

**GOLDEN LEAF HOLDINGS LTD.**

**and**

**TSX TRUST COMPANY**

**and**

**CANACCORD GENUITY CORP.**

---

**SUBSCRIPTION RECEIPT AGREEMENT**

**Providing for the Issue of Subscription Receipts**

**June 2, 2017**

---

## TABLE OF CONTENTS

### **ARTICLE 1 INTERPRETATION**

Section 1.1	Definitions .....	2
Section 1.2	Interpretation .....	9
Section 1.3	Applicable Law .....	9

### **ARTICLE 2 THE SUBSCRIPTION RECEIPTS**

Section 2.1	Creation and Issue of Subscription Receipts .....	9
Section 2.2	Terms of Subscription Receipts .....	10
Section 2.3	Form of Subscription Receipts .....	10
Section 2.4	CDS Subscription Receipts .....	12
Section 2.5	Signing of Subscription Receipt Certificates .....	14
Section 2.6	Authentication by Subscription Receipt Agent .....	14
Section 2.7	Subscription Receipts to Rank Pari Passu .....	15
Section 2.8	Issue in Substitution for Lost Certificates, Etc. ....	15
Section 2.9	Subscription Receiptholder not a Shareholder .....	16

### **ARTICLE 3 REGISTRATION, TRANSFER AND OWNERSHIP OF SUBSCRIPTION RECEIPTS AND EXCHANGE OF SUBSCRIPTION RECEIPT CERTIFICATES**

Section 3.1	Registration and Transfer of Subscription Receipts .....	16
Section 3.2	Exchange of Subscription Receipt Certificates .....	18
Section 3.3	No Charges for Exchange .....	19
Section 3.4	Ownership of Subscription Receipts .....	19

### **ARTICLE 4 CONVERSION OF SUBSCRIPTION RECEIPTS**

Section 4.1	Conversion of Subscription Receipts by Subscription Receipt Agent .....	19
Section 4.2	Effect of Conversion .....	20
Section 4.3	Fractions .....	21
Section 4.4	Recording .....	21
Section 4.5	Securities Restrictions .....	21

### **ARTICLE 5 COVENANTS**

Section 5.1	General Covenants .....	23
Section 5.2	Remuneration and Expenses of Subscription Receipt Agent .....	24
Section 5.3	Notice of Issue .....	24
Section 5.4	Securities Qualification Requirements .....	25
Section 5.5	Performance of Covenants by Subscription Receipt Agent .....	25

**ARTICLE 6  
DEPOSIT OF PROCEEDS AND  
CANCELLATION OF SUBSCRIPTION RECEIPTS**

Section 6.1	Deposit of Escrowed Proceeds in Escrow .....	25
Section 6.2	Investment of Escrowed Funds .....	25
Section 6.3	Release of Escrowed Funds on Completion .....	26
Section 6.4	Release of Escrowed Funds on Termination .....	26
Section 6.5	Additional Payments by the Corporation .....	27
Section 6.6	Withholding.....	27
Section 6.7	Escrowed Funds .....	27
Section 6.8	Representation Regarding Third Party Interests.....	28

**ARTICLE 7  
ADJUSTMENTS**

Section 7.1	Adjustments.....	<b>Error! Bookmark not defined.</b>
Section 7.2	Determination by Corporation’s Auditors.....	<b>Error! Bookmark not defined.</b>
Section 7.3	Certificate of Adjustment .....	<b>Error! Bookmark not defined.</b>
Section 7.4	Notice of Special Matters .....	<b>Error! Bookmark not defined.</b>
Section 7.5	Protection of Subscription Receipt Agent .....	<b>Error! Bookmark not defined.</b>

**ARTICLE 8  
ENFORCEMENT**

Section 8.1	Suits by Subscription Receiptholders.....	34
Section 8.2	Limitation of Liability .....	34

**ARTICLE 9  
MEETINGS OF SUBSCRIPTION RECEIPHOLDERS**

Section 9.1	Right to Convene Meetings.....	34
Section 9.2	Notice .....	35
Section 9.3	Chairman .....	35
Section 9.4	Quorum.....	35
Section 9.5	Power to Adjourn .....	35
Section 9.6	Show of Hands .....	35
Section 9.7	Poll .....	36
Section 9.8	Voting.....	36
Section 9.9	Regulations.....	36
Section 9.10	The Corporation, the Agent and Subscription Receipt Agent may be Represented...	37
Section 9.11	Powers Exercisable by Extraordinary Resolution .....	37
Section 9.12	Meaning of “Extraordinary Resolution” .....	38
Section 9.13	Powers Cumulative .....	39
Section 9.14	Minutes.....	39
Section 9.15	Instruments in Writing.....	39
Section 9.16	Binding Effect of Resolutions .....	39
Section 9.17	Evidence of Subscription Receiptholders.....	39
Section 9.18	Holdings by the Corporation and Subsidiaries Disregarded .....	40

**ARTICLE 10**  
**SUPPLEMENTAL AGREEMENTS AND SUCCESSOR COMPANIES**

Section 10.1	Provision for Supplemental Agreements for Certain Purposes .....	40
Section 10.2	Successor Entities.....	41

**ARTICLE 11**  
**CONCERNING SUBSCRIPTION RECEIPT AGENT**

Section 11.1	Applicable Legislation .....	41
Section 11.2	Rights and Duties of Subscription Receipt Agent.....	42
Section 11.3	Evidence, Experts and Advisers.....	43
Section 11.4	Documents, Money, Etc. held by Subscription Receipt Agent .....	44
Section 11.5	Action by Subscription Receipt Agent to Protect Interests .....	44
Section 11.6	Subscription Receipt Agent not Required to Give Security .....	44
Section 11.7	Protection of Subscription Receipt Agent .....	44
Section 11.8	Replacement of Subscription Receipt Agent.....	46
Section 11.9	Conflict of Interest .....	47
Section 11.10	Acceptance of Duties and Obligations .....	48

**ARTICLE 12**  
**GENERAL**

Section 12.1	Notice to the Corporation, the Subscription Receipt Agent and the Agent.....	48
Section 12.2	Notice to Subscription Receiptholders .....	49
Section 12.3	Satisfaction and Discharge of Agreement .....	50
Section 12.4	Sole Benefit of Parties and Subscription Receiptholders.....	50
Section 12.5	Discretion of Directors .....	50
Section 12.6	Force Majeure .....	50
Section 12.7	Privacy Consent.....	51
Section 12.8	Electronic Copies .....	51
Section 12.9	Counterparts and Formal Date .....	51

**ADDENDA**

SCHEDULE “A”	FORM OF SUBSCRIPTION RECEIPT CERTIFICATE
SCHEDULE “B”	ESCROW RELEASE NOTICE
SCHEDULE “C”	FORM OF TERMINATION NOTICE
SCHEDULE “D”	FORM OF DECLARATION FOR CERTAIN TRANSFERS OF SUBSCRIPTION RIGHTS CERTIFICATES AND OF SUBSCRIPTION WARRANT CERTIFICATES BY U.S. PURCHASERS
SCHEDULE “E”	FORM OF DECLARATION FOR CERTAIN TRANSFERS OF SUBSCRIPTION SHARE CERTIFICATES BY U.S. PURCHASERS

## SUBSCRIPTION RECEIPT AGREEMENT

THIS AGREEMENT (the “**Agreement**”) dated as of June 2, 2017.

A M O N G:

**GOLDEN LEAF HOLDINGS LTD.**, a corporation existing under the laws of Ontario, and includes any successor corporation

(the “**Corporation**”)

- and -

**TSX TRUST COMPANY**, a trust company existing under the laws of Canada,

(the “**Subscription Receipt Agent**”)

- and -

**CANACCORD GENUITY CORP.** (the “**Lead Agent**”), on its own behalf and on behalf of Echelon Wealth Partners Inc and Mackie Research Capital Corporation,

(collectively, the “**Agents**”)

**WHEREAS** the Corporation proposes to create, issue and sell on a private placement basis 125,892,857 Subscription Receipts at a price of \$0.28 per Subscription Receipt, with each Subscription Receipt representing the right of the holder thereof to acquire one Subscription Share (as defined herein) and one-half of one Warrant (as defined herein), subject to certain adjustments, for no additional consideration in the manner herein set forth. Each

**AND WHEREAS** each Warrant will entitle the holder thereof to acquire one Warrant Share (as defined herein), subject to certain adjustments, for no additional consideration;

**AND WHEREAS** the Corporation has agreed that:

- (a) pending the satisfaction of the Escrow Release Conditions (as defined herein), the Escrowed Proceeds (as defined herein), are to be delivered to and held by the Subscription Receipt Agent as escrow agent hereunder, unless otherwise directed, and invested in the manner set out herein;
- (b) if the Escrow Release Conditions are satisfied at or before the Escrow Release Deadline (as defined herein), the Subscription Receiptholders (as defined herein) will be entitled to receive, without payment of additional consideration or the undertaking of any further action on the part of the Subscription Receiptholders, one Subscription Share and one-half of one Warrant (subject to adjustment as set out herein) for each Subscription Receipt then held and the Subscription Receipt Agent will release the Escrowed Funds (as defined herein) to the Corporation and the Lead Agent, on behalf of the Agents, in accordance with the terms of this Agreement and the Escrow Release Notice; and

- (c) if a Termination Event (as defined herein) occurs, the Subscription Receipts will be cancelled and the Subscription Receiptholders will be entitled to receive the greater of (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any.

**AND WHEREAS** the Subscription Receipt Agent has agreed to act as registrar and transfer agent for the Subscription Receipts, and as escrow agent to receive the Escrowed Proceeds, in accordance with the terms and conditions set out herein.

**AND WHEREAS** all things necessary have been done and performed to make Certificated Subscription Receipts and Uncertificated Subscription Receipts, when Authenticated by the Subscription Receipt Agent, as applicable, and issued and delivered as herein provided, legal, valid and binding obligations of the Corporation with the benefits of and subject to the terms of this Agreement;

**AND WHEREAS** the foregoing recitals are made as representations by the Corporation and not by the Subscription Receipt Agent nor the Lead Agent;

**AND WHEREAS** the Subscription Receipt Agent has agreed to enter into this Agreement and to hold all rights, interests and benefits contained herein for and on behalf of those Persons who from time to time become holders of Subscription Receipts issued pursuant to this Agreement;

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

## **ARTICLE 1 INTERPRETATION**

### **Section 1.1 Definitions**

In this Agreement and in the Subscription Receipt Certificates, unless there is something in the subject matter or context inconsistent therewith:

- (1) “**Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;
- (2) “**Acquisition**” means the acquisition by the Corporation of all of the issued and outstanding shares of CFA Productions LLC, a wholly-owned subsidiary of Chalice, LLC, and certain assets from Chalice LLC, pursuant to the Acquisition Agreement;
- (3) “**Acquisition Agreement**” means the purchase agreement to be entered into between the Corporation and Chalice, LLC relating to the Acquisition;
- (4) “**Agency Agreement**” means the agency agreement dated as of June 2, 2017 among the Corporation and the Agents;

- (5) “**Agents**” means, collectively, the Lead-Agent, Echelon Wealth Partners Inc. and Mackie Research Capital Corporation, the agents with respect to the Offering;
- (6) “**Agents’ Commission**” means the cash fee equal to \$2,467,500 payable to the Agents under the Agency Agreement in consideration of the services rendered by the Agents in connection with the Offering;
- (7) “**Agents’ Expenses**” means the amount of \$200,800, being the estimated costs and expenses of the Agents incurred in connection with the Offering;
- (8) “**Applicable Legislation**” means such provisions of any statute of Canada or of a province or territory thereof, and of regulations under any such statute, relating to subscription receipt agreements or to the rights, duties and obligations of corporations and of subscription receipt agents under subscription receipt agreements, as are from time to time in force and applicable to this Agreement;
- (9) “**Applicable Procedures**” means (a) with respect to any transfer or exchange of beneficial ownership interests in, or the conversion of the Subscription Receipts represented by, a CDS Subscription Receipt, the applicable rules, procedures or practices of the Depository in effect at the applicable time, and (b) with respect to any issuance, deposit or withdrawal of Subscription Receipts to or from an electronic position evidencing a beneficial ownership interest in Subscription Receipts represented by a CDS Subscription Receipt, the rules, procedures or practices of the Depository and the Subscription Receipt Agent in effect at the applicable time with respect to the issuance, deposit or withdrawal of such positions;
- (10) “**Approved Bank**” has the meaning ascribed thereto in Section 6.2(1) hereof;
- (11) “**Auditors**” means a firm of chartered accountants duly appointed as auditors of the Corporation
- (12) “**Authenticated**” means (a) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized signatory of the Subscription Receipt Agent, (b) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipt as required by Section 2.6(1) hereof are entered in the register of holders of Subscription Receipts; and “**Authenticate**”, “**Authenticating**” and “**Authentication**” have the appropriate correlative meanings;
- (13) “**beneficial owner**” means a person that has a beneficial interest in a Subscription Receipt;
- (14) “**Book-Entry Participants**” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Subscription Receipts;
- (15) “**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business;
- (16) “**CDS Subscription Receipts**” means Subscription Receipts representing all or a portion of the aggregate number of Subscription Receipts issued in the name of the Depository and represented by an Uncertificated Subscription Receipt or, if requested in writing by the Depository or the Corporation, by a Subscription Receipt Certificate;

- (17) “**Certificated Subscription Receipt**” means any Subscription Receipt which is evidenced by a writing substantially in the form of Schedule “A” attached hereto;
- (18) “**Chalice LOI**” means the binding letter of intent dated March 22, 2017 between the Corporation and Chalice, LCC relating to the Acquisition;
- (19) “**Closing Date**” means the closing date of the Offering, being June 2, 2017 or such earlier or later date as may be agreed to by the Corporation and the Lead Agent;
- (20) “**Common Shares**” means common shares in the capital of the Corporation;
- (21) “**Compensation Options**” means the compensations options to be issued to the Agents on the Closing Date equal to 7.0% of the number of Subscription Receipts sold pursuant to the Offering;
- (22) “**Convertible Security**” means a security of the Corporation (other than the Subscription Receipts, the Warrants and the Compensation Options) convertible into or exchangeable for or otherwise carrying the right to acquire Common Shares;
- (23) “**Corporation**” means Golden Leaf Holdings Ltd., a corporation existing under the laws of Ontario;
- (24) “**CSE**” means the Canadian Securities Exchange;
- (25) “**Current Market Price**” means, at any date, the weighted average price per share at which the Common Shares have traded: (i) if the Common Shares are not listed on the CSE, on any stock exchange upon which the Common Shares are listed as may be selected for this purpose by the Directors, acting reasonably; (ii) on the CSE; or if the Common Shares are not listed on any stock exchange, on any over-the-counter market; during the 20 consecutive trading days (on each of which at least 500 Common Shares are traded in board lots) ending the third trading day before such date and the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold in board lots on the exchange or market, as the case may be, during the 20 consecutive trading days by the number of Common Shares sold, or if not traded on any recognized market or exchange, as determined by the Directors of the Corporation acting reasonably, after consultation with a nationally or internationally recognized and independent banker or firm of chartered accountants;
- (26) “**Depository**” means CDS Clearing and Depository Services Inc. (“**CDS**”), or its successor, or any other depository offering a book based securities registration and transfer system similar to that administered by CDS which the Corporation, with the consent of the Subscription Receipt Agent, acting reasonably, may designate;
- (27) “**Director**” means a director of the Corporation, and reference without more to action by the directors means action by the directors of the Corporation as a board or, to the extent empowered, by a committee of the board, in each case by resolution duly passed;
- (28) “**Dividends**” means dividends (payable in cash or in securities, property or assets of equivalent value) declared payable on the Common Shares;
- (29) “**Earned Interest**” means the interest or other income earned or deemed to be earned, if any, on the investment of the applicable portion of the Escrowed Funds (or the reinvestment



of such interest or other income) from the date hereof to, but not including, the earlier to occur of: (i) the Release Date, and (ii) the Termination Date;

- (30) “**Escrow Release Conditions**” means the occurrence of each of the following events:
- (a) the Acquisition Agreement shall have been entered into on terms substantially similar to the terms of the Chalice LOI or otherwise on terms acceptable to the Lead Agent, acting reasonably,
  - (b) the completion or satisfaction of all conditions precedent to the closing of the Acquisition as itemized in the Acquisition Agreement shall have occurred (save and except for the payment of the cash portion of the purchase price in respect of the Acquisition), without amendment or waiver consented to by the Lead Agent, acting reasonably;
  - (c) the Subscription Shares being listed on the CSE;
  - (d) the receipt of all regulatory, shareholder and third-party approvals, if any, required in connection with the Acquisition;
  - (e) the Corporation shall not be in breach or default of any of its covenants or obligations under this Agreement or the Agency Agreement, except (in the case of the Agency Agreement only) for those breaches or defaults that have been waived by the Lead Agent and all conditions set out in the Agency Agreement having been fulfilled;
  - (f) the Corporation having delivered a certificate to the Lead Agent that the conditions set forth in (a), (b) (c), (d) and (e) have been satisfied; and
  - (g) the Corporation and the Lead Agent having delivered the Escrow Release Notice to the Subscription Receipt Agent;
- (31) “**Escrow Release Deadline**” means 5:00 p.m. (Toronto time) on September 30, 2017, which date may be extended by way of Extraordinary Resolution;
- (32) “**Escrow Release Notice**” means a written notice in substantially the form set out in Schedule “B” attached hereto executed by the Corporation and the Lead Agent confirming that the Escrow Release Conditions have been satisfied or waived in accordance with this Agreement;
- (33) “**Escrowed Funds**” means the Escrowed Proceeds plus the Earned Interest thereon at any given time;
- (34) “**Escrowed Proceeds**” means the cash amount of \$33,815,449.96, being the aggregate gross proceeds of the Offering less 50% of the Agents’ Commission and the Agents’ Expenses, delivered to the Subscription Receipt Agent to be held in escrow on the terms and subject to the conditions of this Agreement;
- (35) “**Exchange Number**” at any time means that number of Subscription Shares and Warrants that Subscription Receiptholders are entitled to receive for each Subscription Receipt held upon conversion of the Subscription Receipts in accordance with the terms and conditions of

this Agreement as such number may be adjusted pursuant to Article 7 hereof and such number, as at the date hereof, is equal to one Subscription Share and one-half of one Warrant per Subscription Receipt;

- (36) “**Extraordinary Resolution**” has the meaning ascribed thereto in Section 9.12 and Section 9.15 hereof;
- (37) “**Internal Procedures**” means in respect of the making of, 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;
- (38) “**Lead Agent**” means Canaccord Genuity Corp.;
- (39) “**Offering**” means the issue and sale of 125,892,857 Subscription Receipts by the Corporation on a private placement basis at the Offering Price for aggregate gross proceeds of \$35,249,999.96;
- (40) “**Offering Price**” means \$0.28 per Subscription Receipt;
- (41) “**Person**” includes an individual, corporation, partnership, joint venture, trustee, unincorporated organization or any other entity whatsoever, and words importing Persons have a similar extended meaning;
- (42) “**Regulation S**” means Regulation S under the U.S. Securities Act;
- (43) “**Release Date**” means either (i) the date, provided that it is prior to the Escrow Release Deadline, on which the Escrow Release Notice is received by the Subscription Receipt Agent in accordance with the terms of this Agreement, provided that the Escrow Release Notice is received by the Subscription Receipt Agent at or before 10:00 a.m. (Toronto time) on such date; or (ii) the first Business Day, provided that such initial date is prior to the Escrow Release Deadline, following the date on which the Escrow Release Notice is received by the Subscription Receipt Agent in accordance with the terms of this Agreement, if the Escrow Release Notice is received by the Subscription Receipt Agent after 10:00 a.m. (Toronto time) on such date;
- (44) “**Securities Commissions**” means the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada where Subscription Receipts are issued;
- (45) “**Securities Laws**” means, collectively, the applicable securities laws of the United States and each of the states of the United States and each of the provinces and territories of Canada and the respective regulations made and forms prescribed thereunder together with all applicable published rules, policy statements, notices and blanket orders and rulings of the Securities Commissions or similar regulatory authorities (including the CSE) in each of the provinces and territories of Canada, the United States and in each of the states of the United States;

- (46) “**Subscription Receipt Agent**” means TSX Trust Company, including its successors and assigns;
- (47) “**Subscription Receipt Certificate**” means a certificate representing one or more Subscription Receipts substantially in the form of the certificate attached hereto as Schedule “A”;
- (48) “**Subscription Receiptholders**” or “**holders**” means the Persons from time to time entered in a register of holders described in Section 3.1 hereof as holders of Subscription Receipts;
- (49) “**Subscription Receiptholders’ Request**” means an instrument, signed in one or more counterparts by Subscription Receiptholders who hold in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;
- (50) “**Subscription Receipts**” means the subscription receipts created and issued pursuant to Section 2.1(1) hereof and authorized for issue hereunder and that have not at the particular time expired, been purchased by the Corporation, converted or otherwise becomes null, void and of no further force or effect;
- (51) “**Subscription Shares**” means the Common Shares issuable upon conversion of the Subscription Receipts in accordance with the terms hereof;
- (52) “**subsidiary**” means a subsidiary for purposes of the *Securities Act* (Ontario), as constituted at the date of this Agreement;
- (53) “**Termination Date**” means the date on which the Subscription Receipt Agent receives a Termination Notice under Section 6.4, provided that if such notice is not received before 4:30 p.m. (Toronto time) on a Business Day, the Termination Date shall be the next Business Day;
- (54) “**Termination Event**” means any one of (i) the failure of the Corporation to satisfy the Escrow Release Conditions on or prior to the Escrow Release Deadline, (ii) prior to the Escrow Release Deadline, a public announcement by the Corporation, or notice from the Corporation to the Agents that it does not intend to satisfy the Escrow Release Conditions, or (iii) the Chalice LOI or Acquisition Agreement is terminated prior to the Escrow Release Deadline;
- (55) “**Termination Notice**” means a written notice from the Corporation addressed to the Subscription Receipt Agent and the Lead Agent in the form attached as Schedule “C” hereto to be delivered forthwith following a Termination Event confirming that a Termination Event has occurred and directing the Subscription Receipt Agent to return all Escrowed Funds to the Subscription Receiptholders in accordance with Section 6.4 hereof;
- (56) “**Termination Payment Time**” means as soon as practically possible following the Termination Date, and in any event, within five Business Days following the Termination Date;
- (57) “**Termination Time**” means 5:00 p.m. (Toronto time) on the Termination Date;

- (58) **“this Subscription Receipt Agreement”, “this Agreement”, “hereto”, “hereunder”, “hereof”, “herein”, “hereby”** and similar expressions mean or refer to this Subscription Receipt Agreement and any amendment or indenture, deed or instrument supplemental or ancillary hereto, and the expressions **“article”, “section”, “subsection”, “paragraph”, “subparagraph”, “clause”** and **“subclause”** followed by a number mean the specified article, section, subsection, paragraph, subparagraph, clause or subclause of this Agreement;
- (59) **“Uncertificated Subscription Receipt”** means any Subscription Receipt which is not a Certificated Subscription Receipt;
- (60) **“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (61) **“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;
- (62) **“U.S. Purchaser”** means a purchaser of Subscription Receipts that is an Accredited Investor and who is (a) a U.S. Person, (b) a Person purchasing the Subscription Receipts in the United States, (c) 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, (d) a Person that received an offer to purchase the Subscription Receipts while in the United States, or (e) 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;
- (63) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- (64) **“U.S. Subscription Receiptholders”** means any Subscription Receiptholder that was a U.S. Purchaser;
- (65) **“Warrant Indenture”** means the warrant indenture dated the date hereof and executed concurrently with this Agreement between the Corporation and TSX Trust Company, as warrant agent, and as applicable any supplemental warrant indenture thereto, in each case as may be amended from time to time, pursuant to which the Warrants will be created and issued, and governed, upon conversion of the Subscription Receipts;
- (66) **“Warrants”** means the Common Share purchase warrants issuable upon conversion of the Subscription Receipts, to be created and issued pursuant to, and governed by, the Warrant Indenture, each entitling the holder thereof to acquire one Warrant Share, subject to any adjustment pursuant to the terms of the Warrant Indenture, at a price of \$0.37 per Warrant Share until June 2, 2019;
- (67) **“Warrant Shares”** means the Common Shares issuable upon the due exercise of the Warrants; and
- (68) **“Written Order of the Corporation”, “Written Request of the Corporation”, “Written Consent of the Corporation”, “Written Direction of the Corporation”** and **“Certificate of the Corporation”** mean a written order, request, consent, direction and certificate, respectively, signed in the name of the Corporation by any Director or officer of the Corporation or by any other individual to whom applicable signing authority is delegated by

the Directors from time to time, and may consist of one or more instruments so executed respectively.

### **Section 1.2 Interpretation**

- (1) Words Importing the Singular: Words importing the singular include the plural and *vice versa* and words importing a particular gender or neuter include both genders and neuter.
- (2) Interpretation Not Affected by Headings, Etc.: The division of this Agreement into articles, sections, subsections, paragraphs, subparagraphs, clauses and subclauses, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (3) Day Not a Business Day: Unless otherwise indicated, if the day on or before which any action which would otherwise be required to be taken hereunder is not a Business Day that action will be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.
- (4) Time of the Essence: Time will be of the essence in all respects in this Agreement and the Subscription Receipt Certificates.
- (5) Currency: Except as otherwise stated, all dollar amounts herein and in the Subscription Receipt Certificates are expressed in Canadian dollars.
- (6) Severability: In the event that any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof, all of which shall remain in full force and effect.
- (7) Conflict: In the event of a conflict or inconsistency between a provision in this Agreement and the Subscription Receipt Certificates issued hereunder, the relevant provision of this Agreement shall prevail to the extent of the inconsistency.

### **Section 1.3 Applicable Law**

This Agreement and the Subscription Receipt Certificates will be construed and enforced in accordance with the laws prevailing in the Province of Ontario and the federal laws of Canada applicable therein and will be treated in all respects as Ontario contracts.

## **ARTICLE 2 THE SUBSCRIPTION RECEIPTS**

### **Section 2.1 Creation and Issue of Subscription Receipts**

- (1) An aggregate of 125,892,857 Subscription Receipts, on the terms and subject to the conditions herein provided, are hereby created and authorized for issue at a price of \$0.28 for each Subscription Receipt.
- (2) One Subscription Receipt shall be issued, without any further act or formality, on the Closing Date, for each \$0.28 received by the Corporation as payment therefor and each such Subscription Receipt shall be a fully paid security of the Corporation.

- (3) Each Subscription Receipt issued hereunder will entitle the holder thereof, upon the conversion thereof in accordance with the provisions of Article 4 hereof, and without payment of any additional consideration, to be issued one Subscription Share and one-half of one Warrant (subject to adjustment as set out herein).

## **Section 2.2 Terms of Subscription Receipts**

- (1) Purchase by the Issuer: Notwithstanding Section 3.1(2) hereof, the Corporation may from time to time purchase Subscription Receipts by private agreement or otherwise, and any such purchase may be made in such manner, from such Persons, at such prices and on such terms as the Corporation in its sole discretion may determine in agreement with the applicable Subscription Receiptholder. Subscription Receipt Certificates representing Subscription Receipts purchased by the Corporation pursuant to this Section 2.2(1) shall be surrendered to the Subscription Receipt Agent for cancellation and shall be accompanied by a Written Direction of the Corporation to cancel the Subscription Receipts represented thereby and shall not be reissued. For greater certainty, nothing in this Section 2.2(1) shall grant to the Corporation a unilateral right of redemption with respect to the Subscription Receipts.
- (2) Cancellation of Subscription Receipts: In the event that a Termination Notice is delivered to the Subscription Receipt Agent and the Lead Agent at or before the Escrow Release Deadline, all of the Subscription Receipts shall, without any action on the part of the holders thereof (including the surrender of any Subscription Receipt Certificates), be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and holders of Subscription Receipts shall thereafter have no rights thereunder except to receive the greater of (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any, in accordance with Section 6.4 hereof. To the extent that the Escrowed Funds are insufficient to refund to each Subscription Receiptholder the amounts due to them, the Corporation shall be responsible and liable to the Subscription Receiptholders for any shortfall and shall contribute such amounts as are necessary to satisfy any shortfall such that each Subscription Receiptholder will receive an amount equal to the amounts due to them under Section 6.4(1) hereof.

## **Section 2.3 Form of Subscription Receipts**

- (1) Form: The Subscription Receipts may be issued in both certificated and uncertificated form. All Subscription Receipts issued to U.S. Purchasers shall be in the form of Subscription Receipt Certificates. Upon the issue of Subscription Receipts, Subscription Receipt Certificates shall be executed by an authorized signatory of the Corporation, and, in accordance a Written Direction of the Corporation, shall be Authenticated by or on behalf of the Subscription Receipt Agent and delivered by the Subscription Receipt Agent in accordance with such Written Direction of the Corporation and Uncertificated Subscription Receipts registered in the name of the Depositary or a nominee thereof shall be Authenticated by the Subscription Receipt Agent and deposited in Depositary upon the Written Direction of the Corporation. The Subscription Receipt Certificates shall be substantially in the form as Schedule "A" attached hereto, subject to the provisions of this Agreement, with such variations and changes as may from time to time be agreed upon by the Subscription Receipt Agent and the Corporation, and the Subscription Receipt Certificates shall be dated as of the Closing Date, shall have such distinguishing letters and numbers as the Corporation may, with the approval of the Subscription Receipt Agent, prescribe and shall be issuable in any denomination excluding fractions. All Uncertificated

Subscription Receipts issued other than to the Depository shall be evidenced by a book position issued to the holder thereof on the register of Subscription Receipts to be maintained by the Subscription Receipt Agent in accordance with Section 3.1(1) hereof. All Subscription Receipts issued to the Depository may be in either a certificated or uncertificated form, in each case the beneficial owner thereof being evidenced by a book position issued to the Depository on the register of Subscription Receipts to be maintained by the Subscription Receipt Agent in accordance with Section 3.1(1) hereof.

- (2) Production: Except as provided in this Article 2, all Subscription Receipts shall, save as to denominations, be of like tenor and effect. The Subscription Receipt Certificates may be engraved, printed, lithographed, photocopied or be partially in one form or another, as the Subscription Receipt Agent may determine.
- (3) Canadian Legend: Each Subscription Receipt will have attached to it, whether through an ownership statement issued under the electronic book entry system or on physical certificates that may be issued, as applicable, as well as all certificates issued in exchange for or in substitution of the foregoing securities, the legend substantially in the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND A DAY FROM THE CLOSING DATE].”

- (4) United States Legends:

- (a) The Subscription Receipts and the Subscription Shares and the Warrants issuable upon conversion of the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under applicable state securities laws;
- (b) Each Subscription Receipt Certificate issued to a U.S. Purchaser, and each U.S. Subscription Receipt Certificate issued in exchange therefor in substitution or transfer thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE ON CONVERSION HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) SECTION 4(a)(7) THEREOF, (ii) RULE 144 OR (iii) RULE 144A THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT,

PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (B), (C), (D) OR (E), ABOVE, A LEGAL OPINION OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE CORPORATION, MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION'S SUBSCRIPTION RECEIPT AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION, OR IS THE SUBJECT OF AN EFFECTIVE REGISTRATION STATEMENT, 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 further, that in the event the Subscription Receipt Certificate is transferred under clause 2.3(4)(b)(B) above at a time when the Corporation is still a "Foreign Issuer", as defined in Regulation S under the 1933 Act, the transfer may be effected by providing a declaration to the Corporation and the Subscription Receipt Agent in the form (as may be amended from time to time in order to comply with changes in legal requirements) set forth in "Schedule D" hereof.

#### **Section 2.4 CDS Subscription Receipts**

- (1) Re-registration of beneficial interests in and transfers of Subscription Receipts held by the Depository shall be made only through the book entry registration system and no Subscription Receipt Certificates shall be issued in respect of such Subscription Receipts except as set out herein or as may be requested by a Depository or the Corporation, from time to time. Except as provided in this Section 2.4, owners of beneficial interests in any CDS Subscription Receipts shall not be entitled to have Subscription Receipts registered in their names and shall not receive or be entitled to receive Subscription Receipts in definitive form or to have their names appear in the register referred to in Section 3.1(1) hereof while they are held as book entry only securities with the Depository.
- (2) Notwithstanding any other provision in this Agreement, no CDS Subscription Receipts may be exchanged in whole or in part for Subscription Receipts registered, and no transfer of CDS Subscription Receipts in whole or in part may be registered, in the name of any Person other than the Depository for such CDS Subscription Receipts or a nominee thereof unless:
  - (a) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in respect of the CDS Subscription Receipts and the Corporation is unable to locate a qualified successor;
  - (b) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Subscription Receipts and the Corporation is unable to locate a qualified successor;
  - (c) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor;
  - (d) the Corporation determines that the Subscription Receipts shall no longer be held as CDS Subscription Receipts through the Depository;
  - (e) such right is required by applicable law, as determined by the Corporation and the Corporation's counsel; or



(f) the Corporation so instructs the Subscription Receipt Agent in writing,

following which Subscription Receipts for those holders requesting such shall be issued to the beneficial owners of such Subscription Receipts or their nominees as directed by the holders. The Corporation shall provide a Certificate of the Corporation giving notice to the Subscription Receipt Agent of the occurrence of any event outlined in this Section 2.4(2), except in the case of Section 2.4(2)(f).

- (3) Subject to the provisions of this Section 2.4, any exchange of CDS Subscription Receipts for Subscription Receipts which are not CDS Subscription Receipts may be made in whole or in part in accordance with the provisions of Section 3.2 hereof, *mutatis mutandis*. All such Subscription Receipts issued in exchange for CDS Subscription Receipts or any portion thereof shall be registered in such names as the Depository 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 CDS Subscription Receipts) as the CDS Subscription Receipts or portion thereof surrendered upon such exchange.
- (4) Every Subscription Receipt Authenticated upon registration of transfer of a CDS Subscription Receipt or any portion thereof, or in exchange for or in lieu of a CDS Subscription Receipt or any portion thereof, whether pursuant to this Section 2.4, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Subscription Receipt, unless such Subscription Receipt is registered in the name of a Person other than the Depository or a nominee thereof.
- (5) Notwithstanding anything to the contrary in this Agreement, subject to Applicable Legislation, the CDS Subscription Receipts will be issued by way of an Uncertificated Subscription Receipt, unless otherwise requested in writing by the Depository or the Corporation.
- (6) The rights of beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system shall be limited to those established by Applicable Legislation and agreements between the Depository and the Book-Entry Participants and between such Book-Entry Participants and the beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and Applicable Procedures of the Depository and the Subscription Receipt Agent.
- (7) For so long as Subscription Receipts are held through the Depository, if any notice or other communication is required to be given to Subscription Receiptholders, the Subscription Receipt Agent will give such notices and other communications to the Depository.
- (8) Notwithstanding anything herein to the contrary, neither the Corporation nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for:
  - (a) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Subscription Receipts or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Subscription Receipts represented

by an electronic position in the book entry registration system (other than the Depository or its nominee);

- (b) maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or
  - (c) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.
- (9) The Corporation may terminate the application of this Section 2.4 in its sole discretion in which case all Subscription Receipts shall be evidenced by Subscription Receipt Certificates registered in the name of a Person other than the Depository or a nominee thereof.

### **Section 2.5 Signing of Subscription Receipt Certificates**

- (1) Signing Officers: The Subscription Receipt Certificates shall be signed by any one officer of the Corporation or any one Director or by any other individual to whom such signing authority is delegated by the Directors from time to time.
- (2) Signatures: The signature of an individual referred to in Section 2.5(1) hereof may be a manual signature, electronic engraved, lithographed or printed in facsimile and Subscription Receipt Certificates bearing such facsimile or electronic signature will, subject to Section 2.6 hereof, be binding on the Corporation as if they had been manually signed by such individual.
- (3) No Longer Officer: Notwithstanding that any individual whose manual or facsimile signature appears on a Subscription Receipt Certificate as one of the officers of the Corporation or Directors referred to in Section 2.5(1) hereof no longer holds the same or any other office with, or is no longer a Director of, the Corporation, at the date of issue of any Subscription Receipt Certificate or at the date of certification or delivery thereof, such Subscription Receipt Certificate will, subject to Section 2.6 hereof, be valid and binding on the Corporation.

### **Section 2.6 Authentication by Subscription Receipt Agent**

- (1) Authentication: No Subscription Receipt shall (i) be considered issued, valid, or obligatory; nor (ii) entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by the Subscription Receipt Agent.

No Subscription Receipt Certificate, if issued, will be valid or entitle the holder to the benefits of this Agreement until it has been certified by manual signature by or on behalf of the Subscription Receipt Agent substantially in the form of the certificate attached hereto as Schedule "A" or in such other form as may be approved by the Subscription Receipt Agent and the Corporation. The certification by the Subscription Receipt Agent on a Subscription Receipt Certificate will be conclusive evidence as against the Corporation that such Subscription Receipt Certificate has been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

The Subscription Receipt Agent shall Authenticate Uncertificated Subscription Receipts (whether upon original issuance, exchange, registration of transfer or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Subscription Receipts under this Agreement. Such Authentication shall be conclusive evidence as against the Corporation that such Uncertificated Subscription Receipts have been duly issued hereunder and that the holder or holders thereof are entitled to the benefits of this Agreement. 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 Corporation.

- (2) Change in Form of Certificate: Any Subscription Receipt Certificate validly issued in accordance with the terms of this Agreement in effect at the time of issue of such Subscription Receipt Certificate shall, subject to the terms of this Agreement and applicable law, validly entitle the holder to acquire Subscription Shares and Warrants, notwithstanding that the form of such Subscription Receipt Certificate may not be in the form then required by this Agreement.
- (3) Authentication No Representation: Authentication by the Subscription Receipt Agent of any Subscription Receipts, including by way of entry on the register or otherwise, shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or of such Subscription Receipt Certificates or Uncertificated Subscription Receipts (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Agreement and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipts or any of them or, other than as set forth in this Agreement, in respect of the Escrowed Funds, of the consideration thereof. Authentication by the Subscription Receipt Agent shall be conclusive evidence as against the Corporation that the Subscription Receipts so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

## **Section 2.7 Subscription Receipts to Rank Pari Passu**

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

## **Section 2.8 Issue in Substitution for Lost Certificates, Etc.**

- (1) Substitution: If any Subscription Receipt Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation will, subject to applicable law and to Section 2.8(2) hereof, issue, and thereupon the Subscription Receipt Agent will Authenticate and deliver, a new Subscription Receipt Certificate of like tenor and bearing the same legends as the one mutilated, lost, destroyed or stolen in exchange for and in place of and on surrender and cancellation of such mutilated certificate or in lieu of and in substitution for such lost, destroyed or stolen certificate, and the substituted Subscription Receipt Certificate shall be in the form of the certificate set out in Schedule "A" hereto and the Subscription Receipts evidenced thereby shall be entitled to the benefits hereof and shall rank equally in

accordance with its terms with all other Subscription Receipts issued or to be issued hereunder by the Corporation.

- (2) Cost of Substitution: The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.8 shall bear the reasonable cost of the issue thereof and in the case of loss, destruction or theft shall, as a condition precedent to the issue thereof:
  - (a) furnish to the Corporation and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate to be replaced as is satisfactory to the Corporation and to the Subscription Receipt Agent in their discretion, acting reasonably;
  - (b) if so requested, furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and to the Subscription Receipt Agent in their discretion, acting reasonably; and
  - (c) pay the reasonable charges of the Corporation and the Subscription Receipt Agent in connection therewith.

### **Section 2.9 Subscription Receiptholder not a Shareholder**

Nothing in this Agreement or in the holding of a Subscription Receipt or otherwise shall, in itself, confer or be construed as conferring on any Subscription Receiptholder any right or interest whatsoever as a shareholder of the Corporation, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceeding of the Corporation or any right to receive any dividend or other distribution in respect of the Common Shares.

## **ARTICLE 3 REGISTRATION, TRANSFER AND OWNERSHIP OF SUBSCRIPTION RECEIPTS AND EXCHANGE OF SUBSCRIPTION RECEIPT CERTIFICATES**

### **Section 3.1 Registration and Transfer of Subscription Receipts**

- (1) Register: The Corporation will cause to be kept by the Subscription Receipt Agent at its principal office in Toronto, Ontario a register of holders in which shall be entered in alphabetical order the names and addresses of the holders of Subscription Receipts and particulars, including all transfer restrictions, of the Subscription Receipts held by them;
- (2) Transfer: The Subscription Receipts may only be transferred on the register kept by the Subscription Receipt Agent at the principal office by a holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent only upon (i) in the case of Subscription Receipt Certificates, surrendering to the Subscription Receipt Agent at its principal Toronto office the Subscription Receipt Certificates representing the Subscription Receipts to be transferred together with a duly executed form of transfer (in the form attached to the Subscription Receipt Certificate as set out in Schedule "A" attached hereto); (ii) in the case of Uncertificated Subscription Receipts, surrendering to the Subscription Receipt Agent at its principal office instructions from the holder in form reasonably satisfactory to the Subscription Receipt Agent; (iii) in the case of CDS Subscription Receipts, compliance with

Applicable Procedures prescribed by the Depository under the book entry registration system; and (iv) compliance with:

- (a) the conditions herein;
- (b) such reasonable requirements as the Subscription Receipt Agent may prescribe; and
- (c) all applicable Securities Laws and requirements of regulatory authorities as confirmed by the transferor and transferee by the transferor's execution of the transfer form attached to the Subscription Receipt Certificate;

and such transfer shall be duly noted in such register by the Subscription Receipt Agent. Upon compliance with such requirements, the Subscription Receipt Agent shall issue to the transferee of a Certificated Subscription Receipt, a Subscription Receipt Certificate representing the Subscription Receipts transferred, and to the transferee of an Uncertificated Subscription Receipt, an Uncertificated Subscription Receipt (or it shall Authenticate and deliver a Certificated Subscription Receipt instead, upon request) representing the Subscription Receipts transferred, and the transferee of a CDS Subscription Receipt shall be recorded through the relevant Book Entry Participant in accordance with the book entry registration system as the entitlement holder in respect of such Subscription Receipts. Transfers within the systems of the Depository are not the responsibility of the Subscription Receipt Agent and will not be noted on the register maintained by the Subscription Receipt Agent.

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.

- (3) Certain Transfers by Persons in the United States or U.S. Persons: Neither the Subscription Receipts nor the Subscription Shares and Warrants issuable upon conversion of 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. Subscription Receiptholder may only offer, sell, or otherwise transfer such securities (i) to the Corporation, (ii) outside the United States in accordance with Regulation S, (iii) pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(7) thereof or Rule 144 or Rule 144A thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws, (iv) in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, or (v) pursuant to an effective registration statement under the U.S. Securities Act; provided that, in the case of each of Section 3.1(3) (ii), 3.1.3(iii) , 3.1(3) (iv) and 3.1(3)(v) it has prior to such transfer furnished to the Corporation an opinion of counsel, or such other evidence reasonably satisfactory to the Corporation, stating that such transaction is exempt from registration, or is the subject of an effective registration statement, under the U.S. Securities Act and applicable state securities laws; and provided further, that in the event the Subscription Receipt Certificate is transferred under clause 3.1(3)(ii) above at a time when the Corporation is still a "Foreign Issuer," as defined in Regulation S under the 1933 Act, the transfer may be effected by providing a declaration to the Corporation and the Subscription Receipt Agent in the form (as may be amended from time to time in order to comply with changes in legal requirements) set forth in "Schedule D" or "Schedule E" hereof, as applicable.

- (4) No Notice of Trusts: Subject to applicable law, neither the Corporation nor the Subscription Receipt Agent will be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Subscription Receipt.
- (5) Inspection: The register referred to in Section 3.1(1) hereof, and any branch register maintained pursuant to Section 3.1(6) hereof, will at all reasonable times be open for inspection by the Corporation and any Subscription Receiptholder. The Subscription Receipt Agent will from time to time when requested to do so in writing by the Corporation or any Subscription Receiptholder (upon payment of the reasonable charges of the Subscription Receipt Agent) furnish the Corporation or such Subscription Receiptholder with a list of the names and addresses of holders of Subscription Receipts entered on such register and showing the number of Subscription Receipts held by each such holder.
- (6) Location of Registers: The Corporation may at any time and from time to time change the place at which the register referred to in Section 3.1(1) hereof is kept and/or cause branch registers of holders to be kept, in each case subject to the approval of the Subscription Receipt Agent, at other places and close such branch registers or change the place at which such branch registers are kept. Notice of all such changes or closures shall be given by the Corporation to the Subscription Receipt Agent and to the holders of Subscription Receipts in accordance with Section 12.1 and Section 12.2 hereof.
- (7) U.S. Transfers: No transfer of Subscription Receipts evidenced by a Subscription Receipt Certificate bearing a legend set forth in Section 2.3(4)(b) or Section 2.3(4)(c) above shall be made except in accordance with the requirements of such legend and subject to this Agreement.

### **Section 3.2 Exchange of Subscription Receipt Certificates**

- (1) Exchange: One or more Subscription Receipt Certificates may at any time prior to the earlier of the Release Date and the Termination Date, on compliance with the reasonable requirements of the Subscription Receipt Agent, be exchanged for one or more Subscription Receipt Certificates of different denominations, representing in the aggregate the same number of Subscription Receipts and registered in the same name as the Subscription Receipt Certificate or Subscription Receipt Certificates being exchanged.
- (2) Place of Exchange: Subscription Receipt Certificates may be exchanged only at the principal office of the Subscription Receipt Agent in Toronto, Ontario or at any other place designated by the Corporation with the approval of the Subscription Receipt Agent.
- (3) Cancellation: Any Subscription Receipt Certificate tendered for exchange pursuant to this Section 3.2 or for transfer pursuant to Section 3.1, shall be surrendered to the Subscription Receipt Agent and cancelled.
- (4) Execution: The Corporation will sign all Subscription Receipt Certificates in accordance with Section 2.5(1) hereof as necessary to carry out exchanges pursuant to this Section 3.2 and such Subscription Receipt Certificates will be Authenticated by the Subscription Receipt Agent.
- (5) Subscription Receipt Certificates: Subscription Receipt Certificates exchanged for Subscription Receipt Certificates that bear the legend set forth in Section 2.3 hereof shall bear the same legend, as applicable.

### **Section 3.3 No Charges for Exchange**

No charge will be levied on a presenter of a Subscription Receipt Certificate pursuant to this Agreement for the exchange of any Subscription Receipt Certificate.

### **Section 3.4 Ownership of Subscription Receipts**

- (1) Owner: The Corporation and the Subscription Receipt Agent may deem and treat the Person in whose name any Subscription Receipt is registered as the absolute owner of such Subscription Receipt for all purposes, and such Person will for all purposes of this Agreement be and be deemed to be the absolute owner thereof, entitled to the rights and privileges attaching to such Subscription Receipt, and the Corporation and the Subscription Receipt Agent will not be affected by any notice or knowledge to the contrary except as required by applicable law or by order of a court of competent jurisdiction.
- (2) Rights of Registered Holder: The registered holder of any Subscription Receipt will be entitled to the rights represented thereby free from all equities and rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all Persons may act accordingly, and the issue and delivery to any such registered holder of Subscription Shares and Warrants issuable pursuant thereto (or the payment of amounts payable in respect thereof pursuant to Section 2.2(2) hereof) will be a good discharge to the Corporation and the Subscription Receipt Agent therefor and neither the Corporation nor the Subscription Receipt Agent will be bound to inquire into the title of any such registered holder.

## **ARTICLE 4 CONVERSION OF SUBSCRIPTION RECEIPTS**

### **Section 4.1 Conversion of Subscription Receipts by Subscription Receipt Agent**

- (1) Notice of Escrow Release Conditions: If the Escrow Release Conditions have been satisfied on or before the Escrow Release Deadline, the Corporation shall forthwith cause a certificate regarding same, executed by the Chief Executive Officer and the Chief Financial Officer of the Corporation (or such other officers as may be acceptable to the Lead Agent), to be delivered to the Lead Agent requesting release of the Escrowed Funds pursuant to this Agreement.
- (2) Escrow Release Notice: If the certificate set forth in Section 4.1(1) hereof has been delivered to the Lead Agent and the Escrow Release Conditions have been satisfied (or waived in accordance with the terms of this Agreement) on or before the Escrow Release Deadline, the Corporation and the Lead Agent shall as soon as reasonably practicable thereafter deliver to the Subscription Receipt Agent the Escrow Release Notice, executed by the Corporation and the Lead Agent.
- (3) Conversion by Subscription Receipt Agent: If the Escrow Release Notice is delivered to the Subscription Receipt Agent on or before the Escrow Release Deadline, upon receipt of the Escrow Release Notice by the Subscription Receipt Agent, all Subscription Receipts will be automatically converted by the Subscription Receipt Agent on the Release Date for and on behalf of the holders thereof and the holders thereof shall, without payment of additional consideration or any further action on the part of the holders thereof (including the surrender of any Subscription Receipt Certificates or deemed surrender of any Uncertificated

Subscription Receipts), be deemed to have subscribed for the corresponding number of Subscription Shares and Warrants issuable upon the conversion of such Subscription Receipts, notwithstanding that a certificate or book entry only system customer confirmation therefore may not yet have been issued or entered, as the case may be. For greater certainty, the Subscription Receipts may not be converted by the holders thereof and may only be converted pursuant to the foregoing automatic conversion.

- (4) Conversion of Certificated Subscription Receipts: In the case of Certificated Subscription Receipts, the Corporation will cause the issuance and delivery of certificates representing the applicable Subscription Shares and Warrants to the holders of Certificated Subscription Receipts.
- (5) Conversion of Uncertificated and CDS Subscription Receipts: In the case of Uncertificated Subscription Receipts, the Corporation will cause the issuance and registration of the applicable Subscription Shares and Warrants in the name of the holders of Uncertificated Subscription Receipts and, in the case of CDS Subscription Receipts, the Corporation will direct the Depository to cause to be issued book entry only system customer confirmations to the beneficial holders of the Subscription Shares and Warrants,
- (6) Rights on Conversion: The holder of any Subscription Receipt converted pursuant to Section 4.1(1) hereof shall have no rights hereunder except to be issued Subscription Shares and Warrants upon the conversion of the Subscription Receipts and upon the issuance of Subscription Shares and Warrants upon conversion of the Subscription Receipts pursuant to Section 4.1(1) hereof, the Subscription Receipt Certificates will be cancelled and Uncertificated Subscription Receipts will be deemed to be cancelled, without further action on the part of the Subscription Receiptholders, the Subscription Receipt Agent, or the Corporation.
- (7) Direction of Subscription Receipt Agent: Provided that the Escrow Release Notice is received by the Subscription Receipt Agent on or before the Escrow Release Deadline, the parties hereby irrevocably authorize and direct the Subscription Receipt Agent to convert the Subscription Receipts pursuant to Section 4.1(3) hereof upon receipt of the Escrow Release Notice.
- (8) Release of Escrowed Funds: If the Escrow Release Notice is delivered to the Subscription Receipt Agent on or before the Escrow Release Deadline, the Subscription Receipt Agent will release the Escrowed Funds in accordance with Section 6.3 hereof.

#### **Section 4.2 Effect of Conversion**

Upon the conversion of any Subscription Receipts in accordance with Section 4.1(1) hereof, the Corporation shall cause the transfer agent and warrant agent, as applicable, to forthwith enter the holders on the register of shareholders and warrant holders, as applicable, as the holders of the Subscription Shares and Warrants, as applicable, and the Subscription Shares and Warrants so acquired shall be deemed to have been issued, and the Person or Persons to whom such Subscription Shares and Warrants, respectively, are to be issued shall be deemed to have become the holder or holders of record of such Subscription Shares and Warrants on the Release Date unless the transfer registers are closed on the Release Date, in which case such Subscription Shares and Warrants will be deemed to have been issued and such Person or Persons will become the holder or holders of record thereof on the date on which such transfer registers are reopened, but such Subscription Shares and



Warrants will be issued on the basis of the number of Subscription Shares and Warrants to which such Person or Persons were entitled on the Release Date.

#### **Section 4.3 Fractions**

The Corporation shall not be required, upon the conversion of the Subscription Receipts or upon any adjustment in accordance with Article 7 hereof, to issue fractions of Subscription Shares or Warrants to any Person or to issue certificates which evidence a fractional Subscription Share or Warrant. To the extent that a Subscription Receiptholder would otherwise have been entitled to receive a fraction or fractions of a Subscription Share or Warrant on the conversion of its Subscription Receipts, that Subscription Receiptholder may exercise such right in respect of the fraction or fractions only in combination with its entitlement to a fraction or fractions of a Subscription Share or Warrant in respect of another Subscription Receipt or other Subscription Receipts that in the aggregate entitle the Subscription Receiptholder to receive a whole number of Subscription Shares and Warrants and the Corporation shall issue such whole Subscription Shares and Warrants to the Subscription Receiptholder in respect of those fractions that in the aggregate form whole Subscription Shares and Warrants. Subject to the above, all remaining fractions of a Subscription Share or Warrant will be rounded down and the holder of such Subscription Shares and Warrants shall not be entitled to any compensation in respect of any fractional Subscription Share or Warrant which is not issued.

#### **Section 4.4 Recording**

The Corporation will record (or cause to be recorded) the name and address of each Person to whom Subscription Shares and Warrants are issued and the number of such securities so issued on the Release Date.

#### **Section 4.5 Securities Restrictions**

- (1) General: No Subscription Shares or Warrants will be issued pursuant to the conversion of any Subscription Receipt if the issue of such Subscription Shares and Warrants would constitute a violation of the securities laws of any jurisdiction and, without limiting the generality of the foregoing, the certificates representing the Subscription Shares and Warrants thereby issued will bear such legend or legends as may, in the opinion of counsel to the Corporation, be necessary or advisable in order to avoid a violation of any securities laws of any jurisdiction or to comply with the requirements of any stock exchange on which the Common Shares are then listed, provided that if, at any time, in the opinion of counsel to the Corporation, such legend or legends are no longer necessary or advisable in order to avoid a violation of any such laws or requirements, or the holder of any such legended certificate, at the expense thereof, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such Subscription Shares and Warrants in a transaction in which such legend or legends are not required, such legended certificate may thereafter be surrendered to the applicable transfer agent in exchange for a certificate which does not bear such legend or legends.
- (2) Canadian Legend on Subscription Shares and Warrants: Each Subscription Share and Warrant will have attached to it, whether through an ownership statement issued under the electronic book entry system or on physical certificates that may be issued, as applicable, as

well as all certificates issued in exchange for or in substitution of the foregoing securities, the legend substantially in the following form

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND A DAY FROM THE CLOSING DATE].”

(3) United States Legend on Subscription Shares and Warrants:

- (a) Each Subscription Share and Warrant issued as a definitive certificate to a U.S. Purchaser, and each Subscription Share and Warrant issued as a definitive certificate in exchange therefor in substitution or transfer thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY [IN THE CASE OF WARRANTS: “AND THE SECURITIES ISSUABLE ON CONVERSION HEREOF”] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) SECTION 4(a)(7) THEREOF, (ii) RULE 144 OR (iii) RULE 144A THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (B), (C), (D) OR (E) ABOVE, A LEGAL OPINION OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE CORPORATION, MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION’S SUBSCRIPTION RECEIPT AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION, OR IS THE SUBJECT OF AN EFFECTIVE REGISTRATION STATEMENT, 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 further, that in the event the Subscription Share or Warrant is transferred under clause 4.5(3)(a)(B) above at a time when the Corporation is still a “Foreign Issuer”, as defined in Regulation S under the 1933 Act, the transfer may be effected by providing a declaration to the Corporation and the Subscription Receipt Agent in the form (as may be amended from time to time in order to comply with changes in legal requirements) set forth in “Schedule D,” in the case of Subscription Warrants, or “Schedule E,” in the case of Subscription Shares, hereof.

## ARTICLE 5 COVENANTS

### Section 5.1 General Covenants

The Corporation covenants with the Subscription Receipt Agent and the Subscription Receiptholders, that so long as any Subscription Receipts remain outstanding:

- (1) Maintenance: The Corporation will use its commercially reasonable efforts to at all times maintain its corporate existence, carry on and conduct its business, and that of its material subsidiaries, in a proper, efficient and business-like manner and keep or cause to be kept proper books of account in accordance with generally accepted accounting principles.
- (2) Reservation of Subscription Shares and Warrants: The Corporation will reserve and conditionally allot and keep available a sufficient number of Subscription Shares and Warrants to enable it to satisfy its obligations on the conversion of the Subscription Receipts and a sufficient number of Warrant Shares to enable it to satisfy its obligations on the exercise of the Warrants .
- (3) Issue of Subscription Shares and Warrants: The Corporation will cause the Subscription Shares and Warrants to be issued pursuant to the conversion of the Subscription Receipts and any certificates representing such Subscription Shares and Warrants to be issued and delivered in accordance with the provisions of this Agreement. All Subscription Shares and Warrants which shall be issued on the conversion of the Subscription Receipts, and all Warrant Shares which shall be issued upon the due exercise of the Warrants (in accordance with the terms hereof and thereof), will be fully paid and non-assessable securities of the Corporation.
- (4) Listing: As long as the Subscription Receipts remain issued and outstanding, the Corporation will use its commercially reasonable efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Subscription Shares issuable on the conversion of the Subscription Receipts and the Warrant Shares issuable upon the due exercise of the Warrants) are listed and posted for trading on the CSE (or on another Canadian stock exchange).
- (5) Reporting Issuer: As long as the Subscription Receipts remain issued and outstanding, the Corporation will use its commercially reasonable efforts to maintain its status as a reporting issuer (or analogous entity) not in default of the requirements of the Securities Laws of the provinces in which it is a reporting issuer on the date hereof and it will make all requisite filings under the Securities Laws;
- (6) Open Registers: The Corporation will cause the Subscription Receipt Agent to keep open the registers of holders referred to in Section 3.1 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 Subscription Receiptholders from receiving any of the Subscription Shares and Warrants issued upon conversion of the Subscription Receipts.
- (7) Filings: The Corporation will make all requisite filings, including filings with appropriate securities commissions and stock exchanges, in connection with the conversion of the Subscription Receipts and the issue of the Subscription Shares and Warrants.

- (8) Record Dates: The Corporation 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 Corporation with respect to any meeting or written resolution of holders of Common Shares.
- (9) General Performance: The Corporation 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 hereby.
- (10) Notice of Default: The Corporation will promptly advise the Subscription Receipt Agent, the Subscription Receiptholders and the Lead Agent in writing of any default under the terms of this Agreement.
- (11) Notices to Subscription Receiptholders: Any notices or deliveries required to be provided to holders of Subscription Receipts hereunder shall be sent 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.
- (12) Termination Notice: In the event of a Termination Event, the Corporation shall promptly deliver a Termination Notice to the Subscription Receipt Agent, the Lead Agent and the Subscription Receiptholders in accordance with the Section 6.4 hereof.
- (13) Payment of Shortfall. To the extent that the Escrowed Funds are insufficient to refund to each Subscription Receiptholder the amounts due to them, in the event the Subscription Receipts are cancelled in accordance with the terms of this Agreement, the Corporation shall be responsible and liable to the Subscription Receiptholders for any shortfall and shall contribute such amounts as are necessary to satisfy any shortfall such that each Subscription Receiptholder will receive an amount equal to the amounts due to them under Section 6.4(1) hereof.

## **Section 5.2 Remuneration and Expenses of Subscription Receipt Agent**

The Corporation 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 the its duties hereunder (including the reasonable compensation and the disbursements of its counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except for any expense, disbursement or advance that arises out of or results from the Subscription Receipt Agent's gross negligence, fraud, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after 30 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 upon demand. This Section 5.2 shall survive the resignation of the Subscription Receipt Agent and/or the termination of this Agreement.

## **Section 5.3 Notice of Issue**

The Corporation will give written notice of and make all requisite filings respecting the issue of securities pursuant to the conversion of the Subscription Receipts, in such detail as may be required, to each securities commission, stock exchange, or similar regulatory authority in each jurisdiction in which there is legislation or regulations requiring the giving of any such notice or

making of any such filing in order that such issue of securities and the subsequent disposition of the securities so issued will not be subject to the prospectus or registration requirements, if any, of such legislation or regulations.

#### **Section 5.4 Securities Qualification Requirements**

If any instrument is required to be filed with, or any permission is required to be obtained from, any governmental authority or any other step is required under any applicable law before any Subscription Shares and Warrants which a Subscription Receiptholder is entitled to acquire pursuant to the conversion of any Subscription Receipt may properly and legally be issued upon due conversion thereof, the Corporation covenants that it will promptly take such required action.

#### **Section 5.5 Performance of Covenants by Subscription Receipt Agent**

If the Corporation fails to perform any of the obligations thereof under this Agreement, the Subscription Receipt Agent may notify the Subscription Receiptholders of such failure or may itself perform any of such obligations capable of being performed by the Subscription Receipt Agent, and the Subscription Receipt Agent will notify the Subscription Receiptholders that it is so doing. All amounts expended or advanced by the Subscription Receipt Agent in so doing will be repayable as provided in Section 5.2 hereof. No such performance, expenditure or advance by the Subscription Receipt Agent will relieve the Corporation of any default or of its continuing obligations hereunder.

### **ARTICLE 6 DEPOSIT OF PROCEEDS AND CANCELLATION OF SUBSCRIPTION RECEIPTS**

#### **Section 6.1 Deposit of Escrowed Proceeds in Escrow**

The Corporation shall direct that the Lead Agent deliver the Escrowed Proceeds to the Subscription Receipt Agent on the Closing Date by way of electronic wire transfer in immediately available funds, and upon receipt of such funds, the Subscription Receipt Agent shall deliver a signed receipt acknowledging receipt of the Escrowed Proceeds. The Subscription Receipt Agent shall immediately place such funds in a segregated account in accordance with the provisions of this Article 6. The Corporation acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of the aggregate Offering Price that the Escrowed Funds are held by the Subscription Receipt Agent in accordance with the provisions of this Article 6. The Corporation further acknowledges and confirms that it has no interest in the Escrowed Funds unless and until the Escrow Release Notice is delivered to the Subscription Receipt Agent (on or before the Escrow Release Deadline). The Subscription Receipt Agent shall retain the Escrowed Funds for the benefit of the holders of the Subscription Receipts and, upon the delivery of the Escrow Release Notice to the Subscription Receipt Agent (on or before the Escrow Release Deadline), retroactively for the benefit of the Corporation and the Agents (in the case of the Agents, in relation to the Agents' Commission) in accordance with the provisions of this Article 6.

#### **Section 6.2 Investment of Escrowed Funds**

- (1) Until released in accordance with the provisions of this Agreement, the Escrowed Funds shall be kept segregated in the records of the Subscription Receipt Agent and shall be deposited in one or more segregated interest bearing bank accounts to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more Schedule I Canadian chartered banks, including the banks set forth in Section 6.2(3) hereof

(each such bank, an “**Approved Bank**”). Interest will be credited by the fifth Business Day of the following month.

- (2) All amounts held by the Subscription Receipt Agent pursuant to this Agreement shall be held by the Subscription Receipt Agent for the benefit of the Subscription Receiptholders and the delivery of the Escrowed Proceeds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship between the Subscription Receipt Agent and the Subscription Receiptholders. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Subscription Receiptholders and, without limiting the generality of the foregoing, the Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 6.2, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. The Corporation and the Lead Agent acknowledge and agree that the Subscription Receipt Agent acts prudently in depositing the Escrowed Funds at any Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of any such bank.

At any time and from time to time, the Corporation and the Lead Agent, acting together, shall be entitled to direct the Subscription Receipt Agent by written notice to (a) not deposit any new amounts in any Approved Bank specified in the notice and/or (b) withdraw all or any of the Escrowed Funds that may then be deposited with any Approved Bank specified in the notice and re-deposit such amount with one or more of such other Approved Banks as specified in the notice. With respect to any withdrawal notice, the Subscription Receipt Agent will endeavor to withdraw such amount specified in the notice as soon as reasonably practicable and the Corporation and the Lead Agent acknowledge and agree that such specified amount remains at the sole risk of the Subscription Receiptholders prior to and after such withdrawal.

- (3) The Approved Banks include TD Canada Trust and Bank of Montreal.

### **Section 6.3 Release of Escrowed Funds on Completion**

In the event that the Escrow Release Notice is delivered to the Subscription Receipt Agent on or before the Escrow Release Deadline (i) the Corporation shall be entitled to receive from the Subscription Receipt Agent an amount equal to the Escrowed Funds, less 50% of the Agents’ Commission and any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 5.2 hereof payable to the Corporation or as otherwise directed by the Corporation in the Escrow Release Notice, and (ii) the Agents shall be entitled to receive from the Subscription Receipt Agent, an amount equal to 50% of the Agents’ Commission payable to the Lead Agent on behalf of the Agents or as otherwise directed by the Lead Agent in the Escrow Release Notice. The Subscription Receipt Agent shall deliver the funds referred to in this Section 6.3 to the Corporation and the Lead Agent on behalf of the Agents, respectively (or as directed by the Corporation or the Lead Agent, as applicable) as soon as practicable on the Release Date.

### **Section 6.4 Release of Escrowed Funds on Termination**

- (1) In the event that a Termination Event occurs, the Corporation shall forthwith deliver a Termination Notice to the Subscription Receiptholders, the Subscription Receipt Agent and the Lead Agent stating the Termination Date and that a Termination Event has occurred.

Upon delivery of a Termination Notice, each Subscription Receipt shall, subject to Section 6.4(4) hereof, be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and each Subscription Receiptholder shall be entitled to receive at the Termination Payment Time, an amount equal to the greater of (i) the aggregate Offering Price in respect of such holder's Subscription Receipts; and (ii) such holder's *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any.

- (2) The amounts paid to each Subscription Receiptholder under Section 6.4(1) hereof shall be satisfied by the Escrowed Funds. To the extent that the Escrowed Funds are insufficient to refund to each Subscription Receiptholder the amounts due to them under Section 6.4(1) hereof, the Corporation shall be responsible and liable to the Subscription Receiptholders for any shortfall and shall contribute such amounts as are necessary to satisfy any shortfall such that each Subscription Receiptholder will receive an amount equal to the amounts due to them under Section 6.4(1) hereof, being an amount not less than the aggregate Offering Price in respect of such holder's Subscription Receipts.
- (3) The obligation to make the payment of the amounts specified in Section 6.4(1) hereof shall be satisfied, in the case of CDS Subscription Receipts, by wire transfer of immediately available funds made by the Subscription Receipt Agent to the Depository or otherwise by the Subscription Receipt Agent mailing cheques made payable to the Subscription Receiptholders at their registered addresses.
- (4) Upon receipt of a wire transfer or the delivery of any cheque as provided in Section 6.4(3) hereof (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 Subscription Receiptholder shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

#### **Section 6.5 Additional Payments by the Corporation**

The Corporation shall, no later than one Business Day before the date upon which any amount due hereunder from the Corporation, if any, is required to be paid pursuant to this Article 6, 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 6. The Corporation shall notify in writing the Subscription Receipt Agent of such payments when made.

#### **Section 6.6 Withholding**

The Subscription Receipt Agent shall be entitled to deduct and withhold from any amount released pursuant to this Agreement all taxes which may be 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.

#### **Section 6.7 Escrowed Funds**

In addition to the other rights granted to holders of Subscription Receipts in this Agreement, until the earlier of the Termination Date and the Release Date, each holder of Subscription Receipts has a claim against the Escrowed Funds held by the Subscription Receipt Agent and against the Corporation, in the amount equal to \$0.28 for each Subscription Receipt held by such holder, which

claim shall subsist until such time as the Subscription Shares and Warrants issuable upon the conversion of such Subscription Receipts are issued or such amount is paid in full. In the event that, prior to the earlier of the Termination Time and the Release Date, the Corporation (i) makes a general assignment for the benefit of creditors or any proceeding is instituted by the Corporation seeking relief on behalf thereof as a debtor, or to adjudicate the Corporation a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of the Corporation or the debts of the Corporation under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, receiver and manager, trustee, custodian or similar official for the Corporation or any substantial part of the property or assets of the Corporation or the Corporation takes any corporate action to authorize any of the actions set forth above, or (ii) shall be declared bankrupt, or a receiver, receiver and manager, trustee, custodian or similar official is appointed for the Corporation or any substantial part of the property or assets of the Corporation or an encumbrancer shall legally take possession of any substantial part of the property or assets of the Corporation or a distress or execution or any similar process is levied or enforced against such property and assets and remains unsatisfied for such period as would permit such property or such part thereof to be sold thereunder, the right of each holder of Subscription Receipts to be issued Subscription Shares and Warrants upon the conversion of the Subscription Receipts of such holder will terminate and such holder will be entitled to assert a claim, against the Escrowed Funds held by the Subscription Receipt Agent and against the Corporation for any shortfall, in an amount equal to \$0.28 for each Subscription Receipt held by such holder.

#### **Section 6.8 Representation Regarding Third Party Interests**

Each of the Corporation and the Lead Agent (in this Section 6.8 referred to as a “**representing party**”) 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 representing party, 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 representing party hereby agrees to complete, execute and deliver forthwith to the Subscription Receipt Agent a declaration of third party interest in the Subscription Receipt Agent’s prescribed form in accordance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the regulations thereto, or in such other form as may be satisfactory to it, as to the particulars of such third party.

### **ARTICLE 7 ADJUSTMENTS**

#### **Section 7.1 Definitions**

In this Article, the terms “**record date**” and “**effective date**” where used herein shall mean the close of business on the relevant date.

#### **Section 7.2 Adjustment of Exchange Number**

The Exchange Number (or the number and kind of shares or securities to be received upon exercise in the case of subsections 7.2(4) and (5) below) shall be subject to adjustment from time to time in the events and in the manner provided in section 7.3 and as follows:

- (1) If, prior to the Release Date the Corporation shall:
  - (a) issue to all or substantially all the holders of the Common Shares, by way of a stock



distribution, stock dividend or otherwise, Common Shares or Convertible Securities;  
or

- (b) subdivide its outstanding Common Shares into a greater number of shares; or
- (c) combine or consolidate its outstanding Common Shares into a smaller number of shares,

(any of these events being herein called a “**Share Reorganization**”),

the Exchange Number shall be adjusted effective immediately after the record date at which the holders of Common Shares are determined for the purposes of the Share Reorganization to a number that is the product of (1) the Exchange Number in effect on the record date and (2) a fraction:

- (i) the numerator of which shall be the number of Common Shares outstanding after giving effect to the Share Reorganization; and
- (ii) the denominator of which shall be the number of Common Shares outstanding on the record date before giving effect to the Share Reorganization.

For the purposes of determining the number of Common Shares outstanding at any particular time for the purpose of this subsection 7.2(1), there shall be included that number of Common Shares which would have resulted from the conversion at that time of all outstanding Convertible Securities.

(2) If prior to the Release Date the Corporation shall issue rights, options or warrants to all or substantially all the holders of the Common Shares pursuant to which those holders are entitled to subscribe for, purchase or otherwise acquire Common Shares or Convertible Securities within a period of 45 days from the date of issue thereof at a price, or at a conversion price, of less than 95% of the Current Market Price at the record date for such distribution (any such issuance being herein called a “**Rights Offering**” and Common Shares that may be acquired in exercise of the Rights Offering or upon conversion of the Convertible Securities offered by the Rights Offering being herein called the “**Offered Shares**”), the Exchange Number shall be adjusted effective immediately after the record date at which holders of Common Shares are determined for the purposes of the Rights Offering to an Exchange Number that is the product of (1) the Exchange Number in effect on the record date and (2) a fraction:

- (a) the numerator of which shall be the sum of (i) the number of Common Shares outstanding on the record date plus (ii) the number of Offered Shares offered pursuant to the Rights Offering or the maximum number of Offered Shares into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be; and
- (b) the denominator of which shall be the sum of:
  - (i) the number of Common Shares outstanding on the record date for the Rights Offering; and
  - (ii) the number arrived at when (A) either the product of (1) the number of Offered Shares so offered and (2) the price at which those Common Shares are offered, or the product of (3) the conversion

price thereof and (4) the maximum number of Offered Shares for or into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be, is divided by (B) the Current Market Price of the Common Shares on the record date.

Any Offered Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any computation; if all the rights, options or warrants are not so issued or if all rights, options or warrants are not exercised prior to the expiration thereof, the Exchange Number shall be readjusted to the Exchange Number in effect immediately prior to the record date and the Exchange Number shall be further adjusted based upon the number of Offered Shares (or Convertible Securities into Offered Shares) actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after that record date.

(3) If prior to the Release Date the Corporation shall issue or distribute to all or substantially all the holders of the Common Shares (i) shares of any class other than Common Shares, or (ii) rights, options or warrants other than rights, options or warrants (other than in respect of a Rights Offering), or (iii) evidences of indebtedness, or (iv) any other assets (excluding Dividends) and that issuance or distribution does not constitute a Share Reorganization or a Rights Offering (any of those events being herein called a “**Special Distribution**”), the Exchange Number shall be adjusted effective immediately after the record date at which the holders of Common Shares are determined for purposes of the Special Distribution to an Exchange Number that is the product of (1) the Exchange Number in effect on the record date and (2) a fraction:

- (a) the numerator of which shall be the product of (i) the sum of the number of Common Shares outstanding on the record date plus the number of Common Shares which the Subscription Receiptholders would be entitled to receive upon exercise of all their outstanding Subscription Receipts if they were exercised on the record date and (ii) the Current Market Price thereof on that date; and
- (b) the denominator of which shall be:
  - (i) the product of (A) the sum of the number of Common Shares outstanding on the record date plus the number of Common Shares which the Subscription Receiptholders would be entitled to receive upon exercise of all their outstanding Subscription Receipts if they were exercised on the record date and (B) the Current Market Price thereof on that date;
  - less,
  - (ii) the aggregate fair market value, as determined by the Directors, whose determination shall, absent manifest error, be conclusive, of the shares, rights, options, warrants, evidences of indebtedness or other assets issued or distributed in the Special Distribution.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. To the extent that the distribution of shares,

rights, options, warrants, evidences of indebtedness or assets if not so made or to the extent that any rights, options or warrants so distributed are not exercised, the Exchange Number shall be readjusted to the Exchange Number that would then be in effect based upon the shares, rights, options, warrants, evidences of indebtedness or assets actually distributed or based upon the number of Common Shares or Convertible Securities actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after the record date.

(4) If prior to the Release Date there is a reorganization of the Corporation not otherwise provided for in subsection 7.2(1) or a consolidation or merger or amalgamation of the Corporation with or into another body corporate including a transaction whereby all or substantially all of the Corporation's undertaking and assets become the property of any other corporation (any such event being herein called a "**Capital Reorganization**") any holder of a Subscription Receipt shall be entitled to receive and shall accept, upon the exercise of his or her right at any time after the effective date of the Capital Reorganization, in lieu of the number of Subscription Shares, Warrants and Warrant Shares (and any other securities or properties to which holders are entitled upon exercise of the Subscription Receipts) to which he or she was theretofore entitled upon exercise of the Subscription Receipt, the aggregate number of Subscription Shares, Warrants and Warrant Shares or other securities or property of the Corporation, or the continuing, successor or purchasing person, as the case may be, under the Capital Reorganization that the holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, he or she had been the holder of the number of Subscription Shares, Warrants and Warrant Shares (and any other securities to which holders are entitled upon exercise of the Subscription Receipts) to which immediately before the transaction he or she was entitled upon exercise of the Subscription Receipts. No Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken so that the holders of Subscription Receipts shall thereafter be entitled to receive the number of Subscription Shares, Warrants and Warrant Shares or other securities or property of the Corporation or of the continuing, successor or purchasing person, as the case may be, under the Capital Reorganization, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this section and in section 7.3.

### **Section 7.3 Exercise Number Adjustment Rules**

The following rules and procedures shall be applicable to adjustments made pursuant to section 7.2:

(1) The adjustments and readjustments provided for in this Article 7 are cumulative and, subject to subsection 7.3(2), shall apply (without duplication) to successive issues, subdivisions, combinations, consolidations, distributions and any other events that require adjustment of the Exchange Number or the number or kind of Common Shares or securities purchasable hereunder.

(2) No adjustment in the Exchange Number shall be required unless the adjustment would result in a change of at least 1/2 of 1% in the Exchange Number then in effect, provided, however, that any adjustments that, except for the provisions of this subsection would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.

(3) No adjustment in the Exchange Number shall be made in respect of any event described in paragraph 7.2(1)(a) or subsections 7.2(2) or (3) if the holders of the Subscription Receipts are entitled to participate in the event on the same terms, mutatis mutandis, as if they had exercised their Subscription Receipts immediately prior to the effective date or record date of the event.

(4) No adjustment in the Exchange Number shall be made pursuant to section 7.2 in respect of the issue of Common Shares pursuant to:

- (a) this Agreement; or
- (b) the issuance of Common Shares pursuant to the exercise of options granted pursuant to the Corporation's stock option plans or pursuant to the exercise of rights under currently outstanding warrants to acquire Common Shares,

and any such issue shall be deemed not to be a Share Reorganization, a Rights Offering or a Special Distribution.

(5) If a dispute shall at any time arise with respect to adjustments of the Exchange Number, the dispute shall be conclusively determined by the Corporation's Auditors or, if they are unable or unwilling to act, by such firm of independent chartered accountants as may be selected by the directors and any such determination shall, absent manifest error, be binding upon the Corporation, the Subscription Receipt Agent, the transfer agent and all Subscription Receiptholders.

(6) If the Corporation shall set a record date to determine the holders of Common Shares for the purpose of entitling them to receive any Dividend or distribution or any subscription or purchase rights and shall, thereafter, legally abandon its plans to pay or deliver the Dividend or distribution or subscription or purchase rights, then no adjustment in the Exchange Number shall be required by reason of the setting of the record date.

(7) If and whenever at any time prior to the Release Date, the Corporation shall take any action affecting or relating to the Common Shares, other than any action described in this section, which in the opinion of the Directors of the Corporation would prejudicially affect the rights of any holders of Subscription Receipts, the Exchange Number will be adjusted by the Directors of the Corporation in such manner, if any, and at such time, as the Directors of the Corporation, may in their sole discretion, subject to the approval of any stock exchange on which the Common Shares are listed and posted for trading, reasonably determine to be equitable in the circumstances to such holders.

(8) As a condition precedent to the taking of any action which would require an adjustment in any of the rights under the Subscription Receipts, the Corporation will take any action which, in the opinion of counsel to the Corporation, may be necessary in order that the Corporation, or any successor to the Corporation or successor to the undertaking or assets of the Corporation will be obligated to and may validly and legally issue all the Subscription Shares and Warrants which the holders of the Subscription Receipts would be entitled to receive thereafter and to exercise such Subscription Receipts in accordance with the provisions hereof.

(9) All adjustments in connection with the Warrants to be issued upon conversion of the Subscription Receipts shall be made in accordance with the terms and conditions of the Warrant Indenture, whether or not the Warrants have been issued upon the conversion of the Subscription Receipts.

#### **Section 7.4 Postponement of Subscription**

In any case where the application of section 7.2 results in an increase of the Exchange Number taking effect immediately after the record date for or occurrence of a specific event, if any Subscription Receipts are exercised after that record date or occurrence and prior to completion of the event or of the period for which a calculation is required to be made, the

Corporation may postpone the issuance to the holder of the Subscription Receipts of the Subscription Shares and Warrants to which the holder is entitled by reason of the increase of the Exchange Number but the Subscription Shares and Warrants shall be so issued and delivered to that holder upon completion of that event or period, with the number of those Subscription Shares and Warrants calculated on the basis of the Exchange Number on the Release Date adjusted for completion of that event or period, and the Corporation shall forthwith after the Release Date deliver to the person or persons in whose name or names the Subscription Shares and Warrants are to be issued an appropriate instrument evidencing the person's or persons' right to receive the Subscription Shares and Warrants.

#### **Section 7.5 Notice of Certain Events**

(1) Promptly upon the occurrence of the earlier of the effective date of or the record date for any event referred to in sections 7.2 or 7.3 that requires an adjustment in the Exchange Number, the Corporation shall:

- (a) file with the Subscription Receipt Agent a Certificate of the Corporation 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 Corporation; and
- (b) give notice to the Subscription Receiptholders and to the Lead Agent (on behalf of the Agents) of the particulars of the event and, if determinable, the adjustment.

(2) If notice has been given under subsection 7.5(1) and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable:

- (a) file with the Subscription Receipt Agent a computation of the adjustment; and
- (b) give notice to the Subscription Receiptholders and to the Lead Agent (on behalf of the Agents) of the adjustment.

#### **Section 7.6 Protection of Subscription Receipt Agent**

Subject to the provisions of Article 11, the Subscription Receipt Agent:

- (a) shall not at any time be under any duty or responsibility to any Subscription Receiptholder to determine whether any facts exist which may require any adjustment when made pursuant to Article 7, or with respect to the method employed in making the same;
- (b) shall not be accountable with respect to the validity or value (or kind or amount) of any Subscription Shares or Warrants or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of the Subscription Receipts;
- (c) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Subscription Shares or Warrants or certificates for the same upon the surrender of any Subscription Receipts for the purpose of the exercise of such rights or to comply with any of the covenants contained in Article 7;

- (d) 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 Corporation of any of the representations, warranties or covenants herein contained or of any acts of the agents or servants of the Corporation; and
- (e) shall be entitled to act and rely on any adjustment calculation of the Directors or the Corporation's Auditors including any certificates provided to the Subscription Receipt Agent pursuant to Section 7.5.

## **ARTICLE 8 ENFORCEMENT**

### **Section 8.1 Suits by Subscription Receiptholders**

All or any of the rights conferred on the holder of any Subscription Receipt by the terms of the Subscription Receipt Certificate representing such Subscription Receipt, if any, or of this Agreement may be enforced by such holder by appropriate legal proceedings but without prejudice to the right which is hereby conferred on the Subscription Receipt Agent to proceed in the name thereof or on behalf of the holders of Subscription Receipts to enforce each and every provision herein contained for the benefit of the Subscription Receiptholders.

### **Section 8.2 Limitation of Liability**

The obligations hereunder are not personally binding on, nor will resort hereunder be had to the private property of, any past, present or future Director, shareholder, officer, employee or agent of the Corporation, but only the property of the Corporation shall be bound in respect hereof.

## **ARTICLE 9 MEETINGS OF SUBSCRIPTION RECEIPTHOLDERS**

### **Section 9.1 Right to Convene Meetings**

- (1) Convening of Meeting: The Subscription Receipt Agent may at any time and from time to time convene a meeting of the Subscription Receiptholders, and will do so on receipt of a Written Request of the Corporation or a Subscription Receiptholders' Request and on being funded and indemnified to its reasonable satisfaction by the Corporation or by one or more of the Subscription Receiptholders signing such Subscription Receiptholders' Request against the costs which it may incur in connection with calling and holding such meeting.
- (2) Failure to Convene: If the Subscription Receipt Agent fails, within five Business Days after receipt of such Written Request of the Corporation or Subscription Receiptholders' Request, funding and indemnification, to give notice convening a meeting, the Corporation or any of such Subscription Receiptholders, as the case may be, may convene such meeting.
- (3) Place of Meeting: Every such meeting will be held in Toronto, Ontario, or such other place as is approved or determined by the Subscription Receipt Agent and the Corporation.

## **Section 9.2 Notice**

- (1) Notice: At least ten Business Days' notice of any meeting must be given to the Subscription Receiptholders, to the Subscription Receipt Agent (unless the meeting has been called by it) and to the Corporation (unless the meeting has been called by it).
- (2) Contents: The notice of the meeting must state the time when and the place where the meeting is to be held and must state briefly the general nature of the business to be transacted thereat, but it will not be necessary for the notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 9.

## **Section 9.3 Chairman**

Some individual (who need not be a Subscription Receiptholder) designated in writing by the Subscription Receipt Agent will be chairman of the meeting or, if no individual is so designated or the individual so designated is not present within 15 minutes after the time fixed for the holding of the meeting, the Subscription Receiptholders present in person or by proxy may choose some individual present to be chairman.

## **Section 9.4 Quorum**

- (1) Quorum: Subject to the provisions of Section 9.12 hereof, at any meeting of Subscription Receiptholders, a quorum will consist of Subscription Receiptholders present in person or by proxy at the commencement of the meeting holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding.
- (2) No Quorum: If a quorum of Subscription Receiptholders is not present within 30 minutes after the time fixed for holding a meeting, the meeting, if summoned by Subscription Receiptholders or on a Subscription Receiptholders' Request, will be dissolved, but, subject to Section 9.12 hereof, in any other case will be adjourned to the third following Business Day at the same time and place and no notice of the adjournment need be given.
- (3) Quorum at Adjourned Meeting: At the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened notwithstanding the number of Subscription Receipts that they hold.

## **Section 9.5 Power to Adjourn**

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

## **Section 9.6 Show of Hands**

Every question submitted to a meeting, other than an Extraordinary Resolution, will be decided in the first place by a majority of the votes given on a show of hands and, 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 will be conclusive evidence of the fact.

### **Section 9.7 Poll**

- (1) Extraordinary Resolution: On every Extraordinary Resolution, and on every other question submitted to a meeting on which a poll is directed by the chairman or requested by one or more Subscription Receiptholders acting in person or by proxy and holding in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding, a poll will be taken in such manner as the chairman directs.
- (2) Other: Questions other than those required to be determined by Extraordinary Resolution will be decided by a majority of the votes cast on the poll.

### **Section 9.8 Voting**

On a show of hands each Person present and entitled to vote, whether as a Subscription Receiptholder or as proxy for one or more absent Subscription Receiptholders, or both, will have one vote, and on a poll each Subscription Receiptholder present in person or represented by a proxy duly appointed by instrument in writing will be entitled to one vote in respect of each Subscription Receipt held by such holder. A proxy need not be a Subscription Receiptholder.

### **Section 9.9 Regulations**

- (1) Ability to Make: The Subscription Receipt Agent, or the Corporation with the approval of the Subscription Receipt Agent, may from time to time make or vary such regulations as it thinks fit:
  - (a) for the form of instrument appointing a proxy, the manner in which it must be executed, and verification of the authority of a Person who executes it on behalf of a Subscription Receiptholder;
  - (b) governing the places at which and the times by which instruments appointing proxies must be deposited;
  - (c) generally for the calling of meetings of Subscription Receiptholders and the conduct of business thereof; and
  - (d) for the deposit of 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 sent by mail, facsimile or other means of prepaid, transmitted, recorded communication before the meeting to the Corporation or to the Subscription Receipt Agent at the place where the meeting is to be held and for voting pursuant to instruments appointing proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made will be binding and effective and the votes given in accordance therewith will be valid and will be counted.

- (2) Recognition: Except as such regulations provide, the only Persons who will be recognized at a meeting as the holders of any Subscription Receipts, or as entitled to vote or, subject to Section 9.10 hereof, to be present at the meeting in respect thereof, will be the registered holders of such Subscription Receipts or Persons holding proxies on their behalf.



### **Section 9.10 The Corporation and Subscription Receipt Agent may be Represented**

The Corporation and the Subscription Receipt Agent, by their respective employees, officers or directors, and counsel to the Corporation and the Subscription Receipt Agent, may attend any meeting of Subscription Receiptholders, but will have no vote as such.

### **Section 9.11 Powers Exercisable by Extraordinary Resolution**

In addition to all other powers conferred on them by the other provisions of this Agreement or by law, the Subscription Receiptholders at a meeting will have the power, exercisable from time to time by Extraordinary Resolution:

- (1) to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of any right of the Subscription Receiptholders or, with the consent of the Subscription Receipt Agent (such consent not to be unreasonably withheld), of the Subscription Receipt Agent in its capacity as agent hereunder or on behalf of the Subscription Receiptholders against the Corporation, whether such right arises under this Agreement or otherwise, which shall be agreed to by the Corporation, and to authorize the Subscription Receipt Agent to concur in and execute any amendment or indenture supplemental hereto in connection therewith;
- (2) to extend the Escrow Release Deadline;
- (3) to amend, alter or repeal any Extraordinary Resolution previously passed;
- (4) subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or authorize the Subscription Receipt Agent to enforce any obligation of the Corporation under this Agreement or to enforce any right of the Subscription Receiptholders in any manner specified in the Extraordinary Resolution;
- (5) to direct or authorize the Subscription Receipt Agent to refrain from enforcing any obligation or right referred to in Section 9.11(4) hereof;
- (6) to waive and direct the Subscription Receipt Agent to waive any default by the Corporation in complying with any provision of this Agreement, either unconditionally or on any condition specified in the Extraordinary Resolution;
- (7) to appoint a committee with power and authority to exercise, and to direct the Subscription Receipt Agent to exercise, on behalf of the Subscription Receiptholders, such of the powers of the Subscription Receiptholders as are exercisable by Extraordinary Resolution;
- (8) to restrain any Subscription Receiptholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any obligation of the Corporation under this Agreement or to enforce any right of the Subscription Receiptholders;
- (9) to direct any Subscription Receiptholder who, as such, has brought any suit, action or proceeding, to stay or discontinue or otherwise deal therewith on payment of the costs, charges and expenses reasonably and properly incurred by it in connection therewith;
- (10) to assent to any change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any amendment or ancillary or supplemental

instrument which may be agreed to by the Corporation or, with the consent of the Subscription Receipt Agent, such consent not to be unreasonably withheld, concerning any such right of the Subscription Receipt Agent, and to authorize the Subscription Receipt Agent to concur in and execute any amendment or ancillary or supplemental indenture embodying the change or omission;

- (11) 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 shares or other securities of the Corporation; or
- (12) from time to time and at any time to remove the Subscription Receipt Agent and appoint a successor Subscription Receipt Agent.

### **Section 9.12 Meaning of “Extraordinary Resolution”**

- (1) Meaning: The expression “Extraordinary Resolution” when used in this Agreement means, subject to the provisions of this Section 9.12 and of Section 9.15 and Section 9.16 hereof, a motion proposed at a meeting of Subscription Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 9 at which there are present in person or by proxy at the commencement of the meeting Subscription Receiptholders holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding and passed by the affirmative votes of Subscription Receiptholders who hold in the aggregate not less than 66 2/3% of the total number of Subscription Receipts represented at the meeting and voted on the motion.
- (2) No Quorum: If, at a meeting called for the purpose of passing an Extraordinary Resolution, the quorum required by Section 9.12(1) hereof is not present within 30 minutes after the time fixed for the meeting, the meeting, if summoned by Subscription Receiptholders or on a Subscription Receiptholders’ Request, will be dissolved, but in any other case will be adjourned to such day, being not less than five Business Days or more than ten Business Days later, and to such place and time, as is appointed by the chairman.
- (3) Notice: Not less than three Business Days’ notice must be given to the Subscription Receiptholders of the time and place of such adjourned meeting.
- (4) Form of Notice: The notice must state that at the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum but it will not be necessary to set forth the purposes for which the meeting was originally called or any other particulars.
- (5) Quorum at Adjourned Meeting: At the adjourned meeting, the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened, and a motion proposed at such adjourned meeting and passed by the requisite vote as provided in Section 9.12(1) hereof will be an Extraordinary Resolution within the meaning of this Agreement notwithstanding that Subscription Receiptholders holding in the aggregate at least 25% of the total number of Subscription Receipts then outstanding may not be present in person or by proxy at the commencement of such adjourned meeting.
- (6) Poll: Votes on an Extraordinary Resolution must always be given on a poll and no demand for a poll on an Extraordinary Resolution will be necessary.

### **Section 9.13 Powers Cumulative**

Any one or more of the powers, and any combination of the powers, in this Agreement stated to be exercisable by the Subscription Receiptholders by Extraordinary 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 such powers from time to time will not prevent the Subscription Receiptholders from exercising such power or powers or combination of powers thereafter from time to time.

### **Section 9.14 Minutes**

Minutes of all resolutions passed and proceedings taken at every meeting of the Subscription Receiptholders will be made and duly entered in books from time to time provided for such purpose by the Subscription Receipt Agent at the expense of the Corporation, and any such minutes, if signed by the chairman of the meeting at which such resolutions were passed or such proceedings were taken, will 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 have been so made, entered and signed will be deemed to have been duly convened and held, and all resolutions passed and proceedings taken thereat to have been duly passed and taken.

### **Section 9.15 Instruments in Writing**

Any action that may be taken and any power that may be exercised by Subscription Receiptholders at a meeting held as provided in this Article 9 may also be taken and exercised by Subscription Receiptholders who hold in the aggregate not less than 50% of the total number of Subscription Receipts at the time outstanding or in the case of an Extraordinary Resolution, Subscription Receiptholders who hold in the aggregate not less than 66 2/3% of the total number of Subscription Receipts at the time outstanding, by their signing, each in person or by attorney duly appointed in writing, an instrument in writing in one or more counterparts, and the expression “**Extraordinary Resolution**” when used in this Agreement includes a resolution embodied in an instrument so signed.

### **Section 9.16 Binding Effect of Resolutions**

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 9 at a meeting of Subscription Receiptholders will be binding on all Subscription Receiptholders, whether present at or absent from the meeting and whether voting for or against the resolution or abstaining, and every instrument in writing signed by Subscription Receiptholders in accordance with Section 9.15 hereof will be binding on all Subscription Receiptholders, whether signatories thereto or not, and every Subscription Receiptholder and the Subscription Receipt Agent (subject to the provisions for its indemnity herein contained) will be bound to give effect accordingly to every such resolution and instrument in writing.

### **Section 9.17 Evidence of Subscription Receiptholders**

Any request, direction, notice, consent or other instrument which this Agreement may require or permit to be signed or executed by the Subscription Receiptholders, including a Subscription Receiptholders' Request, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Subscription Receiptholders in person or by attorney duly appointed in writing. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article 9 with regard to voting at meetings of Subscription Receiptholders) of the holding by any Person of Subscription

Receipts shall be sufficient for any purpose of this Agreement if the fact and date of execution by any Person of such request, direction, notice, consent or other instrument or writing is proved by a certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, to the effect that the Person signing such request, direction, notice, consent or other instrument or writing acknowledged to him the execution thereof, by an affidavit of a witness of such execution or in any other manner which the Subscription Receipt Agent may consider adequate. The Subscription Receipt Agent may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

### **Section 9.18 Holdings by the Corporation and Subsidiaries Disregarded**

In determining whether Subscription Receiptholders holding the required total number of Subscription Receipts are present in person or by proxy for the purpose of constituting a quorum, or have voted or consented to a resolution, Extraordinary Resolution, consent, waiver, Subscription Receiptholders' Request or other action under this Agreement, a Subscription Receipt held by the Corporation or by a subsidiary of the Corporation will be deemed to be not outstanding. The Corporation shall provide the Subscription Receipt Agent with a Certificate of the Corporation providing details of any Subscription Receipts held by the Corporation or by a subsidiary of the Corporation upon the written request of the Subscription Receipt Agent.

## **ARTICLE 10 SUPPLEMENTAL AGREEMENTS AND SUCCESSOR COMPANIES**

### **Section 10.1 Provision for Supplemental Agreements for Certain Purposes**

From time to time the Corporation (when authorized by its Directors), the Subscription Receipt Agent and the Lead Agent on behalf of the Agents may, without the consent of the Subscription Receiptholders and subject to the provisions of this Agreement, execute and deliver amendments or agreements or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (1) providing for the issuance of additional Subscription Receipts hereunder and any consequential amendments hereto as may be required by the Subscription Receipt Agent provided the same are not prejudicial to the interests of the Subscription Receiptholders based on the opinion of counsel to the Subscription Receipt Agent;
- (2) evidencing the succession, or successive successions, of any other Person to the Corporation and the assumption by such successor of the covenants of, and obligations of, the Corporation under this Agreement;
- (3) adding to the provisions hereof such additional covenants and enforcement provisions as are necessary or advisable, provided that the same are not in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Subscription Receipt Agent, prejudicial to the interests of the Subscription Receiptholders as a group;
- (4) giving effect to any resolution or Extraordinary Resolution passed as provided in Article 9;
- (5) setting forth any adjustments resulting from the application of Article 7;

- (6) 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 Subscription Receipt Agent, prejudicial to the interests of the Subscription Receiptholders as a group;
- (7) adding to or amending the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipts and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;
- (8) modifying any of the provisions of this Agreement or relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that no such modification or relief shall be or become operative or effective if, in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Subscription Receipt Agent, such modification or relief impairs any of the rights of the Subscription Receiptholders as a group or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any amendment or supplemental agreement or instrument which in its opinion may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and
- (9) 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 Subscription Receipt Agent, the rights of the Subscription Receipt Agent and the Subscription Receiptholders as a group are not prejudiced thereby.

## **Section 10.2 Successor Entities**

In the case of the reclassification of the securities of the Corporation, a capital reorganization of the Corporation or an amalgamation, arrangement, consolidation or merger of the Corporation or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety with or to another Person (a “**successor entity**”), the successor entity resulting from the reclassification, capital reorganization, amalgamation, arrangement, consolidation, merger or transfer (if not the Corporation) shall be bound by the provisions hereof and all obligations for the due and punctual performance and observance of each and every covenant and obligation contained in this Agreement to be performed or observed by the Corporation and the successor entity shall by supplemental agreement, satisfactory in form to the Subscription Receipt Agent and executed and delivered to the Subscription Receipt Agent, expressly assume those obligations.

## **ARTICLE 11 CONCERNING SUBSCRIPTION RECEIPT AGENT**

### **Section 11.1 Applicable Legislation**

If and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, the mandatory requirement will prevail. The Corporation and the Subscription Receipt Agent each will at all times in relation to this Agreement

and any action to be taken hereunder observe and comply with and be entitled to the benefits of Applicable Legislation.

### **Section 11.2 Rights and Duties of Subscription Receipt Agent**

- (1) Duty of Subscription Receipt Agent: In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent will act honestly and will exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. The Subscription Receipt Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Subscription Receipt Agent 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 therein. 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.
- (2) No Relief From Liability: No provision of this Agreement will be construed to relieve the Subscription Receipt Agent from liability for its own grossly negligent act, wilful misconduct, fraud or bad faith.
- (3) Actions: The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding in connection herewith, including without limitation, for the purpose of enforcing any right of the Subscription Receipt Agent or the Subscription Receiptholders hereunder is on the condition that the Subscription Receipt Agent shall have received a Subscription Receiptholders' Request specifying the act, action or proceeding which the Subscription Receipt Agent is requested to take and, when required by notice to the Subscription Receiptholders by the Subscription Receipt Agent, the Subscription Receipt Agent is furnished by one or more Subscription Receiptholders with sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and hold it harmless against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (4) Funding: No provision of this Agreement will require the Subscription Receipt Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless it is so indemnified and funded.
- (5) Deposit of Subscription Receipts: The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Subscription Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipt Certificates held by them, for which certificates the Subscription Receipt Agent will issue receipts.

- (6) Restriction: Every provision of this Agreement that relieves the Subscription Receipt Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of Applicable Legislation.
- (7) Right Not to Act/ Right to Resign: 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 non-compliance with any applicable anti-money laundering, anti-terrorist 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, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten days' written notice to the Corporation provided (i) that the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction, acting reasonably, within such ten-day period, then such resignation shall not be effective.

### **Section 11.3 Evidence, Experts and Advisers**

- (1) Evidence: In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Corporation will furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as is prescribed by Applicable Legislation or as the Subscription Receipt Agent reasonably requires by written notice to the Corporation.
- (2) Reliance by Subscription Receipt Agent: In the exercise of any right or duty hereunder, the Subscription Receipt Agent, if it is acting in good faith, may act and rely, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declaration, opinion, report, certificate or other evidence furnished to the Subscription Receipt Agent pursuant to a provision hereof or of Applicable Legislation or pursuant to a request of the Subscription Receipt Agent, if the Subscription Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.
- (3) Statutory Declaration: Whenever Applicable Legislation requires that evidence referred to in Section 11.3(1) hereof be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a Certificate of the Corporation required by any provision hereof. Any such statutory declaration may be made by any one or more of the Chief Executive Officer, Chief Financial Officer or Secretary of the Corporation or by any other officer(s) or director(s) of the Corporation to whom such authority is delegated by the Directors from time to time. In addition, the Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, direction, instruction, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper or 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.
- (4) Proof of Execution: Proof of the execution of any document or instrument in writing, including a Subscription Receiptholders' Request, by a Subscription 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 him the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Subscription Receipt

Agent considers adequate and in respect of a corporate Subscription Receiptholder, shall include a certificate of incumbency of such Subscription Receiptholder together with a certified resolution authorizing the Person who signs such instrument to sign such instrument.

- (5) Experts: The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers, or other experts or advisers as it reasonably requires for the purpose of determining and discharging its rights and duties hereunder and may pay the reasonable remuneration and disbursements for all services so performed by any of them, and will not be responsible for any misconduct or negligence on the part of any of them. The Corporation shall pay or reimburse the Subscription Receipt Agent for any reasonable fees of such counsel, accountants, appraisers, or other experts or advisors. The Subscription Receipt Agent may act and rely and shall be protected in acting or not acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Corporation or by the Subscription Receipt Agent, in relation to any matter arising in the administration of the duties and obligations hereof.

#### **Section 11.4 Documents, Money, Etc. held by Subscription Receipt Agent**

Any security, document of title or other instrument that may at any time be held by the Subscription Receipt Agent subject to the provisions of this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or of any Canadian chartered bank or deposited for safekeeping with any such bank.

#### **Section 11.5 Action by Subscription Receipt Agent to Protect Interests**

The Subscription Receipt Agent will have power to institute and to maintain such actions and proceedings as it considers necessary or expedient to protect or enforce its interests and the interests of the Subscription Receiptholders.

#### **Section 11.6 Subscription Receipt Agent not Required to Give Security**

The Subscription Receipt Agent will not be required to give any bond or security in respect of the execution of the duties and obligations and powers of this Agreement.

#### **Section 11.7 Protection of Subscription Receipt Agent**

- (1) Protection: By way of supplement to the provisions of any law for the time being relating to subscription receipt agents, it is expressly declared and agreed that:
- (a) the Subscription Receipt Agent will not be liable for or by reason of, or required to substantiate, any statement of fact, representation or recital in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 11.9 hereof or in the certification or Authentication of the Subscription Receipt Agent on the Subscription Receipt Certificates), but all such statements or recitals are and will be deemed to be made by the Corporation;
  - (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 amendment or instrument ancillary or supplemental hereto;

- (c) the Subscription Receipt Agent will not be bound to give notice to any Person of the execution hereof;
  - (d) the Subscription Receipt Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, wilful misconduct, fraud or bad faith;
  - (e) the Subscription Receipt Agent will not incur any liability or responsibility or be in any way responsible for the consequence of any breach by the Corporation of any obligation or warranty herein contained or of any act of any director, officer, employee or agent of the Corporation;
  - (f) subject to Section 11.9 hereof, the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation, including the Subscription Receipts, and generally may contract and enter into financial transactions with the Corporation or any related entity of the Corporation without being liable to account for any profit made thereby;
  - (g) 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;
  - (h) 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;
  - (i) the Subscription Receipt Agent will disburse funds in accordance with the provisions hereof only to the extent that funds 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 disbursement; and
  - (j) notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Subscription Receipt Agent 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.
- (2) Indemnity: In addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Corporation 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, 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 Subscription Receipt Agent’s gross negligence, fraud, 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 Corporation. Notwithstanding any other provision hereof, the Corporation 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.

#### **Section 11.8 Replacement of Subscription Receipt Agent**

- (1) Resignation: The Subscription Receipt Agent may resign and be discharged from all further duties and liabilities hereunder, except as provided in this Section 11.8, by giving to the Corporation not less than 60 days’ notice in writing or, if a new subscription receipt agent has been appointed, such shorter notice as the Corporation accepts as sufficient provided that such resignation and discharge shall be subject to the appointment of a successor thereto in accordance with the provisions hereof.
- (2) Removal: The Subscription Receiptholders by Extraordinary Resolution may at any time remove the Subscription Receipt Agent and appoint a new subscription receipt agent.
- (3) Appointment of New Subscription Receipt Agent: If the Subscription Receipt Agent so resigns or is so removed or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Corporation shall forthwith appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Subscription Receiptholders.
- (4) Failure to Appoint: Failing such appointment by the Corporation, the retiring Subscription Receipt Agent or any Subscription Receiptholder may apply at the expense of the Corporation to the Ontario Superior Court of Justice, on such notice as the Court directs, for the appointment of a new subscription receipt agent.
- (5) New Subscription Receipt Agent: Any new subscription receipt agent appointed under this Section 11.8 must be a corporation authorized to carry on the business of a transfer agent or trust company in the Province of Ontario and, if required by the Applicable Legislation of any other province, in such other province. On any such appointment the new subscription receipt agent will be vested with the same powers, rights, duties and responsibilities as if it

had been originally named herein as Subscription Receipt Agent without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of the Corporation, all such conveyances or other instruments as, in the opinion of counsel to the Corporation, are necessary or advisable for the purpose of assuring the transfer of such powers, rights, duties and responsibilities to the new subscription receipt agent including, without limitation, an appropriate instrument executed by the new subscription receipt agent accepting such appointment and, at the request of the Corporation, the predecessor Subscription Receipt Agent shall, upon payment of its outstanding remuneration and expenses, execute and deliver to the new subscription receipt agent an appropriate instrument transferring to such new subscription receipt agent all rights and powers of the Subscription Receipt Agent hereunder, and shall duly assign, transfer and deliver to the new subscription receipt agent all securities, property and all records kept by the predecessor Subscription Receipt Agent hereunder or in connection therewith. Any new subscription receipt agent so appointed by the Corporation, the Subscription Receiptholders or by the Court will be subject to removal as aforesaid by the Subscription Receiptholders.

- (6) Notice of New Subscription Receipt Agent: On the appointment of a new subscription receipt agent, the Corporation will promptly give notice thereof to the Subscription Receiptholders in accordance with Section 12.2(1) hereof.
- (7) Successor Subscription Receipt Agent: Any corporation into which the Subscription Receipt Agent is amalgamated or with which it is consolidated or to which all or substantially all of its corporate trust business is sold or is otherwise transferred or any corporation resulting from any consolidation or amalgamation to which the Subscription Receipt Agent is a party shall become the successor Subscription Receipt Agent under this Agreement, without the execution of any document or any further act, provided such corporation would be eligible for appointment as a new subscription receipt agent under Section 11.8(5) hereof.
- (8) Certificates: A Subscription Receipt Certificate certified but not delivered by a predecessor Subscription Receipt Agent may be delivered by the new or successor subscription receipt agent in the name of the predecessor Subscription Receipt Agent or new or successor 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.

### **Section 11.9 Conflict of Interest**

The Subscription Receipt Agent represents to the Corporation and the Lead Agent 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 30 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 Corporation and meeting the requirements set forth in Section 11.8(5) hereof. Notwithstanding the foregoing provisions of this Section 11.9, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and any Subscription Receipts shall not be affected in any manner whatsoever by reason thereof.

### **Section 11.10 Acceptance of Duties and Obligations**

The Subscription Receipt Agent hereby accepts the duties and obligations in this Agreement declared and provided for and agrees to perform them on the terms and conditions herein set forth. The Subscription Receipt Agent accepts the duties and responsibilities under this Agreement solely as custodian, bailee and agent. No trust is intended to be or will be created hereby and the Subscription Receipt Agent shall owe no duties hereunder as a trustee.

## **ARTICLE 12 GENERAL**

### **Section 12.1 Notice to the Corporation, the Subscription Receipt Agent and the Lead Agent**

(1) Corporation: Unless herein otherwise expressly provided, a notice to be given hereunder to the Corporation, the Subscription Receipt Agent or the Lead Agent will be validly given if delivered personally, if sent by registered letter, postage prepaid, or if sent by facsimile or email transmission:

(a) if to the Corporation:

Golden Leaf Holdings Ltd.  
Suite 1000, 36 Toronto Street  
Toronto, ON M5C 2C5

Email: DRobinson@goldenxtrx.com  
Attention: Don Robinson, Chief Executive Officer

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

Cassels Brock & Blackwell LLP  
40 King Street West  
Suite 2100, Scotia Plaza  
Toronto, Ontario M5H 3C2

Email: ebellissimo@casselsbrock.com  
Attention: Eva Bellissimo

(b) if to the Subscription Receipt Agent:

TSX Trust Company  
200 University Avenue, Suite 300  
Toronto, Ontario M5H 4H1

Facsimile: (416) 361-0470  
Attention: Vice-President, Trust Services

(c) if to the Lead Agent:

Canaccord Genuity Corp.  
161 Bay Street, Suite 3000

P.O. Box 516  
Toronto, Ontario M5J 2S1

Email: swinokur@canaccordgenuity.com  
Attention: Steve Winokur

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

DLA Piper (Canada) LLP  
Suite 6000, 1 First Canadian Place  
PO Box 367, 100 King St W  
Toronto, Ontario M5X 1E2

Email: robert.fonn@dlapiper.com  
Attention: Robert Fonn

and any such notice delivered or transmitted in accordance with the foregoing on a Business Day will be deemed to have been received on the date of delivery or facsimile or email transmission or, if such day is not a Business Day, on the first Business Day following such delivery or transmission, and any such notice sent by registered letter in accordance with the foregoing will be deemed to have been received on the second Business Day following the day of the mailing of the notice.

- (2) Change of Address: The Corporation, the Subscription Receipt Agent or the Lead Agent, as the case may be, may from time to time notify each of the other parties hereto in the manner provided in Section 12.1(1) hereof of a change of address which, from the effective date of such notice and until changed by like notice, will be the address of the Corporation, the Subscription Receipt Agent or the Lead Agent, as the case may be, for all purposes of this Agreement.
- (3) Postal Interruption: If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, a notice to be given to the Corporation, the Subscription Receipt Agent or the Lead Agent hereunder could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is delivered to an officer of the party to which it is addressed. Any notice delivered in accordance with the foregoing will be deemed to have been received on the date of delivery to such officer.

## **Section 12.2 Notice to Subscription Receiptholders**

- (1) Notice: Unless herein otherwise expressly provided, a notice to be given hereunder to Subscription Receiptholders will be deemed to be validly given if the notice is sent by ordinary surface or air mail, postage prepaid, addressed to the Subscription Receiptholders or delivered (or so mailed to certain Subscription Receiptholders and so delivered to the other Subscription Receiptholders) at their respective addresses appearing on any of the registers of holders described in Section 3.1 hereof, provided, however, that if, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, the notice could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is so delivered or is given by publication twice in the Report on Business section in the national edition of The Globe and Mail.

- (2) Date of Notice: A notice so given by mail or so delivered will be deemed to have been given on the third Business Day after it has been mailed or on the day on which it has been delivered, as the case may be, and a notice so given by publication will be deemed to have been given on the day on which it has been published as required. In determining under any provision hereof the date when notice of a meeting or other event must be given, the date of giving notice will be included and the date of the meeting or other event will be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any Subscription Receiptholder will not invalidate any action or proceeding founded thereon.

### **Section 12.3 Satisfaction and Discharge of Agreement**

Upon the earlier of (i) the issuance of the Subscription Shares and Warrants required to be issued in compliance with the provisions hereof, and delivery by the Subscription Receipt Agent of the Escrowed Funds as provided for in Section 6.3 hereof, upon satisfaction of the Escrow Release Conditions (on or before the Escrow Release Deadline); and (ii) the payment of all applicable amounts to the Subscription Receiptholders as provided for in Section 6.4 hereof upon the Subscription Receiptholders becoming entitled to the amounts set forth in Section 6.4(1) hereof pursuant to Section 6.4(1) hereof, this Agreement shall cease to be of further effect and, on demand of and at the cost and expense of the Corporation and on delivery to the Subscription Receipt Agent of a Certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with and on payment to the Subscription Receipt Agent of any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 5.2 hereof, the Subscription Receipt Agent shall execute proper instruments acknowledging the satisfaction of and discharging of this Agreement.

### **Section 12.4 Sole Benefit of Parties and Subscription Receiptholders**

Nothing in this Agreement or the Subscription Receipt Certificates, expressed or implied, will give or be construed to give to any Person other than the parties hereto and the Subscription Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement or the Subscription Receipts, 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 Subscription Receiptholders.

### **Section 12.5 Discretion of Directors**

Any matter provided herein to be determined by the Directors will be determined by the Directors in their sole discretion, acting reasonably, and a determination so made will be conclusive.

### **Section 12.6 Force Majeure**

No party hereto shall be liable to the others, 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, epidemics, 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.

### **Section 12.7 Privacy Consent**

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 and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (1) to provide the services required under this Agreement and other services that may be requested from time to time;
- (2) to help the Subscription Receipt Agent manage its servicing relationships with such individuals;
- (3) to meet the Subscription Receipt Agent's legal and regulatory requirements; and
- (4) if Social Insurance Numbers 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.

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.

### **Section 12.8 Electronic Copies**

Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

### **Section 12.9 Counterparts and Formal Date**

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

*[Remainder of page left intentionally blank]*

IN WITNESS WHEREOF the parties hereto have executed this Subscription Receipt Agreement as of the day and year first above written.

**GOLDEN LEAF HOLDINGS LTD.**

By: (signed) "Don Robinson"

Name: Don Robinson

Title: Chief Executive Officer

**TSX TRUST COMPANY**

By: (signed) "Derrice Richards"

Name: Derrice Richards

Title: Senior Advisor Trust Services

By: (signed) "Shelley Martin"

Name: Shelley Martin

Title: Senior Trust Officer

**CANACCORD GENUITY CORP.**

By: (signed) "Steve Winokur"

Name: Steve Winokur

Title: Managing Director



**SCHEDULE “A”  
FORM OF SUBSCRIPTION RECEIPT CERTIFICATE**

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND A DAY FROM THE CLOSING DATE].**

*[For all Subscription Receipts required to bear the legend in Section 2.3(4)(b) of the Subscription Receipt Agreement, include the following:*

**“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE ON CONVERSION HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) SECTION 4(a)(7) THEREOF, (ii) RULE 144 OR (iii) RULE 144A THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (B), (C), (D) OR (E), ABOVE, A LEGAL OPINION OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE CORPORATION, MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION’S SUBSCRIPTION RECEIPT AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION, OR IS THE SUBJECT OF AN EFFECTIVE REGISTRATION STATEMENT, 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.”]**

**Certificate Number: ●**

**Number of Subscription Receipts: ●**

**SUBSCRIPTION RECEIPTS**

**GOLDEN LEAF HOLDINGS LTD.  
(a corporation existing under the laws of Ontario)**

THIS IS TO CERTIFY THAT, for value received, [●] (the “**holder**”) is the registered holder of the number of subscription receipts (“**Subscription Receipts**”) specified above of Golden Leaf Holdings Inc. (the “**Corporation**”) and is thereby entitled, without payment of any additional consideration, to be issued, on the Release Date (as defined in the Subscription Receipt Agreement hereinafter referred to) one Subscription Share and one-half of one Warrant of the Corporation (each as defined in the Subscription Receipt Agreement) in respect of each Subscription Receipt held.

This Subscription Receipt Certificate represents Subscription Receipts issued under the provisions of a subscription receipt agreement (which agreement, together with all amendments and instruments supplemental or ancillary thereto, is herein referred to as the “**Subscription Receipt Agreement**”) dated as of June 2, 2017, among the Corporation, TSX Trust Company (the “**Subscription Receipt Agent**”), and Canaccord Genuity Corp. (the “**Lead Agent**”). Reference is hereby made for particulars of the rights of the holders of the Subscription Receipts, the Corporation, the Subscription Receipt Agent and the Lead Agent in respect thereof and of the terms and conditions upon which the Subscription Receipts are issued and held, all to the same effect as if the provisions of the Subscription Receipt Agreement were herein set forth in full, and to all of which the holder, by acceptance hereof, assents. In the event of a conflict between the provisions of this Subscription Receipt Certificate and the Subscription Receipt Agreement, the terms of the Subscription Receipt Agreement shall govern. All capitalized terms used but not defined in this Subscription Receipt Certificate shall have the meaning ascribed thereto in the Subscription Receipt Agreement. The Corporation will furnish to the holder, on request, a copy of the Subscription Receipt Agreement.

Upon satisfaction of the Escrow Release Conditions, the Subscription Receipts represented by this Subscription Receipt Certificate will be automatically converted by the Subscription Receipt Agent into Subscription Shares and Warrants for and on behalf of the holder on the Release Date and the holder will be a holder of the Subscription Shares and Warrants issuable on the conversion of such Subscription Receipts without the taking of any further action by the holder or payment of additional consideration. For greater certainty, the Subscription Receipts represented by this certificate may not be converted by the holder and may only be converted pursuant to the foregoing automatic conversion.

The sale of the Subscription Receipts is being completed in connection with the Acquisition.

Pursuant to the Subscription Receipt Agreement, the Release Date is the date, or the Business Day following such date, on which the Subscription Receipt Agent receives the Escrow Release Notice in the form required under the Subscription Receipt Agreement, which notice will inform the Subscription Receipt Agent of the satisfaction or waiver of the Escrow Release Conditions and will instruct the Subscription Receipt Agent to pay the Escrowed Funds in accordance with the Subscription Receipt Agreement.

In the event that a Termination Notice is delivered to the Subscription Receipt Agent and the Lead Agent at or before the Escrow Release Deadline, the Subscription Receipts represented by this Subscription Receipt Certificate shall, without any action on the part of the holders thereof (including the surrender of this Subscription Receipt Certificates), be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and holders of Subscription Receipts shall thereafter have no rights hereunder except to receive the greater of (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any, in accordance with the Subscription Receipt Agreement.

**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.**

On and after the date of conversion of the Subscription Receipts represented by this Subscription Receipt Certificate, the holder will have no rights hereunder except to the Subscription Share and Warrants issued to such holder.

The Subscription Receipts evidenced by this Subscription Receipt Certificate and the Subscription Shares and Warrants issuable upon conversion of the Subscription Receipts have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or under the securities laws of any state of the United States. All or any portion of this Subscription Receipt Certificate may not be offered, sold or pledged or otherwise transferred in the United States or by a Person in the United States or a U.S. person (as defined in Regulation S under the U.S. Securities Act) except in limited circumstances contemplated in the Subscription Receipt Agreement.

No Subscription Share and Warrants will be issued pursuant to the conversion of any Subscription Receipt if the issue of such security would constitute a violation of the securities laws of any applicable jurisdiction.

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

The Subscription Receipts represented by this Subscription Receipt Certificate are transferrable.

The holding of this Subscription Receipt Certificate will not constitute the holder a shareholder of the Corporation or entitle such holder to any right or interest in respect thereof except as otherwise provided in the Subscription Receipt Agreement.

This Subscription Receipt Certificate will not be valid for any purpose until it has been certified by or on behalf of the Subscription Receipt Agent for the time being under the Subscription Receipt Agreement.

Time is of the essence hereof.

*[Remainder of page left intentionally blank.]*

IN WITNESS WHEREOF the Corporation has caused this Subscription Receipt Certificate to be signed by its officers or other individuals duly authorized in that behalf as of the \_\_\_\_ day of \_\_\_\_\_, 2017.

GOLDEN LEAF HOLDINGS LTD.

By: \_\_\_\_\_  
Authorized Signing Officer

This Subscription Receipt Certificate is one of the Subscription Receipt Certificates referred to in the Subscription Receipt Agreement.

Countersigned this \_\_\_\_ day of \_\_\_\_\_, 2017.

TSX TRUST COMPANY as Subscription  
Receipt Agent, Toronto, Ontario, Canada

By: \_\_\_\_\_  
Authorized Signing Officer

**FORM OF TRANSFER**

TSX Trust Company

Attn: Stock Transfer

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

\_\_\_\_\_ (print name, address and Social Insurance Number/Social Security Number of transferee) the Subscription Receipts represented by this Subscription Receipt Certificate and hereby irrevocable constitutes and appoints \_\_\_\_\_ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Subscription Receipts.

In the case of a Subscription Receipt Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- (A) the transfer is being made only to the Corporation;
- (B) the transfer is being made outside the United States in accordance with Regulation S of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations;
- (C) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Section 4(a)(7) of the U.S. Securities Act or Rules 144 or 144A thereunder, and in either case in accordance with applicable state securities laws; or
- (D) the transfer is being made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws.

In the case of a transfer in accordance with (B) above, the Corporation and the Subscription Receipt Agent shall first have received an executed Declaration in the form set forth as Exhibit D of the Subscription Receipt Agreement.

In the case of a transfer in accordance with (C) or (D) above, the Corporation and the Subscription Receipt Agent shall first have received an opinion of counsel of recognized standing, or other evidence, in form and substance reasonably satisfactory to the Corporation, to such effect.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**SPACE FOR GUARANTEES OF SIGNATURES** )  
**(SEE INSTRUCTIONS BELOW)** ) \_\_\_\_\_  
) Signature of Transferor  
)  
) \_\_\_\_\_  
) \_\_\_\_\_  
Guarantor's Signature/Stamp ) Name of Transferor

## **CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, 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", with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guaranteed" Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.
- **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.

**OR**

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED", "MEDALLION GUARANTEED" OR "SIGNATURE & AUTHORITY TO SIGN GUARANTEE", all in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a "SIGNATURE & AUTHORITY TO SIGN GUARANTEE" Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a "MEDALLION GUARANTEED"

Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

**SCHEDULE “B”**  
**FORM OF ESCROW RELEASE NOTICE**

**TO: TSX TRUST COMPANY**

Reference is made to the subscription receipt agreement dated as of June 2, 2017 (the “**Subscription Receipt Agreement**”) among Golden Leaf Holdings Ltd. (the “**Corporation**”), TSX Trust Company (the “**Subscription Receipt Agent**”), and Canaccord Genuity Corp. (the “**Lead Agent**”). Unless otherwise defined herein, words and terms with the letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement.

The Subscription Receipt Agent is hereby notified that the Escrow Release Conditions (other than delivery of this Escrow Release Notice) have been satisfied in full or waived in accordance with the Subscription Receipt Agreement, and, accordingly, the Subscription Receipt Agent is hereby irrevocably directed and authorized to, in accordance with Section 6.3 of the Subscription Receipt Agreement, release on the Release Date to:

- (i) the Lead Agent [**or as otherwise directed by the Lead Agent**] \$[●], representing 50% of the Agents’ Commission, by means of a wire transfer of immediately available funds to the bank account[s] indicated in the attached schedule; and
- (ii) the Corporation [**or as otherwise directed by the Corporation**] \$[●], representing the balance of the Escrowed Funds less \$[●], being the remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 5.2 of the Subscription Receipt Agreement, by means of a wire transfer of immediately available funds to the bank account[s] indicated in the attached schedule.

The Corporation hereby irrevocably directs and authorizes the Subscription Receipt Agent in its capacity as registrar and transfer agent of the Common Shares and as warrant agent for the Warrants, to issue and deliver on behalf of the Corporation \_\_\_\_\_ Subscription Shares and \_\_\_\_\_ Warrants to the Persons to whom such Subscription Shares and Warrants are to be issued pursuant to the Subscription Receipt Agreement effective as at the Release Date, which is \_\_\_\_\_, 2017, all as provided in Section 4.1 of the Subscription Receipt Agreement. The Corporation hereby confirms that the allotment and issuance of these Subscription Shares and Warrants have been duly authorized by all necessary action and are fully paid and non-assessable.

This Escrow Release Notice, which may be signed in counterparts and delivered by facsimile, is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

*[Remainder of page intentionally blank.]*



DATED this \_\_\_\_ day of \_\_\_\_\_, 2017.

**GOLDEN LEAF HOLDINGS LTD.**

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

**CANACCORD GENUITY CORP.**

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

**SCHEDULE "C"**  
**FORM OF TERMINATION NOTICE**

**TO: TSX TRUST COMPANY**

**AND TO: CANACCORD GENUITY CORP.**

**AND TO: SUBSCRIPTION RECEIPHOLDERS**

Reference is made to the subscription receipt agreement dated as of June 2, 2017 (the "**Subscription Receipt Agreement**") among Golden Leaf Holdings Ltd. (the "**Corporation**"), TSX Trust Company (the "**Subscription Receipt Agent**"), and Canaccord Genuity Corp.. Unless otherwise defined herein, words and terms with the letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement.

This Termination Notice is being provided pursuant to Sections Section 2.2(2) and Section 6.4 of the Subscription Receipt Agreement.

Pursuant to the Subscription Receipt Agreement, the undersigned hereby confirms that a Termination Event has occurred as of \_\_\_\_\_, 2017, being the Termination Date and hereby instructs the Subscription Receipt Agent to return the Escrowed Funds to the Subscription Receiptholders all in accordance with Section Section 6.4 of the Agreement.

This Termination Notice is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2017.

**GOLDEN LEAF HOLDINGS LTD.**

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

**SCHEDULE "D"**

**FORM OF DECLARATION FOR CERTAIN TRANSFERS OF SUBSCRIPTION RIGHTS  
CERTIFICATES AND OF SUBSCRIPTION WARRANT CERTIFICATES BY U.S.  
PURCHASERS**

**Terms Used Herein Have the Meanings Given to Them by Rule 902 of SEC Regulation S (See Below).**

To: GOLDEN LEAF HOLDINGS LIMITED (the "**Corporation**") and TSX TRUST COMPANY, as the Subscription Receipt Agent for the Subscription Rights and the Subscription Warrants of the Corporation.

The undersigned Seller (1) acknowledges that the sale of [check one:] \_\_\_\_\_ Subscription Rights OR \_\_\_\_\_ Subscription Warrants of the Corporation, represented by Certificate number(s) \_\_\_\_\_, to which this declaration relates, is being made in reliance on Rule 903(b)(1) of Regulation S under the United States Securities Act of 1933, as amended, **and** (2) certifies that (A) the Seller and any person acting on the Seller's behalf reasonably believe, following due inquiry, that the offer of such securities was not made to a U.S. Person or a person in the United States, **and** (B) at the time the buy order was originated, the buyer was outside the United States, or the Seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, **and** (C) neither the Seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, **and** (3) certifies that neither the Seller nor any person acting on the Seller's behalf has engaged in any "directed selling efforts" in connection with the offer and sale of such securities.

The undersigned understands that the Corporation, its transfer agent and others are relying upon the representations contained in this declaration. The undersigned agrees to and does hereby indemnify and hold the Corporation, its transfer agent, the undersigned's broker-dealer (if any), and their directors, officers, employees, agents and legal counsel (each an "Indemnified Party") harmless from and against any claim against any Indemnified Party and against any other loss, cost, damage or expense to any Indemnified Party as a result of the material inaccuracy of any representation made by the undersigned in this Declaration, including, without limitation, all expenses, reasonable attorney's fees and court costs.

\_\_\_\_\_  
Name of Seller (Please Print)

By: \_\_\_\_\_  
Signature of Seller

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

**AFFIRMATION BY SELLER'S BROKER-DEALER [if any]**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") with regard to our sale, for such Seller's account, of the securities described therein, and we hereby affirm that, following due inquiry, we are of the belief that (1) the buyer is not a "U.S. Person," and (2) that, to the best of our knowledge and belief, all other statements made therein are full, true and correct.

Terms used herein have the meanings given to them by Rule 902 of Regulation S (see below).

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Name of Authorized Officer (Please Print)

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

**Certain Terms Defined in Regulation S**

**Rule 902(c). *Directed selling efforts.*** "Directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered in reliance on SEC Regulation S (Rule 901 through Rule 905, and Preliminary Notes). Such activity includes placing an advertisement in a publication with a general circulation in the United States that refers to the offering of securities being made in reliance upon this Regulation S.

**Rule 902(k). *U.S. Person.*** "U.S. Person" means:

- (i) Any natural person resident in the United States;
- (ii) Any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) Any estate of which any executor or administrator is a U.S. person;
- (iv) Any trust of which any trustee is a U.S. person;
- (v) Any agency or branch of a foreign entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership or corporation if:
  - A. Organized or incorporated under the laws of any foreign jurisdiction; and
  - B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

The following are not "U.S. persons":

- (i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
  - A. An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
  - B. The estate is governed by foreign law;
- (iii) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) Any agency or branch of a U.S. person located outside the United States if:
  - A. The agency or branch operates for valid business reasons; and
  - B. The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

**Rule 902(l). *United States.***

“United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

**SCHEDULE "E"**

**FORM OF DECLARATION FOR CERTAIN TRANSFERS OF SUBSCRIPTION SHARE  
CERTIFICATES BY U.S. PURCHASERS**

**Terms Used Herein Have the Meanings Given to Them By Rule 902 of SEC Regulation S (See Below).**

To: GOLDEN LEAF HOLDINGS LIMITED (the "**Corporation**") and TSX TRUST COMPANY, as the Subscription Receipt Agent for the Subscription Shares of the Corporation.

SECTION I.

*PLEASE COMPLETE THE FOLLOWING SECTION I OF THIS DECLARATION **ONLY IF YOU ARE NOT AN "AFFILIATE" OF THE CORPORATION, OR ARE SUCH AN "AFFILIATE" SOLELY BECAUSE YOU ARE AN OFFICER AND/OR A DIRECTOR. For these purposes, an "affiliate" is deemed to be an officer, director or 10% or more shareholder of the Corporation, or one who otherwise controls the Corporation.***

The undersigned Seller (A) acknowledges that the sale of \_\_\_\_\_ of the Corporation's common shares, represented by certificate number \_\_\_\_\_, to which this declaration relates, has been made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "1933 Act"), **and** (B) certifies that (1) the undersigned Seller is either (a) not an "affiliate" (as defined in Rule 405 under the 1933 Act) of the Company or (b) such an "affiliate" of the Company solely by virtue of being an officer and/or director thereof; (2) the offer of such securities was not made to a "U.S. Person" or to a person in the United States and **either** (a) at the time the buy order was originated, the buyer was outside the United States, or the Seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, **or** (b) the transaction was executed on or through the facilities of the Canadian Securities Exchange or another "designated offshore securities market" within the meaning of SEC Rule 902, and neither the seller nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States; **and** (3) neither the Seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; **and** (4) if I am an officer and/or director of the Corporation, no selling concession, fee or other remuneration will be paid in connection with this offer and sale other than the usual and customary broker's commission. Terms used herein have the meanings given to them by Regulation S.

**AFFIRMATION BY SELLER'S BROKER-DEALER**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") with regard to our sale, for such Seller's account, of the securities described therein, and we hereby affirm that, following due inquiry, we are of the belief that (1) the buyer is not a "U.S. Person," and (2) that, to the best of our knowledge and belief, all other statements made therein are full, true and correct.

**Terms used herein have the meanings given to them by Rule 902 of Regulation S (see below).**

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Name of Authorized Officer (Please Print)

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

SECTION II.

*PLEASE COMPLETE THE FOLLOWING SECTION II OF THIS DECLARATION **ONLY IF YOU ARE AN "AFFILIATE" OF THE CORPORATION OTHER THAN SOLELY BY VIRTUE OF BEING ITS OFFICER AND/OR A DIRECTOR. For these purposes, an "affiliate" is deemed to be an officer, director or 10% or more shareholder of the Corporation, or one who otherwise controls the Corporation.***

The undersigned Seller (A) acknowledges that the sale of \_\_\_\_\_ of the Corporation's common shares, represented by certificate number \_\_\_\_\_, to which this declaration relates, has been made in reliance on Rule 903(b)(1) of Regulation S under the United States Securities Act of 1933, as amended (the "1933 Act"), **and** (B) certifies that (1) the Seller and any person acting on the Seller's behalf reasonably believe, following due inquiry, that the offer of such securities was not made to a U.S. Person or a person in the United States, **and** (2) at the time the buy order was originated, the buyer was outside the United States, or the Seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, **and** (3) neither the Seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, **and** (4) that neither the Seller nor any person acting on the Seller's behalf has engaged in any "directed selling efforts" in connection with the offer and sale of such securities.

**AFFIRMATION BY SELLER'S BROKER-DEALER [if any]**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") with regard to our sale, for such Seller's account, of the securities described therein, and we hereby affirm that, following due inquiry, we are of the belief that (1) the buyer is not a "U.S. Person," and (2) that, to the best of our knowledge and belief, all other statements made therein are full, true and correct.

**Terms used herein have the meanings given to them by Rule 902 of Regulation S (see below).**

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Name of Authorized Officer (Please Print)

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

### Certain Terms Defined in Regulation S

**Rule 902(c). *Directed selling efforts.*** "Directed selling efforts" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered in reliance on SEC Regulation S (Rule 901 through Rule 905, and Preliminary Notes). Such activity includes placing an advertisement in a publication with a general circulation in the United States that refers to the offering of securities being made in reliance upon this Regulation S.

**Rule 902(k). *U.S. Person.*** "U.S. Person" means:

- (i) Any natural person resident in the United States;
- (ii) Any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) Any estate of which any executor or administrator is a U.S. person;
- (iv) Any trust of which any trustee is a U.S. person;
- (v) Any agency or branch of a foreign entity located in the United States;
- (vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) Any partnership or corporation if:
  - A. Organized or incorporated under the laws of any foreign jurisdiction; and
  - B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

The following are not "U.S. persons":

- (i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
  - A. An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
  - B. The estate is governed by foreign law;
- (iii) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (v) Any agency or branch of a U.S. person located outside the United States if:
  - A. The agency or branch operates for valid business reasons; and
  - B. The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- (vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.



**Rule 902(1). *United States.***

"United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.