

**NERDS ON SITE INC.**

**and**

**TSX TRUST COMPANY**

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**WARRANT INDENTURE**

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NOVEMBER 26, 2018

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## This Warrant Indenture

is made as of November 26, 2018

### Between

**NERDS ON SITE INC.**, a corporation incorporated under the laws of Ontario, having an office in London, Ontario (the **Corporation**)

and

**TSX TRUST COMPANY**, a trust company existing under the laws of Canada and authorized to carry on business in all provinces of Canada (the **Warrant Agent**)

### Recitals

- A. The Corporation is proposing to issue Warrants in the manner herein set forth in connection with the Corporation's initial public offering;
- B. Each Warrant shall, subject to adjustment in certain circumstances, entitle the holder thereof to acquire one Common Share at the price and upon the terms and conditions herein set forth; and
- C. All acts and deeds necessary have been done and performed to create the Warrants, when issued as provided in this Indenture, as legal, valid and binding obligations of the Corporation with the benefits and subject to the terms of this Indenture.

The foregoing statements of fact and recitals are made by the Corporation and not the Warrant Agent.

**In consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties agree as follows.**

## ARTICLE 1 Interpretation

### 1.2 Definitions

In this Indenture, including the recitals and schedules hereto and in all indentures supplemental hereto (unless otherwise stated):

**Accelerated Expiry Date** has the meaning ascribed thereto in Section 2.2 hereof;

**Adjustment Period** means the period from and including the Effective Date up to and including the Time of Expiry;

**affiliates** has the meaning given thereto in the *Securities Act* (Ontario);

**Applicable Legislation** means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to warrant indentures or to the rights, duties and

obligations of warrant agents under warrant indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

**Authenticated** means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized officer of the Warrant Agent, (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, **Authenticate**, **Authenticating** and **Authentication** have the appropriate correlative meanings;

**Authorized Investments** means short term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada or a province of Canada or a Canadian chartered bank (which may include an affiliate or related party of the Warrant Agent) provided that each such obligation is rated at least R1 (middle) by DBRS Inc. or an equivalent rating by Canadian Bond Rating Service;

**Book Based Participants** means institutions that participate directly or indirectly in the Depository's book based registration system for the Warrants;

**Book Based Warrants** means Warrants that are to be held only by or on behalf of the Depository;

**Business Day** means a day which is not Saturday or Sunday or a legal holiday in the City of Calgary or a day on which the Warrant Agent is closed for business;

**Capital Reorganization** has the meaning set forth in subsection 4.1(d);

**CDS Global Warrants** means Warrants representing all or a portion of the aggregate number of Warrants issued in the name of the Depository represented by an Uncertificated Warrant, or if requested by the Depository or the Corporation, by a Warrant Certificate;

**Certificated Warrants** means a Warrant evidenced by a writing or writings substantially in the form of Schedule "A", attached hereto;

**Common Shares** means common shares of the Corporation as presently constituted;

**Confirmation** has the meaning set forth in subsection 3.1(c);

**Corporation** means Nerds On Site Inc.;

**Corporation's Auditors** means the firm of chartered accountants that is duly appointed as auditors of the Corporation;

**Counsel** means a barrister or solicitor or a firm of barristers and solicitors retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent;

**CSE** means the Canadian Securities Exchange;

**Current Market Price** of the Common Shares at any date means the VWAP for any 5 consecutive Trading Days ending on the third Trading Day before such date;

**Depository** means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Corporation to act as depository in respect of the Warrants;

**director** means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;

**Dividends Paid in the Ordinary Course** means cash dividends declared payable on the Common Shares in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, greater than: (i) one hundred (100%) percent of the retained earnings of the Corporation as at the end of its immediately preceding fiscal year; or (ii) one hundred (100%) percent of the aggregate consolidated net income of the Corporation, determined before computation of extraordinary items, for its immediately preceding fiscal year;

**Effective Date** means the date of this Indenture;

**Exchange Basis** means, as at any time, the number of Common Shares or other classes of shares or securities which a Warrantholder is entitled to receive upon the exercise of the rights attached to the Warrants pursuant to the provisions of this Indenture, with the Exchange Basis on the Effective Date being one (1) Common Share for each one (1) whole Warrant.

**Exercise Date** means, with respect to any Warrant, the date on which the Warrant Certificate representing such Warrant is validly surrendered for exercise in accordance with the provisions of Article 3;

**Exercise Notice** has the meaning set forth in subsection 3.1(b);

**Exercise Price** with respect to the exercise of any Warrant means \$0.70 in lawful money of Canada per Common Share, unless such price shall have been adjusted in accordance with the provisions of Article 4, in which case it shall mean the adjusted price in effect at such time;

**Expiry Date** means November 28, 2020;

**extraordinary resolution** has the meaning set forth in subsection 7.11;

**Internal Procedures** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;

**Issue Date** means November 26, 2018;

**person** means an individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative or any unincorporated organization;

**Privacy Laws** has the meaning set forth in Section 10.8;

**Registered Warrantholders** mean the persons who are registered owners of Warrants as such names appear on the register, and for greater certainty, shall include the Depository in the case of CDS Global Warrants or Book Based Warrants;

**Regulation S** means Regulation S under the U.S. Securities Act;

**Shareholder** means a holder of record of one or more Common Shares;

**Subsidiary of the Corporation** or **Subsidiary** means any corporation or other person (other than an individual) of which more than 50% of the outstanding voting securities are owned, directly or indirectly, by or for the Corporation, provided that the ownership of such securities confers the right to elect at least a majority of the board of directors (or persons in a similar position of fiduciary responsibility) of such corporation or other person (other than an individual) and includes any entity in like relation to a Subsidiary;



**successor entity** has the meaning set forth in Section 8.2;

**this Warrant Indenture, this Indenture, herein, hereby** and similar expressions mean and refer to this warrant indenture and any indenture, deed or instrument supplemental hereto; and the expressions "Article", "Section" "subsection" and "paragraph" followed by a number mean and refer to the specified article, section, subsection or paragraph of this Indenture;

**Time of Expiry** means 4:30 p.m., Toronto time, on the Expiry Date;

**Trading Day** means a day on which the CSE or other stock exchange or over-the-counter market, as the case may be, is open for the transaction of business and on which the Common Shares actually trade on such exchange or market;

**Uncertificated Warrant** means any Warrant which is not a Certificated Warrant;

**United States** means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

**U.S. Securities Act** means the United States *Securities Act of 1933*, as amended;

**VWAP** means the volume weighted average trading price of the Common Shares on the CSE, or, if the Common Shares are no longer listed on the CSE, such other stock exchange on which the Common Shares are then trading and as selected by the directors, or, if such shares are not listed on any stock exchange then on such over-the-counter market as may be selected for such purpose by the directors, calculated by dividing the total value by the total volume of Common Shares traded for the relevant period;

**Warrant Agency** means the principal office of the Warrant Agent in the City of Toronto or such other place as may be designated in accordance with subsection 3.5;

**Warrant Agent** means TSX Trust Company or its successors from time to time in the trust hereby created;

**Warrant Certificate** means a certificate, in substantially the form attached hereto as Schedule "A", issued on or after the Effective Date to evidence Warrants;

**Warrantholder**, or **holder** without reference to Common Shares, means the person who is the registered owner of Warrants as shown on the register maintained at the Warrant Agency by the Warrant Agent in accordance with this Indenture;

**Warrantholders Request** means an instrument signed in one or more counterparts by Warrantholders entitled to acquire in the aggregate not less than 10% of the aggregate number of Common Shares which could be acquired pursuant to all Warrants then outstanding and unexercised, requesting the Warrant Agent to take some action specified therein;

**Warrant** means a share purchase warrant entitling the holder thereof to purchase one Common Share at a price of \$0.70, subject to adjustment in certain events, in accordance with the terms and conditions of the this Indenture, to be issued and countersigned hereunder as Certificated Warrants and /or Uncertificated Warrants held through the book based registration system on a no certificate issued basis and, where the context so requires, also means the warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant; and

**written order of the Corporation, written request of the Corporation, written consent of the Corporation, written notice of the Corporation** and **certificate of the Corporation** mean,

respectively, a written order, request, consent, notice and certificate signed in the name of the Corporation by any director or officer of the Corporation, and may consist of one or more instruments so executed.

### **1.3 Gender and Number**

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

### **1.4 Interpretation not Affected by Headings, etc.**

The division of this Indenture into Articles and Sections, 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 Indenture or of the Warrants.

### **1.5 Day not a Business Day**

In the event that any day on or before which action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

### **1.6 Time of the Essence**

Time shall be of the essence of this Indenture.

### **1.7 Applicable Law**

This Indenture and the Warrant Certificates shall be construed in accordance with the laws of the Province of Ontario and shall be treated in all respects as Ontario contracts.

### **1.8 Monetary References**

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

### **1.9 Language**

The parties hereto confirm their express wish that this Indenture and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Notwithstanding such express wish, the parties agree that any such document or agreement, or any part thereof or of this Indenture, may be drawn up in the French language.

Les parties reconnaissent leur volonté expresse que le présent acte de fiducie ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais. Nonobstant cette volonté expresse, les parties conviennent que tout document ou contrat, ou toute partie de ces derniers ou du présent acte de fiducie, puissent être rédigés en français.

### **1.10 Severability**

In the event that any provision under this Indenture is determined to be invalid or unenforceable in any respect, such determination will not affect the provision in any other respect or any other provision under this Indenture, all of which will remain in full force and effect.

### 1.11 Conflicts

In the event there is any conflict between this Indenture and any Warrant Certificate, the provisions under this Indenture will govern and prevail.

## ARTICLE 2 Issue of Warrants

### 2.1 Creation, Issue and Terms of Warrants

- (a) Up to 7,300,708 Warrants are hereby created and authorized to be issued in accordance with the terms hereof. Subject to the applicable conditions for exercise set out in Article 3 having been satisfied and subject to adjustment in accordance with Article 4, each whole Warrant entitles the holder thereof, upon exercise at any time after the Issue Date and ending at the Time of Expiry, to acquire one Common Share upon payment of the Exercise Price.
- (b) No fractional Warrants shall be issued or otherwise provided for hereunder. All fractional Warrants that would otherwise be issuable shall be rounded down to the next whole number of Warrants and no consideration will be paid in lieu of fractional Warrants.
- (c) The number of Common Shares which may be purchased pursuant to the exercise of Warrants and the Exercise Price payable therefor shall be adjusted in the events and in the manner specified in Article 4.
- (d) Each Warrant shall entitle the holder thereof to such other rights and privileges as are set forth in this Indenture.

### 2.2 Accelerated Expiry Date

Subject to adjustment in accordance with Section 4.1, if at any time following the Issue Date and prior to the Expiry Date of the Warrants, provided the closing price of the Common Shares on the CSE (or the closing bid, if no sales were reported on a trading day) is greater than \$1.00 for 10 consecutive Trading Days, the Corporation may, within 30 days of the 10th Trading Day in such 10 consecutive Trading Day period, deliver a notice to the Warrantheolders to accelerate the expiry date of the Warrants such that the Warrants will expire at 4:30 pm (Toronto time) on the 30th day after the date of such notice (the “**Accelerated Expiry Date**”). All Warrants that remain unexercised following the Accelerated Expiry Date shall immediately expire and all rights of holders of such Warrants shall be terminated without any compensation to such holder.

### 2.3 Warrantheolder not a Shareholder

Nothing in this Indenture or in the holding of a Warrant or Warrant Certificate or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantheolder as such any right or interest whatsoever as a Shareholder or as any other shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation, or the right to receive dividends and other distributions except as may be provided in this Indenture or any Warrant Certificates.

### 2.4 Warrants to Rank *pari passu*

All Warrants shall rank *pari passu*, whatever may be the actual Issue Date thereof.

### 2.5 Form of Warrants, Certificated Warrants

The Warrants may be issued in both certificated and uncertificated form. All Warrants issued in certificated form shall be evidenced by a Warrant Certificate (including all replacements issued in accordance with this

Indenture), substantially in the form set out in Schedule "A" hereto, which shall be dated as of the Issue Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Warrants issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.6.

## 2.6 Book Based Warrants

- (a) Reregistration of beneficial interests in and transfers of Warrants held by the Depository shall be made only through the book based registration system and no Warrant Certificates shall be issued in respect of such Warrants except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Corporation, from time to time. Except as provided in this Section 2.6, owners of beneficial interests in any CDS Global Warrants shall not be entitled to have Warrants registered in their names and shall not receive or be entitled to receive Warrants in definitive form or to have their names appear in the register referred to in Section 2.9 herein. Notwithstanding any terms set out herein, Warrants having any legend set forth in Section 2.8 herein and held in the name of the Depository may only be held in the form of Uncertificated Warrants with the prior consent of the Warrant Agent and in accordance with the internal procedures of the Warrant Agent.
- (b) Notwithstanding any other provision in this Indenture, no CDS Global Warrants may be exchanged in whole or in part for Warrants registered, and no transfer of any CDS Global Warrants in whole or in part may be registered, in the name of any person other than the Depository for such CDS Global Warrants or a nominee thereof unless:
  - (i) the Depository notifies the Corporation that it is unwilling or unable to continue to act as depository in connection with the Book Based Warrants and the Corporation is unable to locate a qualified successor;
  - (ii) the Corporation determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Warrants and the Corporation is unable to locate a qualified successor;
  - (iii) 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;
  - (iv) the Corporation determines that the Warrants shall no longer be held as Book Based Warrants through the Depository;
  - (v) such right is required by Applicable Law, as determined by the Corporation and the Corporation's Counsel; or
  - (vi) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

following which, Warrants for those holders requesting the same shall be registered and issued to the beneficial owners of such Warrants or their nominees as directed by the holder. The Corporation shall provide a certificate of the Corporation giving notice to the Warrant Agent of the occurrence of any event outlined in this subsection 2.6(b)(i) through (vi).

- (c) Subject to the provisions of this Section 2.6, any exchange of CDS Global Warrants for Warrants which are not CDS Global Warrants may be made in whole or in part in accordance with the provisions of Section 2.11, *mutatis mutandis*. All such Warrants issued in exchange for a CDS Global Warrant or any portion thereof shall be registered in such names as the Depository for such CDS Global Warrants 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 Global Warrants) as the CDS Global Warrants or portion thereof surrendered upon such exchange.

- (d) Every Warrant that is Authenticated upon registration or transfer of a CDS Global Warrant, or in exchange for or in lieu of a CDS Global Warrant or any portion thereof, whether pursuant to this Section 2.6, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Warrant, unless such Warrant is registered in the name of a person other than the Depository for such CDS Global Warrant or a nominee thereof.
- (e) Notwithstanding anything to the contrary in this Indenture, subject to Applicable Law, the CDS Global Warrant will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depository or the Corporation.
- (f) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book based registration system shall be limited to those established by applicable law and agreements between the Depository and the Book Based Participants and between such Book Based Participants and the beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the book based registration system, and such rights must be exercised through a Book Based Participant in accordance with the rules and procedures of the Depository.
- (g) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:
  - (i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Warrants 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 Warrant represented by an electronic position in the book based registration system (other than the Depository or its nominee);
  - (ii) maintaining, supervising or reviewing any records of the Depository or any Book Based Participant relating to any such interest; or
  - (iii) 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 Based Participant.
- (h) The Corporation may terminate the application of this Section 2.6 in its sole discretion in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a Person other than the Depository.

## **2.7 Warrant Certificates**

- (a) For Warrants issued in certificated form, the form of certificate representing Warrants shall be substantially as set out in Schedule "A" hereto or such other form as is authorized from time to time by the Warrant Agent and the Corporation. Each Warrant Certificate shall be Authenticated manually on behalf of the Warrant Agent. Each Warrant Certificate shall be signed by any one duly authorized signatory of the Corporation; whose signature shall appear on the Warrant Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Corporation as if it had been signed manually. Any Warrant Certificate which has one signature as hereinbefore provided shall be valid notwithstanding that the person whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Warrant Certificates may be engraved,

printed or lithographed, or partly in one form and partly in another, as the Warrant Agent may determine.

- (b) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, 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 Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant 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 such Uncertificated Warrants are binding on the Corporation.
- (c) Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder to acquire Common Shares, notwithstanding that the form of such Warrant Certificate may not be in the form currently required by this Indenture.
- (d) No Warrant shall be considered issued and shall be valid or obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by the Warrant Agent. Authentication by the Warrant Agent, including by way of entry on the register, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of such Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration thereof. Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrants so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.
- (e) No Certificated Warrant shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by manual signature by or on behalf of the Warrant Agent substantially in the form of the Warrant set out in Schedule "A" hereto. Such Authentication on any such Certificated Warrant shall be conclusive evidence that such Certificated Warrant is duly Authenticated and is valid and a binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.
- (f) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture.

## **2.8 Legends**

Each CDS Global Warrant originally issued in Canada and held by the Depository, and each Certificated Warrant that is a CDS Global Warrant issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO NERDS ON SITE

INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

## 2.9 Register of Warrants

- (a) The Warrant Agent shall maintain records and accounts concerning the Warrants, whether certificated or uncertificated, at the Warrant Agency which shall contain the information called for below with respect to each Warrant, together with such other information as may be required by law or as the Warrant Agent may elect to record. All such information shall be kept in one set of accounts and records which the Warrant Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Warrants. The information to be entered for each account in the register of Warrants at any time shall include (without limitation):
  - (i) the name and address of the holder of the Warrants, the date of Authentication thereof and the number of Warrants;
  - (ii) whether such Warrant is a Certificated Warrant or an Uncertificated Warrant and, if a Warrant Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Warrant, the unique number or code assigned thereto if any;
  - (iii) whether such Warrant has been cancelled; and
  - (iv) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered.

The register shall be available for inspection by the Corporation and or any Warrantholder during the Warrant Agent's regular business hours on a Business Day. Any Warrantholder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Corporation and the Warrant Agent stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

- (b) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent), sustained by the Corporation or the Warrant Agent as a proximate result of such error if but only if and only to the extent that such present or former holder realized any

benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

#### **2.10 Issue in Substitution for Warrant Certificates Lost, etc.**

- (a) In the event that any Warrant Certificate shall become mutilated or be lost, destroyed or stolen, the Corporation, subject to Applicable Legislation and subsection 2.10(b), shall issue and thereupon the Warrant Agent shall certify and deliver, a new Warrant Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substituted Warrant Certificate shall be in a form approved by the Warrant Agent and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.
- (b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent each in their discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Warrant Agent each in their discretion and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

#### **2.11 Exchange of Warrant Certificates**

- (a) Warrant Certificates representing Warrants to acquire any specified number of Common Shares may, upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for another Warrant Certificate or Warrant Certificates entitling the holder thereto to acquire in the aggregate the same number of Common Shares as may be acquired under the Warrant Certificate or Warrant Certificates so exchanged. Upon compliance with the reasonable requirements of the Warrant Agent and the terms and conditions hereof, the Corporation will sign, and the Warrant Agent will countersign, all Warrant Certificates necessary to carry out these exchanges.
- (b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate tendered for exchange shall be cancelled by the Warrant Agent.

#### **2.12 Transfer and Ownership of Warrants**

- (a) The Warrants may only be transferred on the register kept by the Warrant Agent at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificates representing the Warrants to be transferred together with a duly executed transfer form as set forth in Schedule A and (b) in the case of Book Based Warrants, in accordance with procedures prescribed by the Depository under the book based registration system, and (c) upon compliance with:
  - (i) the conditions herein;



- (ii) such reasonable requirements as the Warrant Agent or the Corporation may prescribe; and
- (iii) all applicable securities legislation and requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate, or the Warrant Agent shall Authenticate and deliver a Warrant Certificate upon request by the Corporation that part of the CDS Global Warrant be certificated. Transfers within the systems of the Depository are not the responsibility of the Warrant Agent and will not be noted on the register maintained by the Warrant Agent.

- (b) Subject to the provisions of this Indenture and Applicable Legislation, the Warranthead shall be entitled to the rights and privileges attaching to the Warrants, and the issue of Common Shares by the Corporation upon the exercise of Warrants in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.

### **2.13 Charges for Exchange and Transfer**

Except as otherwise herein provided, the Warrant Agent may charge to the holder requesting an exchange or transfer a reasonable sum for each new Warrant Certificate issued in exchange for Warrant Certificate(s), and payment of such charges and reimbursement of the Warrant Agent or the Corporation for any and all stamp taxes or governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange or transfer.

### **2.14 Transferee Entitled to Registration**

The transferee of a Warrant shall, after the transfer form attached to the Warrant Certificate is duly completed and the Warrant Certificate and form of transfer are lodged with the Warrant Agent, and upon compliance with all other conditions in that regard required by this Indenture and by all applicable securities legislation and requirements of regulatory authorities, be entitled to have his name entered on the register as the owner of such Warrant free from all equities or rights of set off or counterclaim between the Corporation and his transferor or any previous Warranthead of such Warrant, save in respect of equities of which the Corporation or the transferee is required to take notice by statute or by order of a court of competent jurisdiction.

### **2.15 Cancellation of Surrendered Warrants**

All Warrant Certificates surrendered pursuant to Article 3 shall be cancelled by the Warrant Agent and all Uncertificated Warrants exercised pursuant to Article 3 shall be deemed cancelled and so noted on the register by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a cancellation certificate identifying the Warrant Certificates and/or Uncertificated Warrants so cancelled, the number of Warrants evidenced thereby, the number of Common Shares, if any, issued pursuant to such Warrants and the details of any Warrant Certificates or Uncertificated Warrants issued in substitution or exchange for such cancelled Warrants.

## **ARTICLE 3 Exercise of Warrants**

### **3.1 Right and Method of Exercise of Warrants**

- (a) Subject to the provisions hereof, each Registered Warranthead may exercise the right conferred on such holder to subscribe for and purchase one (1) Common Share for each Warrant after the Issue Date and prior to the Time of Expiry and in accordance with the conditions herein to the Warrant Agent at the Warrant Agency.

- (b) Registered Warrantholders of Warrant Certificates who wish to exercise the Warrants held by them in order to acquire Common Shares must complete the exercise form (the **Exercise Notice**) attached to the Warrant Certificate(s) which form is attached hereto as Schedule "A", which may be amended by the Corporation with the consent of the Warrant Agent, if such amendment does not, in the reasonable opinion of the Corporation and the Warrant Agent, which may be based on the advice of Counsel, materially and adversely affect the rights, entitlements and interests of the Warrantholders, and deliver such certificate(s), the executed Exercise Notice and a certified cheque, bank draft, wire transfer or money order payable to or to the order of the Corporation for the aggregate Exercise Price to the Warrant Agent at the Warrant Agency. The Warrants represented by a Warrant Certificate shall be deemed to be surrendered upon personal delivery of such certificate, Exercise Notice and aggregate Exercise Price or, if such documents are sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.
- (c) A beneficial owner of Uncertificated Warrants evidenced by a security entitlement in respect of Warrants in the book based registration system who desires to exercise his or her Warrants must do so by causing a Book Based Participant to deliver to the Depository on behalf of the entitlement holder, notice of the beneficial owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a **Confirmation**) in a manner acceptable to the Warrant Agent, including by electronic means through a book based registration system, including CDSX. An electronic exercise of the Warrants initiated by the Book Based Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants (a) is not in the United States; (b) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States; and (c) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States.
- (d) Payment representing the aggregate Exercise Price must be provided to the appropriate office of the Book Based Participant in a manner acceptable to it. A notice in form acceptable to the Book Based Participant and payment from such beneficial holder should be provided to the Book Based Participant sufficiently in advance so as to permit the Book Based Participant to deliver notice and payment to the Depository and for the Depository in turn to deliver notice and payment to the Warrant Agent prior to Time of Expiry. The Depository will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent and the Warrant Agent will execute the exercise by issuing to the Depository through the book based registration system the Common Shares to which the exercising Warrantholder is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the entitlement holder exercising the Warrants and/or the Book Based Participant exercising the Warrants on its behalf.
- (e) By causing a Book Based Participant to deliver notice to the Depository, a beneficial owner of Warrants shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Book Based Participant to act as his or her exclusive settlement agent with respect to the exercise and the receipt of Common Shares in connection with the obligations arising from such exercise.
- (f) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Book Based Participant to exercise or to give effect to the settlement thereof in accordance with the beneficial owner's or the Warrantholder's instructions will not give rise to any obligations

or liability on the part of the Corporation or Warrant Agent to the Book Based Participant or the Warrantholder.

- (g) Any exercise form or Exercise Notice referred to in this Section 3.1 shall be signed by the Registered Warrantholder, or its executors or administrators or other legal representatives or an attorney of the Registered Warrantholder, duly appointed by an instrument in writing satisfactory to the Warrant Agent but such exercise form need not be executed by the Depository.
- (h) Any exercise referred to in this Section 3.1 shall require that the entire Exercise Price for the Common Shares to be acquired pursuant to such exercise must be paid at the time of exercise and such Exercise Price and original Exercise Notice executed by the Registered Warrantholder or the Confirmation from the Depository must be received by the Warrant Agent prior to the Time of Expiry.
- (i) Warrants may only be exercised pursuant to this Section 3.1 by or on behalf of a Registered Warrantholder, as applicable, who makes the certifications set forth on the Exercise Notice set out in Schedule "A" or as provided herein.
- (j) If the form of Exercise Notice set forth in the Warrant Certificate shall have been amended, the Corporation shall cause the amended Exercise Notice to be forwarded to all Registered Warrantholders.
- (k) Exercise Notices and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Time of Expiry. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day. Any Exercise Notice or Confirmations received by the Warrant Agent after business hours on the Expiry Date will be void.
- (l) Any Warrant with respect to which a Confirmation and payment of the Exercise Price is not received by the Warrant Agent before the Time of Expiry shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

### **3.2 Effect of Exercise of Warrants**

- (a) Upon compliance by the holder of any Warrant with the provisions of Section 3.1, and subject to Section 3.3 and Section 3.10, the Common Shares subscribed for shall be deemed to have been issued as fully paid and non-assessable and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the Exercise Date unless the transfer registers of the Corporation shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person or persons shall be deemed to have become the holder or holders of record of such Common Shares, on the date on which such transfer registers are reopened.
- (b) Within five Business Days after the Exercise Date of a Warrant as set forth above, the Warrant Agent shall cause to be delivered to the person or persons in whose name or names the Common Shares so subscribed for have been issued, as specified in the exercise form completed in connection with the exercise of the Warrants, in accordance with the instructions specified in such exercise form or, if so specified in such exercise form, cause to be delivered to such person or persons at the Warrant Agency where the Warrants were surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for.

### **3.3 Partial Exercise of Warrants; Fractions**

- (a) The holder of any Warrants may acquire a number of Common Shares less than the number which the holder is entitled to acquire pursuant to the surrendered Warrants. In the event of any exercise of a number of Warrants less than the number which the holder is entitled to exercise, the holder of the Warrants upon exercise thereof shall, in addition, be entitled to receive without charge therefor, a new Warrant Certificate(s), if applicable, in respect of the balance of the Warrants which such holder was entitled to exercise pursuant to the surrendered Warrants and which were not then exercised.
- (b) Notwithstanding anything herein contained including any adjustment provided for in Article 4, the Corporation shall not be required, upon the exercise of any Warrants, to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares.

### **3.4 Transfer Fees and Taxes**

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Registered Warrantholder, the Registered Warrantholder will comply with such reasonable requirements as the Warrant Agent may stipulate and will pay to the Corporation all applicable transfer or similar taxes and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Registered Warrantholder shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or that no tax is due.

### **3.5 Warrant Agency**

To facilitate the exchange, transfer or exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the Warrant Agency, as the agency at which Warrants may be surrendered for exchange or transfer or at which Warrants may be exercised and the Warrant Agent has accepted such appointment. The Corporation may from time to time designate alternate or additional places as the Warrant Agency (subject to the Warrant Agent's prior approval) and will give notice to the Warrant Agent of any proposed change of the Warrant Agency. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. The Warrant Agent will from time to time when requested to do so by the Corporation or any Registered Warrantholder, upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Registered Warrantholders showing the number of Warrants held by each such Registered Warrantholder.

### **3.6 Expiration of Warrants**

Immediately after the Time of Expiry, all rights under any Warrant in respect of which the right of acquisition herein and therein provided for shall not have been exercised shall cease and terminate and such Warrant shall be void and of no further force or effect.

### **3.7 Cancellation of Surrendered Warrants**

All Warrant Certificates surrendered to the Warrant Agent pursuant to Sections 2.10, 2.11, 2.12, 3.1 and 3.3 shall be cancelled by the Warrant Agent and, after the expiry of any period of retention prescribed by law, destroyed by the Warrant Agent and, upon written request by the Corporation, the Warrant Agent shall furnish to the Corporation a destruction certificate identifying the Warrant Certificates so destroyed, the number of Warrants evidenced thereby and the number of Common Shares which could have been purchased pursuant thereto.

### **3.8 Accounting and Recording**

- (a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised, and shall promptly forward to the Corporation (or into an account or accounts of the Corporation with the bank or trust company designated by the Corporation for that

purpose), all monies received by the Warrant Agent on the subscription of Common Shares through the exercise of Warrants. Any monies, securities or other instruments, from time to time received by the Warrant Agent pursuant to the exercise of Warrants shall be received as agent for and shall be segregated and kept apart by the Warrant Agent as agent for the Corporation.

- (b) The Warrant Agent shall record the particulars of Warrants exercised which shall include the names and addresses of the persons who become holders of Common Shares on exercise and the Exercise Date. Within five Business Days of each Exercise Date, the Warrant Agent shall provide such particulars in writing to the Corporation.

### **3.9 Common Share Certificates**

Notwithstanding anything herein contained, Common Shares will only be issued pursuant to the exercise of the Warrants in compliance with applicable securities laws of any jurisdiction. At the instruction of the Corporation, Common Shares issued in connection with the exercise of the Warrants may bear such legends as may be required by applicable securities regulatory requirements, authorities or stock exchanges.

### **3.10 Prohibition on Exercise in the United States; Exception**

- (a) Warrants may not be exercised by a person in the United States unless the offer of Common Shares pursuant to the Warrants is registered under the U.S. Securities Act or an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws. Each Warrant Certificate shall contain wording to the following effect.

"THIS WARRANT AND THE COMMON SHARES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED BY A PERSON IN THE UNITED STATES UNLESS AN EXEMPTION IS AVAILABLE FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND SUBJECT TO COMPLIANCE WITH THE TERMS OF THE WARRANT INDENTURE GOVERNING THESE WARRANTS."

- (b) Any holder that exercises a Warrant shall provide to the Corporation and the Warrant Agent, and the Corporation and the Warrant Agent shall be entitled to act and rely thereon, either:
  - (i) a written certification that such holder (i) at the time of exercise of the Warrant is not in the United States; and (ii) did not execute or deliver the exercise form for the Warrant in the United States; or
  - (ii) a written opinion of counsel of recognized standing in form and substance satisfactory to the Corporation, or other evidence reasonably satisfactory to the Corporation, to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available for the issuance of the Common Shares issuable on exercise of the Warrants.
- (c) No certificates representing Common Shares will be registered or delivered to an address in the United States unless the holder of Warrants complies with the requirements set forth in subsection 3.10(b)(ii) and the Corporation has confirmed in writing to the Warrant Agent that the opinion of counsel, or other evidence, is satisfactory to the Corporation.

### **3.11 U.S. Legends**

The Warrant Agent acknowledges that the Warrants and the Common Shares issuable upon the exercise of such Warrants have not been and will not be registered under the U.S. Securities Act or applicable state securities laws. All certificates representing Common Shares issued upon the exercise of any Warrants pursuant to box B of the exercise form attached to the Warrant Certificate (and each Common Share certificate issued in exchange therefor or in substitution on transfer thereof) shall be overprinted with the following legend:

"THE COMMON SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE HOLDING THE SECURITIES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF NERDS ON SITE INC. THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO NERDS ON SITE INC., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES, PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO NERDS ON SITE INC. AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO NERDS ON SITE INC. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if, at any time the Corporation is a "foreign issuer" as defined in Regulation S, the underlying Common Shares are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with local laws and regulations, the legend may be removed by providing a declaration to the registrar and transfer agent for the underlying Common Shares in the form attached as Schedule "B" hereto (or as the Corporation may prescribe from time to time), together with such other evidence, including an opinion of counsel in form and substance satisfactory to the Corporation and its transfer agent, as the Corporation and its transfer agent may from time to time prescribe; and

provided, further, that if any of the underlying Common Shares are being sold pursuant to Rule 144 of the U.S. Securities Act, the legend may be removed by delivery to the registrar and transfer agent for the underlying Common Shares of an opinion of counsel, of recognized standing in form and substance satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

## **ARTICLE 4**

### **Adjustment of Number of Common Shares**

#### **4.1 Adjustment of Number of Common Shares and Exercise Price**

The acquisition rights, as they relate to Common Shares, attaching to the Warrants in effect at any date, and the Exercise Price in respect thereof, shall be subject to adjustment from time to time as follows:

- (a) If and whenever at any time during the Adjustment Period, the Corporation shall:

- (i) subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares,
- (ii) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares, or
- (iii) issue Common Shares or securities exchangeable for, or convertible into, Common Shares at no additional cost to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend or other distribution (other than the issue of Common Shares to holders of Common Shares pursuant to the exercise of the option to receive dividends in the form of Common Shares in lieu of Dividends Paid in the Ordinary Course on the Common Shares, if applicable),

(any of such events in these paragraphs (i), (ii) and (iii) being called a **Common Share Reorganization**) then the Exercise Price shall be adjusted as of the record date (or, only if there is no record date, the effective date), of such subdivision, re-division, change, reduction, combination, consolidation or distribution, as the case may be, shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such record date (or, only if there is no record date, the effective date) by a fraction, the numerator of which shall be the number of Common Shares outstanding on such record date or effective date, as applicable, before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the record date or effective date, as applicable, after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares at no additional cost are distributed, the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in subsection 4.1(a) shall occur. Upon any adjustment to the Exercise Price pursuant to subsection 4.1(a), the Exchange Basis shall be contemporaneously adjusted by multiplying the number of Common Shares which theretofore may have been purchased under such Warrant by a fraction of which the numerator shall be the respective Exercise Price in effect immediately prior to such adjustment and the denominator shall be the respective Exercise Price resulting from such adjustment.

- (b) If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after the issue date of such rights, options or warrants, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation or any Subsidiary

shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights, options or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be. Upon any adjustment or readjustment of the Exercise Price pursuant to subsection 4.1(b), the Exchange Basis will be contemporaneously adjusted by multiplying the Exchange Basis immediately prior to such adjustment or readjustment by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment or readjustment and the denominator shall be the Exercise Price resulting from such adjustment or readjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in subsection 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates.

- (c) If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class, whether of the Corporation or any other person (other than Common Shares and other than securities distributed to holders of Common Shares pursuant to the exercise of the option to receive dividends in the form of such securities in lieu of Dividends Paid in the Ordinary Course on the Common Shares, if applicable), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares) (excluding those referred to in subsection 4.1(b)), (iii) evidences of its indebtedness or (iv) any property or other assets (excluding Dividends Paid in the Ordinary Course) then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the aggregate fair market value (as determined by the directors) of such securities, rights, options, warrants, evidences of indebtedness or property or assets to be distributed to the holders of Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price; any Common Shares owned by or held for the account of the Corporation or any Subsidiary shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon such shares or rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be; in clause (iv) of this subsection 4.1(c) the term "Dividends Paid in the Ordinary Course" shall include the value of any securities or other property or assets distributed in lieu of cash Dividends Paid in the Ordinary Course at the option of Shareholders. Upon any adjustment or readjustment of the Exercise Price pursuant to subsection 4.1(c), the Exchange Basis will be contemporaneously adjusted by multiplying the Exchange Basis in effect immediately prior to such adjustment or readjustment by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment or readjustment and the denominator shall be the Exercise Price resulting from such adjustment or readjustment.
- (d) If and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation (other than as described in subsection 4.1(a)) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially



as an entirety to any other body corporate, trust, partnership or other entity or a liquidation, dissolution or winding up of the Corporation (any of such events being hereinafter called a **Capital Reorganization**), any Registered Warrantholder who has not exercised its right of acquisition prior to the effective date of such Capital Reorganization, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such Capital Reorganization, or of the parent entity of such resulting entity, or of such entity to which such sale or conveyance has been made, as the case may be, that such Registered Warrantholder would have been entitled to receive on such Capital Reorganization, if, on the record date or the effective date thereof, as the case may be, the Registered Warrantholder had been the registered holder of the number of Common Shares sought to be acquired by it and to which it was entitled to acquire upon exercise of the Warrants. If determined appropriate by the Warrant Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this subsection 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such Capital Reorganization, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Registered Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Registered Warrantholder is entitled on exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this subsection 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive Capital Reorganizations.

- (e) In any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Registered Warrantholder of any Warrant exercised after such record date and before the occurrence of such event the additional Common Shares or other securities or property issuable upon such exercise by reason of the adjustment required by such event; provided, however, that the Corporation shall deliver to such Registered Warrantholder an appropriate instrument evidencing such Registered Warrantholder's right to receive such additional Common Shares or other securities or property upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares or other securities or property declared in favour of holders of record of Common Shares or such other securities or property on and after the relevant date of exercise or such later date as such Registered Warrantholder would, but for the provisions of this subsection 4.1(e), have become the holder of record of such additional Common Shares or other securities or property pursuant to subsection 4.1(b).
- (f) In any case in which subsections 4.1(a), 4.1(b) or 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if, the Registered Warrantholders of the outstanding Warrants receive the Common Shares or securities exchangeable for or convertible into Common Shares referred to in subsection 4.1(a), the rights, options or warrants referred to in subsection 4.1(b) or the securities, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.

- (g) The adjustments provided for in this Section 4.1 are cumulative and shall, in the case of adjustments to the Exercise Price, be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section 4.1, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments which by reason of this subsection 4.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (h) After any adjustment pursuant to this Section 4.1, the term "Common Shares" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Registered Warrantholder is entitled to receive upon the exercise of such holder's Warrant and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Registered Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

#### **4.2 Entitlement to Common Shares on Exercise of Warrant**

All Common Shares or shares of any class or other securities or property which a Registered Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be Common Shares which such Registered Warrantholder is entitled to acquire pursuant to such Warrant.

#### **4.3 No Adjustment for Certain Transactions**

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued at the date hereof.

#### **4.4 Determination by Independent Firm**

In the event of any question arising with respect to the adjustments provided for in this Article 4 such question shall be conclusively determined by such firm of independent chartered accountants as may be selected by the Corporation, who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all Warrantholders and all other persons interested therein.

#### **4.5 Proceedings Prior to any Action Requiring Adjustment**

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of Counsel, be necessary in order that the Corporation has sufficient unissued and reserved shares in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares or other securities or property which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

#### **4.6 Certificate of Adjustment**

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Article 4, deliver a certificate of the Corporation to the Warrant

Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment or readjustment shall, if requested by the Warrant Agent, be supported by a certificate of the Corporation's Auditors verifying such calculation. When so verified, the Warrant Agent shall forthwith give notice, supplied by the Corporation and at the Corporation's expense, to the Registered Warranholders specifying the event requiring such adjustment or readjustment and the results thereof including the resulting Exercise Price; provided that, if the Corporation has given notice under Section 4.7 covering all the relevant facts in respect of such event, no such notice to the Registered Warranholders need be given under this Section 4.6. Any certificate of the Corporation delivered pursuant to this Section 4.6 and the results of the adjustment specified therein shall, subject to the provisions of Section 4.4 and absent manifest error, be conclusive and binding on all Warranholders.

#### **4.7 Notice of Special Matters**

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Registered Warranholders of its intention to fix the record date for any event referred to in subsections 4.1(a), 4.1(b), 4.1(c) and 4.1(d). Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 10 Business Days prior to such applicable record date. If notice has been given and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the Registered Warranholders of such adjustment computation.

#### **4.8 No Action after Notice**

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the Registered Warranholder of the opportunity to exercise its right of acquisition pursuant thereto during the period of 10 Business Days after the giving of the certificate or notices set forth in Sections 4.6 and 4.7.

#### **4.9 Protection of Warrant Agent**

Except as provided in Section 9.2, the Warrant Agent:

- (a) shall be entitled to act and rely on any adjustment calculation of the Corporation or the Corporation's Auditors;
- (b) shall not at any time be under any duty or responsibility to any Registered Warranholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (c) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;
- (d) shall not be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 4; and
- (e) shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained.

#### **4.10 Other Adjustments**

In case the Corporation after the date hereof shall take any action affecting the Common Shares, other than an action otherwise described in Article 4 which in the opinion of the directors would have a material adverse effect on the rights of Warranholders, the Exercise Price and/or the Exchange Basis and/or kind of Common Shares purchasable upon exercise, there shall be an adjustment in such manner, if any, and at such time, by action by the directors of the Corporation subject to the prior consent of the CSE or other stock exchange, if applicable. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the Common Shares shall be conclusive evidence that the directors have determined, acting reasonably and in good faith, that it is equitable to make no adjustment in the circumstances.

#### **4.11 Participation by Registered Warranholder**

No adjustments shall be made pursuant to this Article 4 if the Registered Warranholders are entitled to participate in any event described in this Article 4 on the same terms, mutatis mutandis, as if the Registered Warranholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

### **ARTICLE 5 Rights and Covenants of the Corporation**

#### **5.1 General Covenants**

The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding:

- (a) the Warrants, when issued and Authenticated as provided in this Indenture, will be valid and binding obligations enforceable against it in accordance with and subject to the provisions of this Indenture;
- (b) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;
- (c) it will cause the Common Shares and the certificates representing the Common Shares, if applicable, from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrants and the terms hereof;
- (d) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable;
- (e) it will use reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) continue to be or are listed and posted for trading on the CSE (or such other Canadian stock exchange acceptable to the Corporation), provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, takeover bid or merger that would result in the Common Shares ceasing to be listed and posted for trading on the CSE, so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the CSE;
- (f) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the provinces and other Canadian jurisdictions where it is or becomes a reporting issuer;

- (g) the Corporation will do, or cause to be done, all things necessary to preserve and keep in full force and effect its corporate existence, provided however that (subject to Article 4 and Section 8.2) nothing will prevent the amalgamation, arrangement, consolidation, merger or sale of, or other business combination involving, the Corporation;
- (h) it will perform and carry out all of the acts or things to be done by it as provided in this Indenture;
- (i) it will execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as the Warrant Agent may reasonably require for the better accomplishing and effecting the intentions and provisions of this Indenture; and
- (j) it will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than five days following its occurrence.

## **5.2 Warrant Agent's Remuneration and Expenses**

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the duties hereby created (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 Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's gross negligence, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after thirty days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section 5.2 shall survive the resignation of the Warrant Agent and/or the termination of this Indenture.

## **5.3 Performance of Covenants by Warrant Agent**

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Registered Warrantholders of such failure on the part of the Corporation and may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform such covenants or to notify the Registered Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.2. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

## **5.4 Enforceability of Warrants**

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Common Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

## **ARTICLE 6 Enforcement**

### **6.1 Suits by Registered Warranholders**

All or any of the rights conferred upon any Warranholder by any of the terms of this Indenture may be enforced by the Warranholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warranholders.

### **6.2 Suits by the Corporation**

The Corporation shall have the right to enforce full payment of the Exercise Price for all Common Shares issued by the Corporation to a Registered Warranholder hereunder and shall be entitled to demand such payment from the Registered Warranholder or alternatively to instruct the Warrant Agent to cancel the share certificates and amend the securities register accordingly.

### **6.3 Limitation of Liability**

The obligations of the Corporation hereunder are not binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future directors of the Corporation or Shareholders or any successor to the Corporation or any of the past, present or future officers, employees or agents of the Corporation or of any successor to the Corporation, but only the property of the Corporation or of any successor to the Corporation shall be bound in respect hereof, excepting incidences of gross negligence, wilful misconduct and fraud.

### **6.4 Waiver of Default**

Upon the happening of any default hereunder:

- (a) the Registered Warranholders of not less than 51% of the Warrants then outstanding shall have power (in addition to the powers exercisable by extraordinary resolution as provided in Section 7.10) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or
- (b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, if, in the Warrant Agent's opinion, based on the advice of Counsel, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Registered Warranholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Registered Warranholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

## **ARTICLE 7 Meetings of Warranholders**

### **7.1 Right to Convene Meetings**

The Warrant Agent may at any time and from time to time, and shall (i) on receipt of a written request of the Corporation or of a Warranholders' Request and (ii) upon receiving sufficient funds to cover any costs and expenses and being indemnified to its reasonable satisfaction by the Corporation or by the Registered Warranholders signing such Warranholders' Request against the cost which may be incurred in connection

with the calling and holding of such meeting, convene a meeting of the Registered Warranholders. In the event of the Warrant Agent failing to so convene a meeting within 15 days after receipt of such written request of the Corporation or such Warranholders' Request and sufficient funds and/or indemnity given as aforesaid, the Corporation or such Registered Warranholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Calgary, Alberta or at such other place in Canada as may be approved or determined by the Warrant Agent with the consent of the Corporation.

## **7.2 Notice**

At least 21 days' prior written notice of any meeting of Registered Warranholders shall be given to the Registered Warranholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation) in the manner provided for in Section 10.1. Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Registered Warranholders to make a reasoned decision on the matters to be considered at the meeting, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7. The notice convening any such meeting may be signed by an appropriate officer of the Warrant Agent or the Corporation or by the Registered Warranholder or Registered Warranholders convening the meeting.

## **7.3 Chairman**

An individual (who need not be a Registered Warranholder) designated in writing by the Warrant Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Registered Warranholders present in person or by proxy shall choose an individual present to be chairman.

## **7.4 Quorum**

Subject to the provisions of Section 7.11, at any meeting of the Registered Warranholders a quorum shall consist of Registered Warranholders present in person or by proxy holding at least 25% of the aggregate number of Warrants then outstanding, provided that at least two persons entitled to vote thereat are personally present. If a quorum of the Registered Warranholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Registered Warranholders or on a Warranholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Registered Warranholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not represent at least 25% of the aggregate number of Warrants then outstanding.

## **7.5 Power to Adjourn**

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

## **7.6 Show of Hands**

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an extraordinary resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the

chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

### **7.7 Poll and Voting**

- (a) On every extraordinary resolution, and on any other question submitted to a meeting and after a vote by show of hands, when demanded by the chairman or by one or more of the Registered Warranholders acting in person or by proxy, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by extraordinary resolution shall be decided by a majority of the votes cast on the poll.
- (b) On a show of hands, every person who is present and entitled to vote, whether as a Registered Warranholder or as proxy for one or more absent Warranholders, or both, shall have one vote. On a poll, each Registered Warranholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Warrant then held or represented by it. A proxy need not be a Registered Warranholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

### **7.8 Regulations**

Subject to compliance with the provisions of this Indenture, the Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for:

- (a) the setting of the record date for a meeting for the purpose of determining Registered Warranholders entitled to receive notice of and to vote at the meeting;
- (b) for Registered Warranholders to appoint a proxy or proxies to represent them and vote for them at any such meeting (and any adjournment thereof) and the manner in which same is to be executed, and for the production of the authority of any persons signing on behalf of the Registered Warranholder appointing them;
- (c) the deposit of instruments appointing proxies at such place and time as the Warrant Agent, the Corporation or the Registered Warranholders convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (d) 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 mailed or sent by facsimile before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
- (e) the form of the instrument of proxy or the manner in which it must be executed; and
- (f) generally for the calling of meetings of Registered Warranholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Registered Warranholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Registered Warranholders or proxies of Warranholders.



## **7.9 Corporation and Warrant Agent May be Represented**

The Corporation and the Warrant Agent, by their respective directors, officers and employees, and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Registered Warranholders, but shall have no vote thereat, whether in respect of any Warrants held by them or otherwise.

## **7.10 Powers Exercisable by Extraordinary Resolution**

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Registered Warranholders at a meeting shall, subject to the provisions of Section 7.11, have the power, exercisable from time to time by extraordinary resolution:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Registered Warranholders or, subject to the consent of the Warrant Agent, the Warrant Agent in its capacity as Warrant Agent hereunder or on behalf of the Registered Warranholders, in each case which may be agreed to by the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;
- (b) to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Registered Warranholders;
- (c) to direct or to authorize the Warrant Agent to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Registered Warranholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;
- (e) to restrain any Registered Warranholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or the Warrant Certificates or to enforce any of the rights of the Registered Warranholders;
- (f) to direct any Registered Warranholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Registered Warranholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in the Warrant Certificates or this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new warrant agent or warrant agents to take the place of the Warrant Agent so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

### **7.11 Meaning of Extraordinary Resolution**

- (a) The expression "extraordinary resolution" when used in this Indenture means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Registered Warranholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warranholders representing at least 25% of the aggregate number of Warrants then outstanding and passed by the affirmative votes of Warranholders representing not less than 66 2/3% of the aggregate number of the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution.
- (b) If, at the meeting at which an extraordinary resolution is to be considered, Registered Warranholders representing at least 25% of the aggregate number of all the then outstanding Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Registered Warranholders or on a Warranholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than ten days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warranholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Warranholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 7.11(a) shall be an extraordinary resolution within the meaning of this Indenture notwithstanding that Warranholders representing at least 25% of all the then outstanding Warrants are not present in person or by proxy at such adjourned meeting.
- (c) Votes on an extraordinary resolution shall always be given on a poll and no demand for a poll on an extraordinary resolution shall be necessary.

### **7.12 Powers Cumulative**

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Registered Warranholders 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 powers from time to time shall not be deemed to exhaust the right of the Registered Warranholders to exercise such power or powers or combination of powers then or thereafter from time to time.

### **7.13 Minutes**

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

### **7.14 Instruments in Writing**

All actions which may be taken and all powers that may be exercised by the Registered Warranholders at a meeting held as provided in this Article 7 may also be taken and exercised by Registered Warranholders representing at least 66 2/3% of the aggregate number of all the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Registered Warranholders in person or by attorney

duly appointed in writing, and the expression "extraordinary resolution" when used in this Indenture shall include an instrument so signed.

#### **7.15 Binding Effect of Resolutions**

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article 7 at a meeting of Registered Warranholders shall be binding upon all the Warranholders, whether present at or absent from such meeting, and every instrument in writing signed by Registered Warranholders in accordance with Section 7.14 shall be binding upon all the Warranholders, whether signatories thereto or not, and each and every Warranholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

#### **7.16 Holdings by Corporation Disregarded**

In determining whether Registered Warranholders holding Warrants are present at a meeting of Registered Warranholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Warranholders' Request, or other action under this Indenture, Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation shall be disregarded in accordance with the provisions of Section 10.7.

### **ARTICLE 8 Supplemental Indentures**

#### **8.1 Provision for Supplemental Indentures for Certain Purposes**

From time to time the Corporation (when authorized by action of the directors of the Corporation) and the Warrant Agent may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper directors or officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
- (b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent relying on the advice of Counsel, prejudicial to the interests of the Registered Warranholders;
- (c) giving effect to any extraordinary resolution passed as provided in Article 7;
- (d) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining or maintaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent relying on the advice of Counsel, prejudicial to the interests of the Warranholders;
- (e) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- (f) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Warranholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which

in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

- (g) providing for the issuance of additional Warrants hereunder, including Warrants in excess of the number set out in Article 2 and any consequential amendments hereto as may be required by the Warrant Agent relying on the advice of Counsel; and
- (h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent relying on the advice of Counsel the rights of the Warrant Agent and of the Warranholders are in no way prejudiced thereby.

Notwithstanding anything to the contrary in this Indenture, no supplement or amendment to this Indenture or to the provisions of the Warrants may be made without the prior consent of the CSE (or such other stock exchange on which the Common Shares may be listed for trading), if required.

## **8.2 Successor Entities**

In the case of the consolidation, amalgamation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to or with another person, trust, corporation, partnership or similar entity ("**successor entity**"), the successor entity resulting from such consolidation, amalgamation, arrangement, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

## **ARTICLE 9 Concerning The Warrant Agent**

### **9.1 Warrant Indenture Legislation**

- (a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

### **9.2 Rights and Duties of Warrant Agent**

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill that a reasonably prudent Warrant Agent would exercise in comparable circumstances. The Warrant Agent shall be liable only for its own gross negligent action, its own grossly negligent failure to act, or its own wilful misconduct or bad faith or the breach of its standard of care.
- (b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Registered Warranholders hereunder shall be conditional upon the Registered Warranholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the

performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

- (c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Registered Warrantholders, at whose instance it is acting, to deposit with the Warrant Agent the Warrants held by them, for which Warrants the Warrant Agent shall issue receipts.
- (d) No duty shall rest with the Warrant Agent to determine compliance of the transferor or transferee with applicable securities laws. The Warrant Agent shall be entitled to assume that all transfers are legal and proper.

### **9.3 Evidence, Experts and Advisers**

- (a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.
- (b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, be protected in acting and relying as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture. The Warrant Agent has sole discretion and shall be protected in acting and relying upon any document received either in facsimile or by e-mail of a pdf form.
- (c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the trust, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.
- (d) Proof of the execution of an instrument in writing by any Registered Warrantholder, if required by the Warrant Agent acting reasonably, may be made by the certificate of a notary public or other officer with similar powers, that the person signing such instrument acknowledged to it the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate.
- (e) The Warrant Agent may employ or retain at the Corporation's expense such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent.

### **9.4 Documents, Monies, etc. Held by Warrant Agent**

Unless herein otherwise expressly provided, any of the funds held by the Warrant Agent may be deposited in a bank account in the name of the Warrant Agent (which may be held with the Warrant Agent or an affiliate or related party of the Warrant Agent) which account shall be non-interest bearing. Upon the written order of

the Corporation, the Warrant Agent shall invest in its name such funds in Authorized Investments in accordance with such direction. Any direction by the Corporation to the Warrant Agent as to the investment of the funds shall be in writing and shall be provided to the Warrant Agent no later than 9:00 a.m. on the day on which the investment is to be made. Any such direction received by the Warrant Agent after 9:00 a.m. or received on a non-Business Day, shall be deemed to have been given prior to 9:00 a.m. the next Business Day. Unless the Corporation shall be in default hereunder, all interest or other income received by the Warrant Agent in respect of such deposits and investments shall belong to the Corporation.

#### **9.5 Actions by Warrant Agent to Protect Interest**

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

#### **9.6 Warrant Agent Not Required to Give Security**

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the agency and powers of this Indenture or otherwise in respect of the premises.

#### **9.7 Protection of Warrant Agent**

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

- (a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the Authentication of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
- (b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof; and
- (d) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of its covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation.
- (e) The Warrant 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, bad faith or willful misconduct.
- (f) In the event that any of the funds provided to the Warrant Agent hereunder are received by it in the form of an uncertified cheque or bank draft, the Warrant Agent shall be entitled to delay the time for release of such funds until such uncertified cheque has cleared the financial institution upon which the same is drawn.
- (g) The forwarding of a cheque or the sending of funds by wire transfer by the Warrant Agent will satisfy and discharge the liability of any amounts due to the extent of the sum represented thereby unless 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 Warrant Agent, upon being furnished with reasonable evidence of such non-receipt, loss

or destruction and indemnity reasonably satisfactory to it, will issue to such payee a replacement cheque for the amount of such cheque.

## **9.8 Replacement of Warrant Agent; Successor by Merger**

- (a) The Warrant Agent may resign its appointment and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 90 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Registered Warranholders by extraordinary resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new Warrant Agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Warrant Agent unless a new Warrant Agent has already been appointed by the Registered Warranholders; failing such appointment by the Corporation, the retiring Warrant Agent, at the Corporation's expense, or any Registered Warranholder may apply to a justice of the Court of Queen's Bench of the Province of Alberta on such notice as such justice may direct, for the appointment of a new Warrant Agent; but any new Warrant Agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Registered Warranholders. Any new Warrant Agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of Alberta and, if required by Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder and there shall be immediately executed, at the expense of the Corporation, all such conveyances or other instruments as may, in the reasonable opinion of Counsel, be necessary or advisable to vest the new Warrant Agent with such powers, rights, duties and responsibilities, provided that the predecessor Warrant Agent shall have no obligation to execute any such conveyances or instruments until such time as it has received payment of all outstanding remuneration and expenses payable by the Corporation to such Warrant Agent under this Indenture.
- (b) Upon the appointment of a successor Warrant Agent, the Corporation shall promptly notify the Registered Warranholders thereof in the manner provided for in Section 10.2 hereof.
- (c) Any corporation into or with which the Warrant Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to the trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under subsection 9.8(a).
- (d) Any Warrant Certificates Authenticated but not delivered by a predecessor Warrant Agent may be Authenticated by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.

## **9.9 Conflict of Interest**

- (a) The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a Warrant 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 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its duties hereunder to a successor Warrant Agent approved by the Corporation and meeting the requirements set forth in subsection 9.8(a). Notwithstanding the foregoing provisions of this subsection 9.9(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this

Indenture and the Warrant Certificates shall not be affected in any manner whatsoever by reason thereof.

- (b) Subject to subsection 9.9(a), the Warrant Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any Subsidiary of the Corporation without being liable to account for any profit made thereby.

#### **9.10 Acceptance of Duties**

The Warrant Agent hereby accepts the duties in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

#### **9.11 Warrant Agent Not to be Appointed Receiver**

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

#### **9.12 Knowledge of Warrant Agent**

The Warrant Agent shall not be required to take notice or be deemed to have notice, whether constructive or actual, of any matter hereunder, unless the Warrant Agent shall have received from the Corporation or a Warrantholder a notice stating the matter in respect of which the Warrant Agent should have notice.

#### **9.13 Indemnification of Warrant Agent**

In addition to and without limiting any other protection of the Warrant Agent hereunder or otherwise by law, the Corporation shall be liable for and indemnify and save harmless the Warrant Agent and its officers, directors, agents, employees and shareholders from and against any and all losses, costs, charges, expenses, damages and liabilities whatsoever arising in connection with this Indenture, including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Warrant Agent contemplated hereby, legal fees and disbursements on a solicitor and client basis, and costs and expenses incurred in connection with the enforcement of this indemnity, which the Warrant Agent 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 its duties as Warrant Agent and including any deed, matter or thing in relation to the registration, perfection, release or discharge of security. The foregoing provisions of this section do not apply to the extent that in any circumstances there has been a failure by the Warrant Agent or its employees or agents to act honestly and in good faith or where the Warrant Agent or its employees or agents have acted with gross negligence, bad faith or wilful misconduct with regard to the Warrant Agent's obligations hereunder or breached the standard of care set out in subsection 9.2(a). It is understood and agreed that this indemnification shall survive the termination of this Indenture or the resignation of the Warrant Agent.

#### **9.14 Warrant Agent Not Required to Give Notice of Default**

The Warrant 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 Warrant 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 Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.



### 9.15 Warrant Agent's Right Not to Act

The Warrant 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 Warrant 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 or anti-terrorist legislation, economic sanctions, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation, provided that (i) the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Warrant Agent's satisfaction within such 10 day period, then such resignation shall not be effective. In the event of the Warrant Agent resigning as aforesaid, the Corporation shall forthwith appoint a new Warrant Agent, in accordance with the provisions of Section 9.8.

### 9.16 No Third Party Interests

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

## ARTICLE 10 General

### 10.1 Notice to the Corporation and the Warrant Agent

- (a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered or if sent by registered letter, postage prepaid, by e-mail of a pdf form or by facsimile:

**If to the Corporation:**

Nerds on Site Inc.  
131 Wharncliffe Road South  
London, Ontario  
N6J 2K4

Attention: Charles Regan  
Email: [charlie@nerdsonsite.com](mailto:charlie@nerdsonsite.com)

**If to the Warrant Agent:**

TSX Trust Company  
301-100 Adelaide Street West  
Toronto, Ontario  
M5H 4H1

Attention: Vice President, Corporate Trust Services  
Email: [tmxestaff-corporatetrust@tmx.com](mailto:tmxestaff-corporatetrust@tmx.com)

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or facsimile if delivered or faxed (with receipt confirmed) by 4:30 p.m. (local time) on a Business Day, or otherwise on the next Business Day or, if mailed, on the 5th Business Day following the date of the postmark on such notice.

- (b) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in subsection 10.1(a) of a change of address which, from the

effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

- (c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed or, if it is delivered to such party at the appropriate address provided in subsection 10.1(a), by facsimile or other means of prepaid, transmitted and recorded communication.

## **10.2 Notice to Registered Warrantholders**

- (a) Unless otherwise provided herein, any notice to the Registered Warrantholders under the provisions of this Indenture shall be valid and effective if delivered or sent by ordinary prepaid post addressed to such holders at their postal addresses appearing on the register of Registered Warrantholders maintained under this Indenture. Any such notice delivered in accordance with the foregoing is deemed to have been effectively given (and received by the Registered Warrantholders) on the date of delivery (with receipt confirmed) if such date is a Business Day or, if mailed, five Business Days following actual posting of the notice.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Registered Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Registered Warrantholders or if delivered to the address for such Registered Warrantholders contained in the register of Warrants maintained by the Warrant Agent, by other means of prepaid transmitted and recorded communication. Other than in the case of notice to the Depository, accidental or inadvertent error or omission in giving notice or accidental failure to mail notice to any holder will not invalidate any action or proceeding founded thereon.
- (c) In addition to the other requirements for notice under this Section, where a meeting of Registered Warrantholders is being convened, the Warrant Agent or Corporation may require publication of such notice in such municipalities and filing with securities regulatory authorities, as necessary to comply with applicable legal, regulatory or stock exchange requirements.

## **10.3 Evidence of Ownership**

- (a) Upon receipt of a certificate of any bank, trust company or other depository satisfactory to the Warrant Agent stating that the Warrants specified therein have been deposited by a named person with such bank, trust company or other depository and will remain so deposited until the expiry of the period specified therein and the acknowledgement by the named person of such certificate, the Corporation and the Warrant Agent may treat the person so named as the owner, and such certificate as sufficient evidence of the ownership by such person of such Warrant during such period, for the purpose of any requisition, direction, consent, instrument or other document to be made, signed or given by the holder of the Warrant so deposited.
- (b) The Corporation and the Warrant Agent may accept as sufficient evidence of the fact and date of the signing of any requisition, direction, consent, instrument or other document by any person (i) the signature of any officer of any bank, trust company, or other depository satisfactory to the Warrant Agent as witness of such execution, (ii) the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made that the person signing acknowledged to him the execution thereof, or (iii) a satisfactory declaration of a witness of such execution.

#### **10.4 Counterparts**

This Indenture may be executed in several counterparts, and by facsimile or other electronic means, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

#### **10.5 Satisfaction and Discharge of Indenture**

Upon the earlier of:

- (a) the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation all Warrants theretofore Authenticated hereunder, in the case of Certificated Warrants (or such other instructions, in a form satisfactory to the Warrant Agent), in the case of Uncertificated Warrants, or by way of standard processing through the book based only system in the case of a CDS Global Warrant; or
- (b) the Time of Expiry;

this Indenture shall cease to be of further effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

#### **10.6 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Registered Warranholders**

Nothing in this Indenture or in the Warrants, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Registered Warranholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, 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 Registered Warranholders.

#### **10.7 Common Shares or Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided**

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent from time to time upon request, a certificate of the Corporation setting forth as at the date of such certificate:

- (a) the names (other than the name of the Corporation) of the Registered Warranholders which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any Subsidiary of the Corporation; and
- (b) the number of Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation,

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without any additional evidence.

#### **10.8 Matters Relating to the Privacy of Personal Information**

The parties to this Indenture acknowledge that federal and / or provincial legislation that addresses the protection of individuals' personal information (collectively, **Privacy Laws**) applies to obligations and

activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Warrant Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Warrant Agent agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy compliant or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

#### **10.9 Force Majeure**

No party shall be liable to the other, or held in breach of this Indenture, 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, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 10.9.

#### **10.10 Successors**

Neither of the parties hereto may assign its rights or interest under this Indenture, except as provided in Section 9.8 in the case of the Warrant Agent, or as provided in Section 8.2 in the case of the Corporation. Subject thereto, all provisions of this Indenture for the benefit of the Corporation and the Warrant Agent bind and enure to the benefit of their respective successors and assigns.

*[Signature page follows]*

Executed and delivered as of the 26 day of November, 2018.

**NERDS ON SITE INC.**

Per: (Signed) "Charles Regan"  
Name: Charles Regan  
Title: Chief Executive Officer

Per: (Signed) "Rakesh Malhotra"  
Name: Rakesh Malhotra  
Title: Chief Financial Officer

**TSX TRUST COMPANY**

Per: (Signed) "Patricia Selby"  
Name: Patricia Selby  
Title: Senior Relationship Manager

Per: (Signed) "Bolanle Oyelade"  
Name: Bolanle Oyelade  
Title: Corporate Trust Officer

SCHEDULE "A" to the Warrant Indenture made as of November 26, 2018  
between NERDS ON SITE INC. and TSX TRUST COMPANY as Warrant  
Agent

(see attached)

For all Warrants, include the below two legends:

THIS WARRANT AND THE COMMON SHARES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE U.S. SECURITIES ACT) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED BY A PERSON IN THE UNITED STATES UNLESS AN EXEMPTION IS AVAILABLE FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND SUBJECT TO COMPLIANCE WITH THE TERMS OF THE WARRANT INDENTURE GOVERNING THESE WARRANTS.

THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED BEFORE THE TIME OF EXPIRY ON NOVEMBER 28, 2020.

For all Certificated Warrants registered in the name of the Depository, also include the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS) TO NERDS ON SITE INC. (THE ISSUER) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

NUMBER

W-●

WARRANTS

WARRANTS

**NERDS ON SITE INC.**

(INCORPORATED UNDER THE *BUSINESS CORPORATIONS ACT* (ONTARIO))

●

(HEREINAFTER REFERRED TO AS THE **HOLDER**)

CUSIP 64082A112  
ISIN CA64082A1122

is entitled to purchase in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time from the date of issue until 4:30 p.m. (Toronto time) on the Expiry Date (the **Time of Expiry**) on November 28, 2020 (the **Expiry Date**) one fully paid and non-assessable common share (**Common Share**) without nominal or par value of Nerds On Site Inc. (the **Corporation**) at a price of \$0.70 per share, for each Warrant represented hereby. If the Warrants are not exercised by the Time of Expiry the Warrants shall immediately expire and all rights of holders of such Warrants shall be terminated without any compensation to such holder.

The right to purchase Common Shares may only be exercised by the holder within the time set forth above by:

- (a) duly completing and executing the Exercise Form attached hereto;
- (b) surrendering this Warrant Certificate to TSX Trust Company (the **Warrant Agent**) at the principal office of the Warrant Agent in the City of Toronto; and
- (c) remitting a certified cheque or bank draft payable to or to the order of the Corporation where this Warrant Certificate is so surrendered, for the aggregate purchase price of the Common Shares so subscribed for.

This Warrant Certificate shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

Upon surrender of this Warrant Certificate, the person or persons in whose name or names the Common Shares issuable upon exercise of the Warrants are to be issued shall be deemed for all purposes (except as provided in the Indenture (as defined below)) to be the holder or holders of record of such Common Shares and the Corporation covenants that it will (subject to the provisions of the Indenture) cause a certificate or certificates representing such Common Shares to be delivered or mailed to the person or persons at the address or addresses specified in the Exercise Form.

In the event of a purchase of a number of Common Shares fewer than the number which can be purchased upon exercise of the Warrants represented hereby, the registered holder of this Warrant Certificate shall be entitled to receive without charge a new Warrant Certificate in respect of the balance of the Warrants not then exercised. Under no circumstances is the Corporation obliged to issue fractional Common Shares.

The Warrants represented by this certificate are issued under and pursuant to a Warrant Indenture (referred to herein as the **Indenture**) made as of November 26, 2018 between the Corporation and the Warrant Agent. Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the holders of the Warrants and the terms and conditions upon which the Warrants are, or are to be, issued and held, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth. The provisions of the Indenture will prevail in the event of conflict with this Warrant Certificate. By acceptance hereof, the holder assents to all provisions of the Indenture. Capitalized terms used in this Warrant Certificate but not defined herein have the meanings given thereto in the Indenture.

The Indenture provides for adjustment in the exercise price of the Warrants and to the number of shares to be delivered upon exercise in certain events set forth therein. The Indenture provides for the giving of notice by the Corporation prior to taking certain actions specified therein. The registered holder of this Warrant Certificate may, at any time prior to the Time of Expiry on the Expiry Date, upon surrender hereof to the Warrant Agent at its principal office in the City of Toronto, exchange this Warrant Certificate for other Warrant Certificates entitling the holder to acquire, in the aggregate, the same number of Common Shares as may be acquired under this Warrant Certificate. The holding of the Warrants evidenced by this Warrant Certificate shall not constitute the holder hereof a shareholder of the Corporation or entitle the holder to any right or interest in respect thereof except as expressly provided in the Indenture and in this Warrant Certificate.

The Indenture provides that all holders of Warrants shall be bound by any resolution passed at a meeting of the holders held in accordance with the provisions of the Indenture and resolutions signed by the holders of a specified majority of the then outstanding Warrants. The Warrants evidenced by this Warrant Certificate may be transferred on the register kept at the offices of the Warrant Agent by the registered holder hereof or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon compliance with the conditions prescribed in the Indenture and upon compliance with such reasonable requirements as the Warrant Agent may prescribe.

Subject to adjustment in accordance with the Indenture, if at any time following the Issue Date and prior to the Expiry Date of the Warrants, provided the closing price of the Common Shares on the CSE (or the closing bid, if no sales were reported on a trading day) is greater than \$1.00 for 10 consecutive Trading Days, the Corporation may, within 30 days of the 10th Trading Day in such 10 consecutive Trading Day period, deliver a notice to the holders of warrants to accelerate the expiry date of the Warrants such that the Warrants will expire at 4:30 pm (Toronto time) on the 30th day after the date of such notice (the **Accelerated Expiry Date**). All Warrants that remain unexercised following the Accelerated Expiry Date shall immediately expire and all rights of holders of such Warrants shall be terminated without any compensation to such holder.

This Warrant Certificate shall not be valid for any purpose whatsoever unless and until it has been certified by or on behalf of the Warrant Agent. Time shall be of the essence hereof. This Warrant Certificate shall be governed by and construed in accordance with the laws in force in the Province of Ontario.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of November 26, 2018.

NERDS ON SITE INC.

TSX TRUST COMPANY, as Warrant Agent

By: \_\_\_\_\_  
AUTHORIZED SIGNATURE

This Warrant Certificate is one of the Warrant Certificates referred to in the Indenture

By: \_\_\_\_\_  
AUTHORIZED SIGNATURE

THE WARRANTS REPRESENTED BY THIS CERTIFICATE ARE TRANSFERABLE AT THE OFFICES OF TSX TRUST COMPANY IN TORONTO

**Any transfer of Warrants will require compliance with applicable securities legislation.  
Transferees and transferees are urged to contact legal counsel before effecting any such transfer.**

**TRANSFER OF WARRANTS**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to \_\_\_\_\_ (Name in Full), \_\_\_\_\_ (Address) \_\_\_\_\_ (Number of Warrants) Warrants of Nerds On Site Inc. (the **Corporation**) registered in the name of the undersigned on the records of TSX Trust Company represented by the within Warrant Certificate and irrevocably appoints \_\_\_\_\_ the attorney of the undersigned to transfer the said securities on the books or register of transfer with full power of substitution.

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

Signature Guaranteed

Signature of Warrantholder or Authorized Representative

Name of Warrantholder

Name and Title of Authorized Representative

**Instructions:**

1. Signature of the Warrantholder must be the signature of the person appearing on the face of this Warrant Certificate.
2. If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, director or officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Trustee and the Corporation.
3. The signature on the Transfer Form must be guaranteed as set forth below under "Signature Guarantee".
4. The Warrants shall only be transferable in accordance with applicable laws.

**EXERCISE FORM**

TO: NERDS ON SITE INC.  
TSX TRUST COMPANY

The undersigned hereby irrevocably exercises the right to purchase \_\_\_\_\_ Common Shares of Nerds On Site Inc. (the **Corporation**) (or such number of other securities or property to which such Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the Indenture referred to in the within Warrant Certificate) in accordance with and subject to the provisions of the Indenture and encloses herewith a certified cheque or bank draft payable to the order of the Corporation in the amount of \$\_\_\_\_\_ representing the aggregate purchase price for the securities so subscribed for.

The Common Shares (or other securities or property) are to be issued as follows:

Name: \_\_\_\_\_ (print clearly) Address in full \_\_\_\_\_

Social Insurance Number: \_\_\_\_\_ Number of Common Shares: \_\_\_\_\_

**Note:** If further nominees intended, please attach (and initial) schedule giving these particulars.

The undersigned represents, warrants and certifies as follows (one of the following must be checked):

- A. The undersigned holder: (i) at the time of exercise of the Warrant is not in the United States; and (ii) did not execute or deliver the exercise form for the Warrant in the United States.
- B. An exemption from registration under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**) and any applicable state securities law is available, and attached hereto is a written opinion of counsel to such effect, or other evidence of exemption, it being understood that any opinion of counsel or other evidence tendered in connection with the exercise of Warrants must be in form and substance satisfactory to the Corporation.

The undersigned holder understands that: (i) unless box A is checked, the certificate representing the Common Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available; and (ii) Common Shares will not be delivered to an address in the United States unless box B is checked.

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

Signature Guaranteed

Signature of Warrantholder or Authorized Representative

Name of Warrantholder

Name and Title of Authorized Representative

- Please check if the Common Share certificates are to be picked up at the office of the Warrant Agent where the Warrant Certificate is surrendered or failing this Common Share certificates will be mailed to the address set forth above or if no address is specified, to the address as set forth in the records of the Corporation.

**Instructions:**

1. The registered holder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised, together with payment, to TSX Trust Company at its principal office at 301-100 Adelaide Street West, Toronto, Ontario M5H 4H1.. Certificates for Common Shares will be delivered or mailed as soon as practicable after the exercise of the Warrants. The rights of the registered holder hereof cease if the Warrants are not exercised by 4:30 p.m. (Toronto time) on the Expiry Date.
2. If the Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the Warrant Certificate, the signature of such holder on the Exercise Form must be guaranteed as set forth below under "Signature Guarantee".
3. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, director or officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.

**Signature Guarantee:**

The signature on the Transfer Form or the Exercise Form must correspond with the name as written upon the face of the certificate(s), in every particular, without alteration or enlargement, or any change whatsoever and must be guaranteed by a major Canadian Schedule 1 chartered bank or a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). The Guarantor must affix a stamp bearing the actual words "Signature Guarantee".

In the USA, signature guarantees must be done by members of a "Medallion Signature Guarantee Program" only.

Signature guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of the Stamp Medallion Program.



SCHEDULE "B" to the Warrant Indenture made as of November 26, 2018  
between NERDS ON SITE INC. and TSX TRUST COMPANY as Warrant  
Agent

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

TO: TSX Trust Company  
as registrar and transfer agent for the common shares of Nerds On Site Inc.

The undersigned (a) acknowledges that the sale of the securities of Nerds On Site Inc. (the "**Corporation**") to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**") and (b) certifies that (1) the undersigned is not an affiliate of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), (2) the offer of such securities was not made 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 believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the Canadian Securities Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated:

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Name of Seller

By:

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Name:  
Title: