2.15 Subscription Receipts and Trading

The Company confirms that the Subscription Receipts have not been approved for listing on the TSXV or any other stock exchange, and will not be posted for trading.

2.16 Cancellation of Surrendered Subscription Receipt Certificates

All Subscription Receipt Certificates surrendered to the Subscription Receipt Agent pursuant to Sections 2.11, 2.12 and 2.13 shall be returned to the Subscription Receipt Agent for cancellation and, if required by the Company, the Subscription Receipt Agent shall furnish the Company with a cancellation certificate identifying the Subscription Receipt Certificates so cancelled and the number of Subscription Receipts evidenced thereby.

2.17 Uncertificated Subscription Receipts and Beneficial Holders of Subscription Receipts

- (a) Notwithstanding anything to the contrary in this Agreement and any Subscription Receipt Certificate issued to an original purchaser of Subscription Receipts in the United States, and subject to applicable law, the Subscription Receipts will be issued as Uncertificated Subscription Receipts, unless otherwise requested in writing by CDS or the Company.
- (b) Unless the Subscription Receipts cease to be eligible for CDS, owners of beneficial interests in the Subscription Receipts shall not be entitled to have Subscription Receipts registered in their names, shall not receive or be entitled to receive Subscription Receipt Certificates in definitive form and shall not be considered owners or holders thereof under this Agreement or any supplemental agreement except in circumstances where CDS resigns or is removed from its responsibility and the Company is unable to or does not wish to locate a qualified successor. Beneficial interests in the Subscription Receipts will be represented only through the Book-Entry Only System or as Uncertificated Subscription Receipts with CDS. Transfers of Subscription Receipts between CDS participants shall occur in accordance with CDS' applicable rules and procedures.
- (c) None of the Company, Finder or the Subscription Receipt Agent shall have any responsibility or liability for:
 - (i) any aspects of the records relating to or payments made by CDS, or its nominee, on account of the beneficial interest in the Subscription Receipts;
 - (ii) maintaining, supervising or reviewing any records relating to the Subscription Receipts; or
 - (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of a CDS participant.
- (d) All references herein to actions by, notices given or payments made to the Receipholders shall, where Subscription Receipts are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS participants in accordance with its rules and procedures in effect from time to time. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of the Receipholders evidencing a specified percentage of the aggregate Subscription Receipts outstanding, such direction or consent may be given by the Receipholders, including Receipholders acting through CDS and the CDS participants, owning Subscription Receipts evidencing the requisite percentage of the Subscription Receipts. To the extent a Receipholder holds Subscription Receipts through CDS, the rights of such Receipholder shall be exercised only through CDS and the CDS participants and shall be limited to those established by law and agreements between such Receipholders and CDS and/or the CDS participants or upon instructions from the CDS participants. Each of the Subscription Receipt Agent

and the Company may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Receiptholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.

- (e) If the Book-Entry Only System is terminated by the Company at its option, required to be terminated by applicable law or ceases to exist or CDS resigns or is removed from its responsibility as depository and the Company is unable or does not wish to locate a qualified successor, CDS shall surrender the Subscription Receipt Certificate(s) to the Subscription Receipt Agent with instructions for registration in the name(s) and in the amount(s) specified by CDS and the Company shall issue and the Subscription Receipt Agent shall certify and deliver the aggregate number of Subscription Receipts then outstanding in the form of one or more definitive Subscription Receipt Certificate(s) representing such Subscription Receipts.
- (f) Subject to the provisions of this Section 2.17, any exchange of Subscription Receipts for Subscription Receipts which are not Uncertificated Subscription Receipts may be made in whole or in part in accordance with the provisions of Section 2.12, *mutatis mutandis*. All such Subscription Receipts issued in exchange for Uncertificated Subscription Receipts or any portion thereof shall be registered in such names as CDS for such Uncertificated Subscription Receipts shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to Uncertificated Subscription Receipts) as the Subscription Receipts or portion thereof surrendered upon such exchange.
- (g) Notwithstanding anything to the contrary in this Agreement, subject to Applicable Securities Laws, the Uncertificated Subscription Receipts will only be issued in the name of CDS.

2.18 Reliance by the Subscription Receipt Agent

The Subscription Receipt Agent shall have no obligation to ensure or verify compliance with any applicable laws or regulatory requirements on the issue, deemed conversion or transfer of any Subscription Receipts, or any Units, Subscription Shares, or Warrants issuable upon the deemed conversion thereof, provided such issue, deemed conversion or transfer, as the case may be, is effected in accordance with the terms of this Agreement. The Subscription Receipt Agent shall be entitled to process all proffered transfers and deemed conversions of Subscription Receipts upon the presumption that such transfers or deemed conversions are permissible pursuant to all applicable laws and regulatory requirements. The Subscription Receipt Agent may assume for the purposes of this Agreement that any address on the register of the Receiptholders is the holder's actual address and is also determinative as to residency and that the address of any transferee to whom any Subscription Receipts are to be registered, as shown on the transfer document, is the transferee's residency. The Subscription Receipt Agent shall have no obligation to ensure that legends appearing on the Subscription Receipt Certificates, Units, Subscription Shares, or Warrants certificates comply with regulatory requirements or securities laws of any applicable jurisdiction.

ARTICLE 3 ESCROW RELEASE OR TERMINATION

3.1 Certificate of Escrow Release Conditions

- (a) Upon satisfaction of the Escrow Release Conditions, the Company shall deliver to FRCC a certificate (the "**Officers' Certificate**") signed by the Chief Executive Officer of the Company (or such other officer(s) as may be acceptable to FRCC, acting reasonably) certifying, not in their personal capacity but in their capacity as officers of the Company, that the Escrow Release Conditions (other than delivery of the joint Escrow Release Certificate to the Subscription Receipt Agent) have been satisfied or waived. The Escrow Release Certificate shall then be delivered to the Subscription Receipt Agent and shall specify the amounts to be released pursuant to Section 3.2 and to whom such amounts should be released.
- (b) If the Escrow Release Conditions have been satisfied at or before the Escrow Release Deadline, and upon receiving the documentation under Section 3.1(a): (i) the Company shall forthwith issue and deliver to the Receiptholders certificates (or provide evidence of electronic deposit) representing the Subscription Shares and Warrants for each Subscription Receipt then outstanding (subject to any applicable adjustment) in

accordance with Section 3.3, and (ii) shall issue a press release disclosing that the Escrow Release Conditions have been satisfied and that the Subscription Shares and Warrants have been deemed to be issued to Receiptholders.

3.2 Release of the Escrowed Funds

If the Escrow Release Time occurs at or before the Escrow Release Deadline: (i) the Finder shall be entitled to receive from the Subscription Receipt Agent, the Escrowed Finder's Commission and the Earned Interest thereon along with the amount of any unpaid Finder's Expenses in accordance with Section 4.2; and (ii) the Company shall be entitled to receive from the Subscription Receipt Agent the balance of the Escrowed Funds and the Earned Interest thereon. The Subscription Receipt Agent shall deliver the funds referred to in this Section 3.2 to the Company and FRCC (or as directed by the Company and FRCC, as applicable) as soon as practicable but no later than one Business Day after the delivery of the Escrow Release Certificate referred to in Section 3.1(a) by wire transfer. Any Escrow Release Certificate delivered to the Subscription Receipt Agent must be received by the Subscription Receipt Agent by no later than 10:00 a.m. (Toronto time) on the day on which the funds are to be released. Any Escrow Release Certificate received by the Subscription Receipt Agent after 10:00 a.m. (Toronto time) or received on a day that is not a Business Day shall be deemed to have been given prior to 10:00 a.m. (Toronto time) on the next Business Day.

3.3 Issue of Subscription Shares and Warrants and Payment Thereon

- (a) If the Escrow Release Time occurs at or before the Escrow Release Deadline, the Subscription Shares and Warrants shall be and shall be deemed to be automatically issued by the Company at the Escrow Release Time and each Receiptholder shall automatically receive, without any further action required by such Receiptholder and without the payment of any additional consideration, for each Subscription Receipt held by such Receiptholder (subject to any applicable adjustment in accordance with Article 5) one Subscription Share and one Warrant, and such Receiptholder shall be deemed to have become the holder of record of such Subscription Shares and Warrants at the Escrow Release Time, which, for greater certainty, will not be evidenced by definitive certificates.
- (b) Upon the deemed issuance of the Subscription Shares and Warrants, the Company shall, in accordance with the provisions of its constating documents, cause the Subscription Shares and Warrants to be issued and, pursuant to the Transaction Agreement, exchanged for Resulting Issuer Shares and Resulting Issuer Warrants.
- (c) Effective immediately after the Subscription Shares and Warrants have been, or have been deemed to be, issued as contemplated by Section 3.3(a) and the Company has caused certificates (or evidence of electronic deposit) evidencing the Resulting Issuer Shares and Resulting Issuer Warrants to be issued in accordance with Section 3.3(b), the Subscription Receipts relating thereto shall be void and of no value or effect.
- (d) The Subscription Receipt Agent shall not be responsible for calculating the amounts owing under Section 3.2, but shall be entitled to rely on the Escrow Release Certificate specifying the payments to be made pursuant to Section 3.2.
- (e) Each certificate representing the Resulting Issuer Shares issued upon automatic exchange for Subscription Shares and Warrants, as well as all certificates issued in replacement therefor, shall bear, for so long as required by the U.S. Securities Act or applicable state securities laws, the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MANY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT (A) TO THE COMPANY (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT

HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, OR (D) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, INCLUDING RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER FURTHER UNDERSTANDS AND AGREES THAT IN THE EVENT OF A TRANSFER PURSUANT TO THE FOREGOING CLAUSE (D), THE COMPANY WILL REQUIRE A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

provided that, if any of such Resulting Issuer Shares are being sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by (i) providing to the Resulting Issuer's registrar and transfer agent a declaration in the form attached as Appendix "I" to Schedule "C" to the Subscription Agreements or as the Resulting Issuer may prescribe from time to time and (ii) if required by the Resulting Issuer's registrar and transfer agent an opinion of counsel, of recognized standing reasonably satisfactory to the Resulting Issuer, or other evidence reasonably satisfactory to the Resulting Issuer, that the proposed transfer may be effected without registration under the U.S. Securities Act; and provided, further, that, if any such Resulting Issuer Shares are being sold under Rule 144 under the U.S. Securities Act, the legend may be removed by delivering to the Resulting Issuer and the Resulting Issuer's registrar and transfer agent, an opinion of counsel of recognized standing reasonably satisfactory to the Resulting Issuer, that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (f) The parties hereby acknowledge and agree that the Resulting Issuer Shares and Resulting Issuer Warrants issued to U.S. Purchasers that are Qualified Institutional Buyers pursuant to the terms of the Transaction Agreement and pursuant to an available exemption from registration under the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and such securities will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and that each such U.S. Purchaser has executed a QIB Letter in which it agrees, to induce the Resulting Issuer to issue the Resulting Issuer Shares and Resulting Issuer Warrants to the subscriber without a U.S. Securities Act restrictive legend, the U.S. Purchaser represents, warrants and covenants to the Resulting Issuer that: (i) if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the Resulting Issuer Shares or Resulting Issuer Warrants it will do so only: (A) to the Resulting Issuer (though the Resulting Issuer is under no obligation to purchase any such securities) or (B) outside the United States in accordance with Rule 904 of Regulation S and in compliance with applicable local laws or regulations; (ii) the Resulting Issuer Shares will not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons; (iii) it will cause any CDS participant holding the Resulting Issuer Shares or Resulting Issuer Warrants on its behalf and the beneficial purchaser of the Resulting Issuer Shares or Resulting Issuer Warrants to comply with the restrictions described herein; and (iv) for so long as the Resulting Issuer Shares or Resulting Issuer Warrants constitute restricted securities, it will not deposit any of the Resulting Issuer Shares or Resulting Issuer Warrants into the facilities of the Depository Trust Company, or a successor depository within the United States, or arrange for the registration of any of the Resulting Issuer Shares or Resulting Issuer Warrants with Cede & Co. or any successor thereto.

3.4 Fractions

Notwithstanding anything herein contained, the Company shall not be required, upon the conversion of the Subscription Receipts, to issue fractions of Subscription Shares or Warrants. The number of Subscription Shares and Warrants issued will be rounded down to the nearest whole number and the Company shall not pay any amounts to the holder in satisfaction of the right to otherwise have received a fraction of a Subscription Share or Warrant.

3.5 Payment on Termination

- (a) If a Termination occurs, the Company shall forthwith notify the Subscription Receipt Agent, FRCC and Receiptholders thereof in writing (the “**Termination Notice**”).
- (b) If a Termination occurs, each Subscription Receipt shall, subject to Subsection 3.5(e) hereof, be automatically terminated and cancelled and each Receiptholder shall receive out of the Escrowed Funds, an amount equal to (i) the Subscription Price in respect of each of such holder’s Subscription Receipts; and (ii) such holder’s pro rata share of the Earned Interest thereon less applicable withholding taxes, if any.
- (c) The amounts paid to each Receiptholder under Subsection 3.5(b) shall first be satisfied by the Escrowed Funds. To the extent that the Escrowed Funds are insufficient to refund to each Receiptholder an amount equal to the aggregate Subscription Price for the Subscription Receipts held by them (a “**Shortfall**”), the Company shall be responsible and liable to the Receiptholders for any Shortfall and shall contribute such amounts as are necessary to satisfy any Shortfall such that each Receiptholder will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts held. In no case will the Subscription Receipt Agent or Finder be liable to the Receiptholders in the event of a Shortfall.
- (d) The obligation to make the payment of the amounts specified in Subsection 3.5(b) shall be satisfied by the Subscription Receipt Agent mailing cheques made payable to the Receiptholders at their registered addresses.
- (e) Upon the mailing or delivery of any cheque as provided in Subsection 3.5(d) (and, in the case of a cheque, provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof) all rights evidenced by the Subscription Receipts held by a Receiptholder shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

3.6 Additional Payments by the Company

The Company shall, no later than one Business Day before the date upon which any amount due hereunder from the Company, if any, is required to be paid pursuant to Article 3, pay to the Subscription Receipt Agent such amount, if any, in immediately available funds as will be sufficient to allow the Subscription Receipt Agent to pay in full the amounts required to be paid under this Article 3. The Company shall notify in writing the Subscription Receipt Agent of such payments when made.

3.7 Withholding

The Subscription Receipt Agent shall be entitled to deduct and withhold from any amount released pursuant to this Agreement all taxes which are required to be deducted or withheld under any provision of applicable tax law. All such withheld amounts will be treated as having been delivered to the party entitled to the amount released in respect of which such tax has been deducted or withheld and remitted to the appropriate taxing authority.

ARTICLE 4 ESCROWED FINDER’S COMMISSION

4.1 Escrowed Finder’s Commission to be placed in Escrow

On the Closing Date, the Escrowed Finder’s Commission shall be delivered to the Subscription Receipt Agent to be held in the Escrow Account pursuant to the terms hereof. The Subscription Receipt Agent hereby agrees to hold the same as agent for and on behalf of the Finder to disburse and deal with the same as provided herein.

4.2 Release of the Escrowed Finder’s Commission

If the Escrow Release Time occurs at or before the Escrow Release Deadline and the Escrow Release Certificate is delivered in accordance herewith, the Subscription Receipt Agent shall complete a wire transfer payable to FRCC, in the full amount of the Escrowed Finder’s Commission, along with the amount of any unpaid Finder’s Expenses plus

Earned Interest thereon in accordance with the Escrow Release Certificate.

ARTICLE 5 ADJUSTMENT

5.1 Definitions

In this Article 5, references to any “record date” refer to the particular time on such relevant date stipulated for such event and otherwise refers to 5:00 p.m. (Toronto time) on such date.

5.2 Adjustment

The rights attaching to the Subscription Receipts are subject to adjustment from time to time in the event of and in the manner provided as follows:

- (a) If at any time after the issuance of the Subscription Receipts and before the Escrow Release Time, the Company:
 - (i) issues to all or substantially all the holders of the Subscription Shares and Warrants, by way of a stock distribution, stock dividend or otherwise, Subscription Shares and Warrants or securities convertible into or exercisable for Subscription Shares and Warrants or splits, subdivides, re-divides or changes its outstanding Subscription Shares and Warrants into a greater number of Subscription Shares and Warrants, or
 - (ii) reduces, combines or consolidates its outstanding Subscription Shares and Warrants into a lesser number of Subscription Shares and Warrants,

(any of such events in Subsections 5.2(a)(i) and 5.2(a)(ii) being called a “**Subscription Share Reorganization**”), then the number of Subscription Shares and Warrants issuable with respect to each Subscription Receipt will be adjusted as of the record date at which the holders of Subscription Shares and Warrants are determined for the purpose of the Subscription Share Reorganization by multiplying the number of Subscription Shares and Warrants theretofore obtainable immediately prior to such record date by a fraction, the numerator of which will be the number of Subscription Shares and Warrants outstanding on the record date after giving effect to such Subscription Share Reorganization and the denominator of which will be the number of Subscription Shares and Warrants outstanding on the record date before giving effect to such Subscription Share Reorganization.

- (b) If at any time after the issuance of the Subscription Receipts and before the Escrow Release Time there is a reclassification of Subscription Shares and Warrants at any time outstanding or a change or exchange of the Subscription Shares and Warrants into other securities or property (other than a Subscription Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Company with or into any entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding Subscription Shares and Warrants or a change or exchange of the Subscription Shares and Warrants into other securities or property), or a transfer of the undertakings or assets of the Company as an entirety or substantially as an entirety to another entity, or a record date for any of the foregoing events occurs, (any of such events being herein called a “**Capital Reorganization**”), any holder entitled to acquire Subscription Shares and Warrants after the record date or effective date of such Capital Reorganization will be entitled to receive, and will accept in lieu of the number of Subscription Shares and Warrants to which such holder was theretofore entitled, the aggregate number of other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date of such Capital Reorganization, the holder had been the registered holder of the number of Subscription Shares and Warrants to which such holder was then entitled with respect to the Subscription Receipts, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Section 5.2, provided however, that no such Capital Reorganization will be carried into effect unless all necessary steps have been taken to so entitle the holders.

- (c) If at any time after the issuance of the Subscription Receipts and prior to the Escrow Release Time, the Company issues or distributes to the holders of all or substantially all of the outstanding Subscription Shares, cash or securities of the Company, including rights, options or warrants to acquire Subscription Shares or securities convertible into or exchangeable for Subscription Shares or property or assets, including evidences of indebtedness, other than as a result of a Subscription Share Reorganization or a Capital Reorganization (any of such events being a “**Special Distribution**”), or a record date for any of the foregoing events occurs, the Receiptholders will be entitled to receive, and will receive, in addition to the number of Subscription Shares to which such holder was theretofore entitled, the kind and amount of Subscription Shares, cash or other securities, property or assets which result from such issue or distribution as if, on the record date at which holders of Subscription Shares are determined for the purpose thereof, such Receiptholder had been the registered holder of the number of Subscription Shares to which the holder was theretofore entitled.
- (d) The adjustments provided for in this Section 5.2 are cumulative and shall apply to successive subdivisions, consolidations, changes, distributions, issues or other events resulting in any adjustment under the provisions of this Section 5.2.
- (e) In the event that the Company, after the date hereof, shall take any action affecting the Subscription Shares and Warrants, other than the actions described in this Section 5.2, which, in the reasonable opinion of the Directors, would materially affect the rights of the Receiptholders or the rights attaching to the Subscription Receipts, then the number of Subscription Shares and Warrants which are to be received pursuant to the Subscription Receipts shall be adjusted in such manner, if any, and at such time as the Directors may, in their discretion, reasonably and in good faith determine to be equitable to the Receiptholders in such circumstances.
- (f) In the event of any question arising with respect to the adjustment provided in this Section 5.2, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company and acceptable to the Subscription Receipt Agent (who may be the auditors of the Company); such accountants shall have access to all necessary records of the Company and such determination, absent manifest error, shall be binding upon the Company, the Subscription Receipt Agent, FRCC and the Receiptholders.
- (g) As a condition precedent to the taking of any action which would require an adjustment in the number of Subscription Shares or Warrants issuable upon conversion of the Subscription Receipts, the Company shall take any corporate action which may, in the opinion of counsel to the Company (acting reasonably), be necessary to ensure that the Company has sufficient authorized capital and that the Company may validly and legally issue, as fully paid and non-assessable shares, all of the shares which the holders of such Subscription Receipts are entitled to receive on the conversion of the Subscription Receipts, in accordance with the provisions of this Agreement.
- (h) The Subscription Receipt Agent may rely upon certificates and other documents filed by the Company pursuant to this Article 5 for all purposes of any adjustment.
- (i) For greater certainty, no adjustments shall be made in respect of any actions pursuant to the Transaction Agreement which would otherwise require adjustments under this Article 5.

5.3 Duties of the Subscription Receipt Agent

The Subscription Receipt Agent shall not:

- (a) at any time be under any duty or responsibility to any Receiptholder to determine whether any facts exist which may require any adjustment contemplated in Section 5.2, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making such adjustment;
- (b) be accountable with respect to the validity or value (or the kind or amount) of any Subscription Shares and Warrants, or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of the rights attaching to any Subscription Receipt;

- (c) be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver Subscription Shares and Warrants or certificates, or to comply with any of the covenants contained in this Article 5; or
- (d) incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Company of any of the representations, warranties or covenants herein contained or of any acts of the agents of the Company.

5.4 Notice of Adjustment

- (a) Promptly upon the occurrence of the earlier of the effective date of or the record date for any event referred to in Section 5.2 that requires an adjustment of the rights attaching to the Subscription Receipts, the Company shall:
 - (i) file with the Subscription Receipt Agent a certificate of the Company specifying the particulars of the event and, if determinable, the adjustment and computation of the adjustment and the Subscription Receipt Agent may act and rely absolutely on the certificate of the Company; and
 - (ii) give notice, or cause notice to be given, to the Receiptholders and to FRCC of the particulars of the event and, if determinable, the adjustment.
- (b) If notice has been given under Section 5.4(a) and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable:
 - (i) file with the Subscription Receipt Agent a computation of the adjustment; and
 - (ii) give notice, or cause notice to be given, to the Receiptholders and to FRCC of the adjustment.

ARTICLE 6 INVESTMENT OF PROCEEDS AND PAYMENT OF INTEREST

6.1 Investment of Proceeds

- (a) The Company shall direct that FRCC as the Finder, deliver the Subscription Proceeds to the Subscription Receipt Agent on the Closing Date by way of wire transfer. The Subscription Receipt Agent shall immediately place the Funds in a segregated interest-bearing account at an approved bank, including the banks set forth in Section 6.1(b) (each, an “**Approved Bank**”) in accordance with the provisions of this Article 6, and shall pay interest at the rate it normally pays on such deposits. The Company acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of \$0.25 per Subscription Receipt therefor that the Escrowed Funds are held by the Subscription Receipt Agent in accordance with the provisions of this Article 6. The Company further acknowledges and confirms that it has no interest in the Escrowed Funds or in the Earned Interest unless and until the Escrow Release Certificate is delivered to the Subscription Receipt Agent in compliance with this Agreement. The Subscription Receipt Agent shall retain the Escrowed Funds and the Earned Interest for the benefit of the Receiptholders and Finder and, upon the delivery of the Escrow Release Certificate in compliance with this Agreement, to the Subscription Receipt Agent, retroactively for the benefit of the Company in accordance with the provisions of this Article 6.
- (b) The Approved Banks include a Canadian Chartered Bank.
- (c) Pending disbursement of the Escrowed Funds, the Subscription Receipt Agent shall hold cash balances constituting the Escrowed Funds in an account at the Approved Bank. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Receiptholders and the Subscription Receipt Agent shall have no liability with respect to any loss in value of investments as permitted to be made hereunder, including any losses resulting from a default by the Approved Bank. The Company acknowledges

and agrees that the Subscription Receipt Agent acts prudently in depositing the Escrowed Funds at the Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of such bank.

- (d) At any time and from time to time, the Company and FRCC shall jointly be entitled to direct the Subscription Receipt Agent by written notice not to deposit any new amounts in the Approved Bank.
- (e) For tax reporting purposes, all Earned Interest or other taxable income earned from the investment of the Escrow Funds in any tax year shall (i) to the extent such interest is distributed by the Subscription Receipt Agent to any person or entity pursuant to the terms of this Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise be allocated to the Company in the taxation year that it was earned, notwithstanding that no such amount has been distributed. The Receiptholders, FRCC and Company agree to provide the Subscription Receipt Agent with their certified tax identification numbers and other forms, documents and information that the Subscription Receipt Agent may request in order to fulfill any tax reporting function.

6.2 Segregation of Proceeds

The Escrowed Funds received by the Subscription Receipt Agent shall be received as agent for, and shall be segregated and kept apart by the Subscription Receipt Agent as agent for the benefit of the Receiptholders, Company or Finder, as the case may be, and the delivery of the Escrowed Funds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship between the Subscription Receipt Agent, Receiptholders, Company or Finder, as the case may be.

6.3 Third Party Interest

The Company hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent, in connection with this Agreement, to the extent opened or held for or to the credit of the Company, is not intended to be used by or on behalf of any third party.

ARTICLE 7 RIGHTS OF THE COMPANY AND COVENANTS

7.1 General Covenants

- (a) The Company covenants with the Subscription Receipt Agent and the Finder that so long as any Subscription Receipts remain outstanding:
 - (i) it shall at all times maintain its existence and will carry on and conduct its business, and that of a Subsidiary of the Company, in a prudent manner in accordance with industry standards and good business practice and will keep or cause to be kept proper books of account in accordance with applicable law and generally accepted accounting principles;
 - (ii) except as contemplated in the Engagement Agreement or the Transaction Agreement, it shall not take any action which would result in, or cause any material change to, the share capital or capital structure of the Company including, but not limited to, a Subscription Share Reorganization or a Capital Reorganization or a Special Distribution, or enter into any agreement to do any of the foregoing;
 - (iii) it will perform and carry out all of the acts or things to be done by it as provided in this Agreement;
 - (iv) it will reserve and conditionally allot for the purpose and keep available sufficient unissued Subscription Shares and Warrants to enable it to satisfy its obligations on the conversion of the Subscription Receipts;

- (v) it will cause each Subscription Share and Warrant to be duly issued pursuant to the conversion of the Subscription Receipts and each such Subscription Share and Warrant shall be immediately exchanged pursuant to the Transaction Agreement for one Resulting Issuer Share and one Resulting Issuer Warrant, respectively, to be issued and delivered in accordance with the provisions of this Agreement, and all Resulting Issuer Shares and Resulting Issuer Warrants that are issued on the conversion of the Subscription Receipts will be fully paid and non-assessable securities;
- (vi) the Company confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the Exchange Act or a reporting obligation pursuant to Section 15(d) of the Exchange Act. The Company covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the Exchange Act, (ii) the Company shall incur a reporting obligation pursuant to Section 15(d) of the Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Company in accordance with the Exchange Act, the Company shall promptly deliver to the Subscription Receipt Agent an officers' certificate (in a form provided by the Subscription Receipt Agent) notifying the Subscription Receipt Agent of such registration or termination and such other information as the Subscription Receipt Agent may reasonably require at the time. The Company acknowledges that the Subscription Receipt Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Subscription Receipt Agent with respect to those clients of the Subscription Receipt Agent that are required to file reports with the United States Securities and Exchange Commission under the Exchange Act;
- (vii) it will cause the Subscription Receipt Agent to keep open the registers of holders referred to in Section 2.5 hereof as required by such section and will not take any action or omit to take any action which would have the effect of preventing the Receiptholders from receiving any of the Subscription Shares and Warrants issuable or issued upon conversion of the Subscription Receipts;
- (viii) it will make all requisite filings, including any required filings with appropriate securities commissions and stock exchanges, as applicable, in connection with the conversion of the Subscription Receipts and the issue of the Subscription Shares and Warrants, and the Resulting Issuer Shares and Resulting Issuer Warrants;
- (ix) it will promptly advise the Subscription Receipt Agent, the Subscription Receiptholders and FRCC in writing of any default under the terms of this Agreement;
- (x) it will send by prepaid mail or delivery to each holder of Subscription Receipts at the address of such holder appearing on the register of Subscription Receipts maintained hereunder any notices or deliveries required to be provided to holders of Subscription Receipts hereunder;
- (xi) it shall provide at least fourteen Business Days' written notice to each holder of Subscription Receipts of any record date to be set or declared by the Company with respect to any meeting or written resolution of holders of Subscription Shares;
- (xii) in the event that (i) the Company delivers the Termination Notice, or (ii) if the Escrow Release Certificate has not been provided in accordance with the provisions hereof at or prior to the Escrow Release Deadline, it will promptly advise the Subscription Receipt Agent, the Receiptholders and FRCC in writing advising of that fact and each holder of Subscription Receipts shall receive that amount equal to the original Subscription Price therefor plus the holder's pro rata share of Subscription Receipt interest, if any, on such amount (less any applicable withholding tax thereon) of any default under the terms of this Agreement and such notice shall be sent within three Business Days after the Termination Date;
- (xiii) generally, it will perform and carry out all acts and things to be done by it as provided in this Agreement or in order to consummate the transactions contemplated as to satisfaction of the Escrow Release Conditions thereby;

- (xiv) it will, to the extent that there is a Shortfall, be liable to the Receiptholders for any such Shortfall and shall contribute such amounts as are necessary to satisfy any Shortfall such that each Receiptholder will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts held; and
- (xv) it shall, upon satisfaction of the Escrow Release Conditions (other than delivery of the joint Escrow Release Certificate to the Subscription Receipt Agent), deliver to FRCC the Officers' Certificate.

7.2 The Subscription Receipt Agent's Remuneration, Expenses and Indemnification

The Company covenants that it will pay to the Subscription Receipt Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Subscription Receipt Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of this Agreement both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Subscription Receipt Agent's gross negligence, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after thirty days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable on demand.

7.3 Performance of Covenants by the Subscription Receipt Agent

If the Company shall fail to perform any of its covenants contained in this Agreement, the Subscription Receipt Agent will notify the Receiptholders and FRCC of such failure on the part of the Company or may itself perform any of the said covenants capable of being performed by it, but shall be under no obligation to perform said covenants or to notify the Receiptholders of such performance by it. All sums expended or advanced by the Subscription Receipt Agent in so doing shall be repayable as provided in Section 7.2. No such performance, expenditure or advance by the Subscription Receipt Agent shall relieve the Company of any default hereunder or of its continuing obligations under the covenants contained herein.

7.4 Accounting

The Subscription Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Subscription Receipt Agent hereunder and the receipt, investment, reinvestment and disbursement of the Escrowed Funds, and shall provide to the Company and FRCC records and statements thereof periodically upon written request. The Company shall have the right to audit any such books, records, accounts and statements.

7.5 Payments by the Subscription Receipt Agent

The Subscription Receipt Agent will disburse monies according to this Agreement only to the extent that monies have been deposited with it. The Subscription Receipt Agent shall not under any circumstances be required to disburse funds in excess of the amounts on deposit with the Subscription Receipt Agent at the time of such disbursement.

7.6 Regulatory Matters

The Company shall file all such documents, notices and certificates and take such steps and do such things as may be necessary under Applicable Securities Laws to permit the issuance of the Subscription Shares and Warrants in the circumstances contemplated by Section 3.3 such that such issuance will comply with the prospectus and registration requirements (or exemptions therefrom) of Applicable Securities Laws in each of the Offering Jurisdictions.

7.7 Anti-Money Laundering & Privacy

The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering, or anti-terrorist legislation or economic sanctions legislation, regulation or guideline. Further, should the Subscription

Receipt Agent, in its sole judgment, acting reasonably, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, or antiterrorist legislation or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten Business Days' prior written notice sent to all parties provided that (i) the Subscription Receipt Agent's written notice shall describe the circumstances of such noncompliance, and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction, acting reasonably, within such ten Business Day period, then such resignation shall not be effective.

7.8 Privacy

The parties acknowledge that the Subscription Receipt Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Agreement and other services that may be requested from time to time;
- (b) to help the Subscription Receipt Agent manage its servicing relationships with such individuals;
- (c) to meet the Subscription Receipt Agent's legal and regulatory requirements; and
- (d) if social insurance numbers (or the equivalent) are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website, or upon request, including revisions thereto. The Subscription Receipt Agent may transfer any personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides. Further, each party agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

7.9 Use of Accounts

Each of the Company and the Finder hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent in connection with this Agreement, for or to the credit of such party other than the Receiptholders, either (i) is not intended to be used by or on behalf of any third party, or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Subscription Receipt Agent's prescribed form as to the particulars of such third party.

ARTICLE 8 ENFORCEMENT

8.1 Suits by Receiptholders

Subject to Section 9.10, any of the rights conferred upon any Receiptholder by any of the terms of the Subscription Receipt Certificates or this Agreement, or of both, may be enforced by the Receiptholder by appropriate proceedings, but without prejudice to the right which is hereby conferred upon the Subscription Receipt Agent to proceed in its own name to enforce each and all of the provisions contained herein for the benefit of the Receiptholders. The Subscription Receipt Agent shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may reasonably be advised shall be necessary or advisable to preserve and protect its interests and the interests of Receiptholders.

8.2 Limitation of Liability

The obligations hereunder are not personally binding on, the private property of, any past, present or future Director, shareholder, officer, employee or agent of the Company, but only the property of the Company shall be bound in respect hereof. Further, the obligations hereunder will not resort hereunder be had to the private property of, any past, present or future Director, shareholder, officer, employee or agent of the Company, but only the property of the Company shall be bound in respect hereof.

ARTICLE 9 MEETINGS OF RECEIPHOLDERS

9.1 Right to Convene Meetings

The Subscription Receipt Agent may at any time and from time to time, and shall on receipt of a written request of the Company or of a Receiptholders' Request and upon being funded and indemnified to its reasonable satisfaction by the Company or by the Receiptholders signing such Receiptholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Receiptholders. In the event of the Subscription Receipt Agent failing to so convene a meeting within fifteen days after receipt of such written request of the Company or such Receiptholders' Request and funding and indemnity given as aforesaid, the Company or such Receiptholders, as the case may be, may convene such meeting. Every such meeting shall be held in Toronto, Ontario, Canada or at such other place as may be determined by the Subscription Receipt Agent and Company.

9.2 Notice

At least fourteen Business Days' prior notice of any meeting of Receiptholders shall be given to the Receiptholders in the manner provided for in Section 12.2 and a copy of such notice shall be sent by mail to the Subscription Receipt Agent (unless the meeting has been called by the Subscription Receipt Agent) and to the Company (unless the meeting has been called by the Company). Such notice shall state the date (which shall be a Business Day) and time when, and the place where, the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Receiptholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 9.

9.3 Chairman

An individual (who need not be a Receiptholder) nominated in writing by the Subscription Receipt Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within thirty minutes from the time fixed for the holding of the meeting, the Receiptholders present in person or by proxy shall choose some individual present to be chairman.

9.4 Quorum

Subject to the provisions of Section 9.11, at any meeting of the Receiptholders a quorum shall consist of not less than two Receiptholders present in person or by proxy and holding at least 10% of the then outstanding Subscription Receipts. If a quorum of the Receiptholders shall not be present within thirty minutes from the time fixed for holding any meeting, the meeting, if summoned by the Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the Business Day immediately following such day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Receiptholder or Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not hold at least 10% of the then outstanding Subscription Receipts.

9.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Receiptholders is present may, with the consent of the meeting, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

9.6 Show of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on a special resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

9.7 Poll and Voting

On every special resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Receiptholders acting in person or by proxy and holding at least 5% of the Subscription Receipts then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by special resolution shall be decided by a majority of the votes cast on the poll.

On a show of hands, every person who is present and entitled to vote, whether as a Receiptholder or as proxy for one or more absent Receiptholders, or both, shall have one vote. On a poll, each Receiptholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Subscription Receipt then held or represented by such person. A proxy need not be a Receiptholder. In the case of joint holders, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them shall be present in person or by proxy, they shall vote together in respect of Subscription Receipts of which they are joint registered holders.

The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, that are held or represented by the chairman.

9.8 Regulations

The Subscription Receipt Agent, or Company with the approval of the Subscription Receipt Agent, may from time to time make or vary such regulations as it shall think fit for:

- (a) the setting of the record date for a meeting of holders of Subscription Receipts for the purpose of determining Receiptholders entitled to receive notice of and vote at such meeting;
- (b) the deposit of voting certificates and instruments appointing proxies at such place and time as the Subscription Receipt Agent, Company or Receiptholders, convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (c) the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed or electronically transferred before the meeting to the Company or Subscription Receipt Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
- (d) the form of the instrument of proxy and the manner in which the instrument of proxy must be executed; and
- (e) the calling of meetings of Receiptholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the only votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Receiptholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 9.9), shall be Receiptholders, their counsel, or duly appointed proxies of Receiptholders.

9.9 The Company and Subscription Receipt Agent may be Represented

The Company and Subscription Receipt Agent, by their respective authorized employees, agents, and counsel for the Company and counsel for the Subscription Receipt Agent may attend any meeting of the Receiptholders, but shall have no vote at any such meeting unless in their capacity as Receiptholder or proxy.

9.10 Powers Exercisable by Special Resolution

In addition to all other powers conferred upon them by any other provisions of this Agreement or by law, the Receiptholders at a meeting shall, subject to the provisions of Section 9.11, have the power, subject to all applicable regulatory and exchange approvals, exercisable from time to time by special resolution (as defined in Section 9.11):

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Receiptholders or, subject to the consent of the Subscription Receipt Agent, the Subscription Receipt Agent, against the Company or against its undertaking, property and assets or any part thereof whether such rights arise under this Agreement, the Subscription Receipt Certificates or otherwise;
- (b) to amend, alter or repeal any special resolution previously passed or sanctioned by the Receiptholders;
- (c) subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or to authorize the Subscription Receipt Agent to enforce any of the covenants on the part of the Company contained in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders in any manner specified in such special resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, or authorize and direct the Subscription Receipt Agent to waive, any default on the part of the Company in complying with any provisions of this Agreement or the Subscription Receipt Certificates either unconditionally or upon any conditions specified in such special resolution;
- (e) to restrain any Receiptholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any of the covenants on the part of the Company in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders;
- (f) to direct any Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Receiptholder in connection therewith;
- (g) to assent to any modification of, change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to in writing by the Company, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission;
- (h) to remove the Subscription Receipt Agent or its successor in office and to appoint a new subscription receipt agent to take the place of the Subscription Receipt Agent;
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any Subscription Shares or Warrants or other securities of the Company;
- (j) to extend the Escrow Release Deadline to some other time and date; and

- (k) to assent to any modification of, change in or omission from the definition of “Termination” contained in this Agreement or any ancillary or supplemental instrument which may be agreed to by the Company, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission.

For greater certainty, none of the foregoing matters may be effected by the Company or Subscription Receipt Agent without the approval of the Receiptholders by way of special resolution.

9.11 Meaning of Special Resolution

- (a) The expression “special resolution” when used in this Agreement means, subject as hereinafter provided in this Section 9.11 and in Section 9.14, a resolution proposed at a meeting of Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 9 at which two or more Receiptholders are present in person or by proxy, representing not less than in the aggregate 10% of the number of Subscription Receipts then outstanding and passed by the affirmative votes of Receiptholders holding more than $66 \frac{2}{3}\%$ of the outstanding Subscription Receipts represented at the meeting and voted on a poll upon such resolution.
- (b) Notwithstanding Subsection 9.11(a), if, at any meeting called for the purpose of passing a special resolution, at least two Receiptholders holding not less than in the aggregate 10% of the then outstanding Subscription Receipts are not present in person or by proxy within thirty minutes after the time appointed for the meeting, then the meeting, if convened by Receiptholders or on a Receiptholders’ Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than twenty-one days nor more than sixty days later, and to such place and time as may be determined by the chairman. Not less than ten days’ prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 12.2. It shall not be necessary in such notice to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting:
 - (i) if the special resolution purports to exercise any of the powers conferred pursuant to Subsections 9.10(a), 9.10(d), 9.10(i) or 9.10(j) or purports to change the provisions of this Section 9.11 or Section 9.14 or purports to amend, alter or repeal any special resolution previously passed or sanctioned by the Receiptholders in exercise of the powers referred to in this paragraph, a quorum for the transaction of business shall consist of Receiptholders holding more than 10% of the then outstanding Subscription Receipts present in person or by proxy; and
 - (ii) in any other case, a quorum for the transaction of business shall consist of such Receiptholder or Receiptholders as are present in person or by proxy.
- (c) At any such adjourned meeting, any resolution passed by the requisite votes as provided in Subsection 9.11(a) shall be a special resolution within the meaning of this Agreement, subject to the quorum requirements in Section 9.11(b)(i) and 9.11(b)(ii), as applicable, being satisfied.
- (d) Votes on a special resolution shall always be given on a poll and no demand for a poll on a special resolution shall be necessary.

9.12 Powers Cumulative

Any one or more of the powers or any combination of the powers in this Agreement stated to be exercisable by the Receiptholders by special resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Receiptholders to exercise such powers or combination of powers then or thereafter from time to time.

9.13 Minutes

Minutes of all resolutions and proceedings at every meeting of Receiptholders shall be made and duly entered in books

to be provided from time to time for that purpose by the Subscription Receipt Agent, and any such minutes as aforesaid, if signed by the chairman or secretary of the meeting at which such resolutions were passed or proceedings had or by the chairman or secretary of the next succeeding meeting held shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

9.14 Instruments in Writing

Subject to receiving the consent of such persons as may otherwise be required by this Article 9 in connection with the taking of any action or the exercise of any power by Receiptholders, all actions which may be taken and all powers that may be exercised by the Receiptholders at a meeting held as provided in this Article 9 may also be taken and exercised by an instrument in writing signed in one or more counterparts by such Receiptholders in person or by attorney duly appointed in writing, by one or more Receiptholders holding more than 66 2/3% of the then outstanding Subscription Receipts with respect to a special resolution, and the expression "special resolution" when used in this Agreement shall include an instrument so signed by one or more Receiptholders holding more than 66 2/3% of the then outstanding Subscription Receipts.

9.15 Binding Effect of Resolutions

Every resolution and every special resolution passed in accordance with the provisions of this Article 9 at a meeting of Receiptholders shall be binding upon all the Receiptholders, whether present at or absent from such meeting, and every instrument in writing signed by Receiptholders in accordance with Section 9.14 shall be binding upon all the Receiptholders, whether signatories thereto or not, and each and every Receiptholder and the Subscription Receipt Agent shall be bound to give effect accordingly to every such resolution and instrument in writing.

ARTICLE 10 SUPPLEMENTAL AGREEMENTS AND SUCCESSOR PERSONS

10.1 Provision for Supplemental Agreements for Certain Purposes

From time to time the Company, FRCC and Subscription Receipt Agent may, subject to the provisions hereof and subject to regulatory approval, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, agreements supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) adding to the provisions hereof such additional covenants and enforcement provisions as are necessary or advisable by the Subscription Receipt Agent, provided that such changes are not prejudicial to the interests of the Receiptholders based on the opinion of counsel to the Company;
- (b) giving effect to any special resolution passed as provided in Article 9;
- (c) evidencing the succession, or the successive successions, of any other person to the Company and the assumption by such successor of the covenants of, and obligations of the Company under this Agreement in accordance with Section 10.2;
- (d) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Company, prejudicial to the interests of the Receiptholders;
- (e) adding to or altering the provisions hereof in respect of the transferability of Subscription Receipts, making provision for the exchange of Subscription Receipt Certificates, and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;

- (f) modifying any of the provisions of this Agreement, including relieving the Company from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Company, such modification or relief in no way prejudices any of the rights of the Receiptholders, FRCC or Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any such supplemental agreement which in its opinion (acting reasonably) may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and
- (g) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Company, the rights of the Subscription Receipt Agent, FRCC and Receiptholders are in no way prejudiced thereby.

10.2 Successor Persons

If the Company is consolidated, amalgamated, arranged or merged with or into any other person or converts or transfers all or substantially all of the properties and assets of the Company in their entirety to another person, the successor person or persons formed by such consolidation, amalgamation or arrangement or into which the Company shall have been merged or which shall have received a conveyance or transfer as set out above shall, as a condition precedent to any such transaction, agree to succeed to and be substituted for the Company under this Agreement by supplemental agreement with the same effect as nearly as may be possible as if it had been named herein and shall deliver the executed supplemental agreement to the Subscription Receipt Agent. Such changes may be made in the Subscription Receipts as may be appropriate and necessary in view of such consolidation, amalgamation, merger, conveyance or transfer without the need for any approval of the Receiptholders.

ARTICLE 11 CONCERNING THE SUBSCRIPTION RECEIPT AGENT

11.1 Rights and Duties of the Subscription Receipt Agent

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent shall exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. No provision of this Agreement shall be construed to relieve the Subscription Receipt Agent from liability for its own gross negligence or wilful misconduct, fraud or bad faith.
- (b) The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Subscription Receipt Agent or the Receiptholders hereunder shall be conditional upon the Receiptholders furnishing, when required by notice by the Subscription Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and to hold harmless the Subscription Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the Subscription Receipt Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Receiptholders, at whose instance it is acting, to deposit with the Subscription Receipt Agent the Subscription Receipts held by them, for which Subscription Receipts the Subscription Receipt Agent shall issue receipts.

- (d) Every provision of this Agreement that by its terms relieves the Subscription Receipt Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of this Section 11.1, Section 11.2 and applicable law.
- (e) The Subscription Receipt Agent shall not be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and in the absence of any such notice, the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether or not the Subscription Receipt Agent shall take action with respect to any default.
- (f) The Subscription Receipt Agent shall have no duties except those expressly set forth herein, and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of, this Agreement, unless received by it in writing and signed by the other parties hereto and, if its duties herein are affected, unless it shall have given its prior written consent thereto.
- (g) The Subscription Receipt Agent shall not be responsible or liable in any manner whatsoever for the deficiency, correctness, genuineness or validity of any securities deposited with it.
- (h) The Subscription Receipt Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement, which documentation does not require the exercise of any discretion or independent judgment.
- (i) The Subscription Receipt Agent shall not be liable to account to anyone for the profit it may receive, if any, while holding the Escrowed Funds.
- (j) No duty shall rest with the Subscription Receipt Agent to determine compliance of the transferor or transferee with Applicable Securities Laws. The Subscription Receipt Agent shall be entitled to assume that all transfers are legal and proper.

11.2 Evidence, Experts and Advisers

- (a) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Company shall furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as the Subscription Receipt Agent may reasonably require by written notice to the Company.
- (b) In the exercise of its rights and duties hereunder, the Subscription Receipt Agent may, if it is acting in good faith, act and rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Company, certificates of the Company or other evidence furnished to the Subscription Receipt Agent pursuant to any provision hereof or pursuant to a request of the Subscription Receipt Agent.
- (c) Whenever it is provided in this Agreement that the Company shall deposit with the Subscription Receipt Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Company to have the Subscription Receipt Agent take the action to be based thereon.
- (d) Proof of the execution of an instrument in writing, including a Receiptholders' Request, by any Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to it the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Subscription Receipt Agent may consider adequate.

- (e) The Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.
- (f) The Subscription Receipt Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from counsel, or any accountant, appraiser, or other expert or advisor, whether retained or employed by the Company or by the Subscription Receipt Agent with respect to any matter arising in relation to the Agreement.
- (g) The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Subscription Receipt Agent.

11.3 Securities, Documents and Monies Held by the Subscription Receipt Agent

Any securities, documents of title, monies or other instruments that may at any time be held by the Subscription Receipt Agent pursuant to this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or of any Approved Bank or deposited for safekeeping with any such bank. Any monies so held pending the application or withdrawal thereof under any provisions of this Agreement may be deposited in the name of the Subscription Receipt Agent in any Approved Bank, or in the deposit department of the Subscription Receipt Agent or any other loan or trust company authorized to accept deposits under the federal laws of Canada or a province thereof, at the rate of interest (if any) then current on similar deposits.

11.4 Actions by the Subscription Receipt Agent to Protect Interest

The Subscription Receipt Agent shall have the power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Receiptholders.

11.5 The Subscription Receipt Agent is not Required to Give Security

The Subscription Receipt Agent shall not be required to give any bond or security in respect of the execution of this Agreement or otherwise in respect of the premises.

11.6 Protection of the Subscription Receipt Agent

By way of supplement to the provisions of any law for the time being relating to the agents it is expressly declared and agreed as follows:

- (a) the Subscription Receipt Agent shall not be liable for or by reason of any statements of fact or recitals in this Agreement or in the Subscription Receipt Certificates (except in the certificate of the Subscription Receipt Agent on the Subscription Receipt Certificates) or be required to verify the same, but all such statements are and shall be deemed to be made by the Company;
- (b) nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;
- (c) the Subscription Receipt Agent shall not be bound to give notice to any Person or Persons of the execution hereof;

- (d) the Subscription Receipt Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Company of any of the covenants herein contained or of any acts of any Directors, officers, employees, agents or servants of the Company;
- (e) the Subscription Receipt Agent shall incur no liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;
- (f) if the Subscription Receipt Agent delivers any cheque as required hereunder, the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such cheque is not honoured on presentation, provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and, if required by the Subscription Receipt Agent, an indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque;
- (g) notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Subscription Receipt Agent, except in the case of fraud, shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages; and
- (h) in addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Company shall at all times indemnify the Subscription Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the “**Indemnified Parties**”) and save them harmless from and against all claims, demands, losses, actions, causes of action, suits, proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Subscription Receipt Agent’s duties hereunder, and including any services that the Subscription Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from the Subscription Receipt Agent’s gross negligence, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Company. Notwithstanding any other provision hereof, the Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. Notwithstanding any other provision hereof, this indemnity shall survive the resignation or removal of the Subscription Receipt Agent and the termination or discharge of this Agreement.

11.7 Replacement of the Subscription Receipt Agent; Successor by Merger

- (a) The Subscription Receipt Agent may resign its appointment and be discharged from all other duties and liabilities hereunder, subject to this Section 11.7, by giving to the Company not less than sixty days’ prior notice in writing or such shorter prior notice as the Company may accept as sufficient. The Receiptholders by special resolution shall have power at any time to remove the existing Subscription Receipt Agent and to appoint a new subscription receipt agent. In the event of the Subscription Receipt Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, FRCC shall forthwith, with the Company’s prior consent, not to be unreasonably withheld, appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Receiptholders; failing such appointment by FRCC, the retiring Subscription Receipt Agent (at the expense of the Company) or any Receiptholder may apply to a justice of the courts of the Province of Ontario on such notice as such justice may direct, for the appointment of a new subscription

receipt agent; but any new subscription receipt agent so appointed by FRCC or by the courts of the Province of Ontario shall be subject to removal as aforesaid by the Receiptholders. Any new subscription receipt agent appointed under any provision of this Section 11.7 shall be a corporation authorized to carry on the business of a trust company in one or more provinces of Canada and, if required by the applicable legislation for any provinces or territories, in such provinces or territories. On any such appointment, the new subscription receipt agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent hereunder. At the request of the Company or the new subscription receipt agent, the retiring Subscription Receipt Agent, upon payment of the amounts, if any, due to it pursuant to Section 7.2, shall duly assign, transfer and deliver to the new subscription receipt agent all property and money held and all records kept by the retiring Subscription Receipt Agent hereunder or in connection herewith.

- (b) Upon the appointment of a successor subscription receipt agent, the Company shall promptly notify the Receiptholders thereof in the manner provided for in Article 12 hereof.
- (c) Any corporation into or with which the Subscription Receipt Agent may be merged, consolidated or amalgamated, or to which all or substantially all of its corporate trust business is sold or is otherwise transferred, or any corporation resulting therefrom to which the Subscription Receipt Agent shall be a party, or any corporation succeeding to the corporate trust business of the Subscription Receipt Agent shall be the successor to the Subscription Receipt Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor subscription receipt agent under Subsection 11.7(a).
- (d) Any Subscription Receipt Certificate certified but not delivered by a predecessor subscription receipt agent may be delivered by the successor subscription receipt agent in the name of the successor or predecessor subscription receipt agent. In case at any time any of the Subscription Receipt Certificates have not been countersigned, a Subscription Receipt Certificate may be countersigned either in the name of the predecessor subscription receipt agent or new or successor subscription receipt agent, and in all such cases such Subscription Receipt Certificates will have the full force provided in the Subscription Receipt Certificates and in this Agreement

11.8 Conflict of Interest

- (a) The Subscription Receipt Agent represents to the Company and Finder that at the time of execution and delivery hereof no material conflict of interest exists between its role as a subscription receipt agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within thirty days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its appointment as subscription receipt agent hereunder to a successor subscription receipt agent approved by the Company and meeting the requirements set forth in Subsection 11.7(a).
- (b) Notwithstanding the foregoing provisions of Subsection 11.8(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.
- (c) Subject to Subsection 11.8(a), the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company and generally may contract and enter into financial transactions with the Company or any affiliated entity of the Company without being liable to account for any profit made thereby.

11.9 Acceptance of Appointment

The Subscription Receipt Agent hereby accepts the appointment as subscription receipt agent in this Agreement and agrees to perform its duties hereunder upon the terms and conditions herein set forth. No trust is intended to be or will be created hereby and the Subscription Receipt Agent shall owe no duties hereunder as a trustee.

11.10 The Subscription Receipt Agent Not to be Appointed Receiver

The Subscription Receipt Agent and any Person related to the Subscription Receipt Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Company.

ARTICLE 12 GENERAL

12.1 Notice to the Company, Subscription Receipt Agent and Finder

- (a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Company, Finder or Subscription Receipt Agent shall be deemed to be validly given if delivered by hand courier or by electronic transmission:

if to the Company, to:

Empatho Corp.
40 King Street West, Suite 1700
Toronto, Ontario M5H 1H1

Email: [redacted]
Attention: Yan Namer

with a copy (for informational purposes only and not constituting notice) to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 3S1

Email: [redacted]
Attention: Lawrence Wilder

if to the Subscription Receipt Agent, to:

Garfinkle Biderman LLP
1 Adelaide St E, Suite 801
Toronto, ON M5C 2V9

Email: [redacted]
Attention: Shimmy Posen

if to FRCC:

First Republic Capital Corporation
55 University Ave, Suite 1003
Toronto, ON M5J 2H7

Email: [redacted]
Attention: Anthony Durkacz

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if delivered by electronic transmission, on the day of transmission or, if such day is not a Business Day, on the first Business Day following the day of transmission. Accidental error or omission in giving notice or accidental failure to mail notice to any Receiptholder will not invalidate any action or proceeding founded thereon.

- (b) The Company, FRCC or Subscription Receipt Agent, as the case may be, may from time to time notify the other in the manner provided in Subsection 12.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Company, FRCC or Subscription Receipt Agent, as the case may be, for all purposes of this Agreement.

12.2 Notice to Receipholders

- (a) Unless herein otherwise expressly provided, any notice to the Receipholders under the provisions of this Agreement shall be valid and effective if delivered or sent by letter or circular through the ordinary post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five Business Days following actual posting of the notice.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Receipholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Receipholders or if delivered to the address for such Receipholders contained in the register of Subscription Receipts maintained by the Subscription Receipt Agent.
- (c) All notices to joint holders of any Subscription Receipt may be given to whichever one of the holders thereof is named first in the appropriate register hereinbefore mentioned, and any notice so given shall be sufficient notice to all such joint holders of the Subscription Receipt.

12.3 Ownership of Subscription Receipts

The Company and Subscription Receipt Agent may deem and treat the registered owner of any Subscription Receipt Certificate or, in the case of a transferee who has surrendered a Subscription Receipt Certificate in accordance with and as contemplated in Sections 3.3 and 3.5, such transferee, as the absolute owner of the Subscription Receipt represented thereby for all purposes, and the Company and Subscription Receipt Agent shall not be affected by any notice or knowledge to the contrary except where the Company or Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Receipholder shall be entitled to the rights evidenced by such Subscription Receipt Certificate and this Agreement free from all equities or rights of set off or counterclaim between the Company and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such Receipholder for the Subscription Shares and Warrants which may be acquired pursuant thereto shall be a good discharge to the Company and Subscription Receipt Agent for the same and neither the Company nor Subscription Receipt Agent shall be bound to inquire into the title of any such holder except where the Company or Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction.

12.4 Satisfaction and Discharge of Agreement

Upon the earliest of:

- (a) the issuance of certificates evidencing, or entry in the registers of holders of Subscription Receipts for the, Subscription Shares and Warrants to all holders of Subscription Receipts as provided in Subsection 3.3(a) and the payment of monies required to be paid to the Company and FRCC, pursuant to Section 3.2; or
- (b) the payment of all monies required where a Termination occurs as provided in Section 3.5(d),

this Agreement shall cease to be of further effect and the Subscription Receipt Agent, on demand of and at the cost and expense of the Company and upon delivery to the Subscription Receipt Agent of a certificate of the Company stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Agreement.

12.5 Sole Benefit of Parties and Receiptholders

Nothing in this Agreement or in the Subscription Receipt Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Receiptholders.

12.6 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, pandemics (including any escalation in the COVID-19 pandemic), epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 12.6.

12.7 Time of Essence

Time is and shall remain of the essence of this Agreement.

12.8 Counterparts

This Agreement may be executed and delivered in counterparts, each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under their respective corporate seals and the hands of their proper officers in that behalf.

EMPATHO CORP.

Per: "Yan Namer"
Name: Yan Namer
Title: Chief Executive Officer

FIRST REPUBLIC CAPITAL CORPORATION

Per: _____
Authorized Signatory

GARFINKLE BIDERMAN LLP

Per: _____
Authorized Signatory

IN WITNESS WHEREOF the parties hereto have executed this Agreement under their respective corporate seals and the hands of their proper officers in that behalf.

EMPATHO CORP.

Per: _____
Name: Yan Namer
Title: Chief Executive Officer

FIRST REPUBLIC CAPITAL CORPORATION

Per: "Authorized Signatory"
Authorized Signatory

GARFINKLE BIDERMAN LLP

Per: "Authorized Signatory"
Authorized Signatory

SCHEDULE "A"

FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) JUNE 29, 2021, AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

[Subscription Receipt Certificates issued to U.S. Purchasers that have not completed the QIB Letter shall bear the following additional legend:]

"THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, OR (B) OUTSIDE THE UNITED STATES TO A PERSON WHO IS NOT A "U.S. PERSON" (AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT) IN ACCORDANCE WITH AN APPLICABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

EMPATHO CORP.

(A corporation governed by the laws of Canada)

Certificate Number: [●]

Number of Subscription Receipts: [●]

THIS IS TO CERTIFY THAT [●] (the "**holder**") is the registered holder of [●] Subscription Receipts represented hereby.

The Subscription Receipts represented by this Subscription Receipt certificate (this "**Certificate**") are issued pursuant to a subscription receipt agreement (the "**Agreement**") dated June 29, 2021 among Empatho Corp. (the "**Company**"), First Republic Capital Corporation (the "**Finder**") and Garfinkle Biderman LLP (the "**Subscription Receipt Agent**").

Capitalized terms used in this Certificate shall have the same meanings herein as in the Agreement, unless otherwise defined herein.

- (a) If the Escrow Release Time occurs at or before the Escrow Release Deadline, then each holder of Subscription Receipts shall automatically receive, without any further action required by such Receiptholder and without payment of any additional consideration, for each Subscription Receipt held by the Receiptholder, one Subscription Share and one Warrant, which is to be immediately exchanged for one Resulting Issuer Share and one Resulting Issuer Warrant.
- (b) In the event that a Termination occurs, this Agreement and all issued and outstanding Subscription Receipts shall be automatically terminated and cancelled and each Receiptholder shall be entitled to receive out of the Escrowed Funds and from the Company, an amount equal to the Subscription Price in respect of such holder's Subscription Receipts together with such holder's pro rata share of Earned Interest (as defined herein), less applicable withholding taxes, if any. To the extent that the Escrowed Funds are insufficient to refund to each holder of Subscription Receipts an amount equal to the aggregate Subscription Price of the Subscription

Receipts held by them, the Company shall be responsible and liable to the holders of Subscription Receipts with no further recourse by the holders of the Subscription Receipts or the Finder against the Company, for any Shortfall and shall contribute such amounts as are necessary to satisfy any Shortfall such that each holder of Subscription Receipts will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts held.

The holder acknowledges and agrees that certificates for the Subscription Shares and Warrants will not be issued and that each Subscription Share and Warrant issued on conversion of the Subscription Receipts evidenced hereby is to be exchanged pursuant to the Transaction Agreement for one Resulting Issuer Share and one Resulting Issuer Warrant and the holder will receive certificates (or evidence of electronic deposit thereof) for such Resulting Issuer Shares and Resulting Issuer Warrants. The holder hereby provides all required authorization and consents, if any, to complete the Amalgamation and all steps required to consummate the Reverse Takeover.

The Subscription Receipts represented hereby are issued under and pursuant to the Agreement. Reference is hereby made to the Agreement and any and all other instruments supplemental or ancillary thereto for a full description of the rights of the holders of the Subscription Receipts and the terms and conditions upon which such Subscription Receipts are, or are to be, issued and held, all to the same effect as if the provisions of the Agreement and all instruments supplemental or ancillary thereto were herein set forth, and to all of which provisions the holder of these Subscription Receipts by acceptance hereof assents. In the event of a conflict or inconsistency between the terms of the Agreement and this Certificate, the terms of the Agreement shall prevail.

The holding of the Subscription Receipts evidenced by this Certificate shall not constitute the holder hereof a Shareholder or entitle such holder to any right or interest in respect thereof except as herein and in the Agreement expressly provides. The Agreement provides for adjustment in the number of Subscription Shares and Warrants to be issued upon the exchange of the Subscription Receipts, evidenced by this Certificate upon the occurrence of certain events set forth therein.

The holder of this Subscription Receipt Certificate is cautioned that in the event that the Subscription Receipts are deemed to be cancelled, a cheque will be mailed to the latest address of record of the registered holder.

The Agreement contains provisions making binding upon all holders of Subscription Receipts outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and by instruments in writing signed by the holders of a specified majority of the outstanding Subscription Receipts.

The Subscription Receipts evidenced by this Certificate are transferrable by the holder in accordance with section 2.13 of the Agreement and upon the due execution and delivery of the attached Form of Transfer.

The Subscription Receipts and the Subscription Shares and Warrants issuable pursuant to the conversion of the Subscription Receipts have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state of the United States. All or any portion of the Subscription Receipts represented by this Certificate may not be offered, sold or pledged or otherwise transferred except in limited circumstances contemplated in the Agreement.

This Certificate shall not be valid for any purpose whatever unless and until it has been countersigned by or on behalf of the Subscription Receipt Agent.

After the Escrow Release Time, this Certificate and all rights hereunder, other than the right to receive the Subscription Shares and Warrants, will be void and of no further value or effect.

Time shall be of the essence hereof. This Certificate is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the Company and the Subscription Receipt Agent have caused this Certificate to be signed by its duly authorized representatives as of _____, 2021.

EMPATHO CORP.

Per: _____
Name: Yan Namer
Title: Chief Executive Officer

GARFINKLE BIDERMAN LLP

Per: _____
Authorized Signatory

FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to _____ (print name and address) the Subscription Receipts represented by this Certificate and hereby appoints as its attorney with full power of substitution to transfer the Subscription Receipts on the appropriate register of the Subscription Receipt Agent.

THE UNDERSIGNED TRANSFEROR HEREBY CERTIFIES AND DECLARES that the Subscription Receipts are not being offered, sold or transferred in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act or a person within the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state requirements is available and the undersigned has provided an opinion of counsel of recognized standing or such other evidence in form and substance reasonably acceptable to the Company to such effect.

DATED this ____ day of _____, 20__.

)	
)	
)	_____ Signature of Transferor
)	
_____ Signature of Guarantor)	_____ Name of Transferor
)	

Authorized Officer

Name of Institution

CERTAIN REQUIREMENTS RELATING TO TRANSFERS

The signature(s) to this transfer must correspond with the name(s) as written upon the face of this Certificate in every particular without alteration or any change whatsoever. The signature(s) on this form must be guaranteed by one of the following methods:

- (b) Canada and the USA:
 - (i) a Medallion Signature Guarantee obtained from a member of an acceptable medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words “**Medallion Guaranteed**”; or
 - (ii) a Signature Guarantee obtained from a major Schedule I Canadian bank. The Guarantor must affix a stamp bearing the actual words “**Signature Guaranteed**”. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of a Medallion Signature Guarantee Program.
- (c) Outside North America: For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

REASON FOR TRANSFER – FOR US RESIDENTS ONLY

Consistent with United States Internal Revenue Service regulations, Garfinkle Biderman LLP is required to request cost basis information from United States securityholders. Please indicate the reason for requesting the transfer as well

as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"

FORM OF ESCROW RELEASE CERTIFICATE

To: Garfinkle Biderman LLP (the "**Subscription Receipt Agent**")

Reference is made to the subscription receipt agreement (the "**Subscription Receipt Agreement**") dated as of June 29, 2021 among Empatho Corp. (the "**Company**"), First Republic Capital Corporation (the "**Finder**") and the Subscription Receipt Agent.

All capitalized terms used herein without definition having the meanings specified thereto in the Subscription Receipt Agreement.

In accordance with the provisions of the Subscription Receipt Agreement, the Company hereby confirms that the Escrow Release Conditions have been satisfied at or before the Escrow Release Deadline.

In accordance with Sections 3.1 and 3.2 of the Subscription Receipt Agreement, you are hereby irrevocably directed and authorized, in your capacity as Subscription Receipt Agent, to release the Escrowed Funds as follows:

- (a) \$ _____ to be retained for your outstanding fees and expenses;
- (b) as to \$ _____ (plus Earned Interest thereon) to the Finder, by means of a wire transfer to the following account: and

Beneficiary Name	_____
Beneficiary Address	_____
Beneficiary Bank Name	_____
Street Address of Beneficiary Bank	_____
BIC code	_____
SWIFT Code	_____
Bank #	_____
Transit #	_____
Beneficiary Account #	_____

- (c) as to the balance to the Company by wire transfer to the following account:

Beneficiary Name	_____
Beneficiary Address	_____
Beneficiary Bank Name	_____
Street Address of Beneficiary Bank	_____
BIC code	_____
SWIFT Code	_____
Bank #	_____
Transit #	_____
Beneficiary Account #	_____

The foregoing, which may be signed in counterparts and delivered electronically, is irrevocable and shall constitute your good and sufficient authority for making such payments and issuances as directed above.

DATED the ____ day of _____, 2021.

FIRST REPUBLIC CAPITAL CORP.

Per: _____
Name:
Title:

EMPATHO CORP.

Per: _____
Name:
Title: