

Dated January 31, 2019

Tocvan Ventures Corp.  
820 - 1130 West Pender Street  
Vancouver, BC V6E 4A4

**Attention: Mr. Derek A. Wood, President and Chief Executive Officer**

Dear Sir:

**RE: Issue and Sale of Securities of Tocvan Ventures Corp.**

PI Financial Corp. (the "**Agent**") understands that Tocvan Ventures Corp. (the "**Corporation**") proposes to issue and sell a minimum and a maximum of 5,000,000 units of the Corporation (the "**Units**") ("**Minimum Offering**") at a price of \$0.10 per Unit for gross proceeds of up to \$500,000 pursuant to an initial public offering (the "**Offering**"). Each Unit consists of one Common Share (a "**Unit Share**") in the capital of the Corporation and one-half of one Common Share purchase warrant of the Corporation. Each whole Common Share purchase warrant (a "**Warrant**") shall permit the holder thereof to purchase one Common Share (a "**Warrant Share**") of the Corporation at an exercise price of \$0.20 per Warrant Share for a period of 18 months following the Closing Date, subject to the Acceleration Clause.

The Agent also understands that the Corporation has prepared and filed the Preliminary Prospectus and all necessary related documentation with respect to the Units with the Securities Commissions in the Offering Provinces and has received the Preliminary Receipt. The Agent also understands that the Corporation intends to file, without delay and on the terms and conditions set out herein, with the Securities Commissions the Prospectus and all necessary related documentation in order to qualify the Units for distribution in each of the Offering Provinces.

Subject to the terms and conditions hereof, the Agent agrees to act as, and the Corporation appoints the Agent as, the sole and exclusive agent of the Corporation to offer 5,000,000 Units for sale to the public in the Offering Provinces at the price of \$0.10 (Cdn.) per Unit and to use its commercially reasonable efforts to secure subscriptions therefor, provided that the Agent shall be under no obligation to purchase any of such Units as principal. The Agent shall be entitled (but not obligated) in connection with the sale of the Units to retain as sub-agents other securities dealers and may receive (for delivery to the Corporation at the Closing Time) subscriptions for Units from other securities dealers. The Agent shall have the exclusive right to select such sub-agent and the fee payable to such sub-agent shall be for the account of the Agent.

If, for whatever reason, the Minimum Offering is not completed by the date which is 90 days after the issuance of the Final Receipt, or such later date as agreed to by the Corporation and the Agent and on such terms as may be prescribed by the Securities Commissions, all subscription funds shall be returned to the subscribers without interest or deduction, unless such subscribers have otherwise instructed the Agent.

In consideration for its services hereunder the Agent shall be entitled to the Agent's Fee, expenses, and Agent's Warrants provided for in paragraph 9. For greater certainty, except as provided for in paragraph 9, the services provided by the Agent in connection herewith will not be subject to Goods and Services Tax ("**GST**") and taxable supplies will be incidental to the exempt financial services provided.

The following are the terms and conditions of this Agreement:

## 1. Definitions

In this Agreement:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta), as amended from time to time;
- (b) "**Acceleration Clause**" means if the closing price of the Common Shares on the Exchange is equal to or greater than \$0.30 for a period of ten (10) consecutive days, the Corporation will have the right to accelerate the expiry of the Warrants, Agent's Warrants and Compensation Unit Warrants by giving notice to the holders of the Warrants, Agent's Warrants and Compensation Unit Warrants by news release or other form of notice specified in the Warrant Indenture or certificates representing the Agent's Warrants and the Compensation Unit Warrants, that the Warrants, Agent's Warrants and Compensation Unit Warrants will expire at 5:00 p.m. (Toronto time) on a date that is not less than thirty (30) days from the date notice is given;
- (c) "**Agent**" means PI Financial Corp.;
- (d) "**Agent's counsel**" means Burstall LLP, or such other legal counsel as the Agent, with the consent of the Corporation, may appoint;
- (e) "**Agent's Fee**" means the cash fee payable by the Corporation to the Agent equal to 10% of the aggregate gross proceeds of the Offering;
- (f) "**Agent's Warrants**" means the warrants, in the form attached hereto as Schedule "A", to be granted to the Agent or as directed by the Agent to purchase that number of Compensation Units equal to 10% of the aggregate number of Units sold pursuant to the Offering. Each Agent's Warrant will be exercisable into one Compensation Unit upon payment of \$0.10 per Compensation Unit at any time prior to the date which is 36 months from the Listing Date, subject to the Acceleration Clause;
- (g) "**Agreement**" means this agency agreement among the Corporation and the Agent, and words such as "**hereof**", "**hereto**", "**herein**" and "**hereby**" refer to this Agreement as the context requires;
- (h) "**Applicable Securities Laws**" includes, collectively, all applicable securities, corporate and other laws, rules, regulations, notices, instruments, blanket orders, decision documents, and published procedures and policies in force in the Offering Provinces;
- (i) "**business day**" means a day which is not Saturday, Sunday or a legal holiday in the City of Calgary, Alberta;
- (j) "**Closing Date**" means the closing of the Offering on such date or dates as the Agent and the Corporation may agree;
- (k) "**Closing Time**" means 8:00 a.m. (Calgary time), or such other time, on the Closing Date, as the Agent and the Corporation may agree;
- (l) "**Common Share**" means a common share in the capital of the Corporation;

- (m) "**Compensation Unit**" means a compensation unit issued pursuant to the exercise of the Agent's Warrants, each Compensation Unit being comprised of one (1) Common Share and one (1) Compensation Unit Warrant;
- (n) "**Compensation Unit Warrant**" means each compensation unit warrant issued pursuant to the exercise of the Agent's Warrants, each Compensation Unit Warrant entitling the holder thereof to acquire one (1) Common Share upon payment of \$0.20 at any time prior to the date that is 36 months from the Listing Date, subject to the Acceleration Clause;
- (o) "**Corporation**" means Tocvan Ventures Corp., a corporation incorporated under the ABCA;
- (p) "**Corporation's auditors**" means Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants of Vancouver, British Columbia or such other firm of accountants appointed as the auditors of the Corporation from time to time;
- (q) "**Corporation's counsel**" means Heighington Law, or such other legal counsel as the Corporation, with the consent of the Agent, may appoint;
- (r) "**Due Diligence Session**" shall have the meaning set out in subparagraph 2(f);
- (s) "**Exchange**" means the Canadian Securities Exchange;
- (t) "**Final Receipt**" means the receipt or receipts for the Prospectuses issued in accordance with the Passport System;
- (u) "**Financial Statements**" means the financial statements contained in the Prospectuses;
- (v) "**Indemnified Persons**" means the Agent and the sub-agent of the Agent, and the directors, officers, employees, shareholders and consultants or Agent of the Agent and the sub-agent of the Agent;
- (w) "**Listing Date**" means the date that the Common Shares are listed and posted for trading on the Exchange;
- (x) "**Material Agreements**" means the contracts in the Prospectus listed under the heading "Material Contracts";
- (y) "**MI 11-102**" means Multilateral Instrument 11-102 *Passport System* of the Canadian Securities Administrators, as amended or replaced;
- (z) "**Minimum Offering**" means 5,000,000 Units for aggregate gross proceeds of \$500,000;
- (aa) "**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;
- (bb) "**NP 11-202**" means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*, as amended or replaced;
- (cc) "**Offering**" means the initial public offering of the Corporation of 5,000,000 Units pursuant to the Prospectus;

- (dd) "**Offering Provinces**" means British Columbia, Alberta and Ontario, and elsewhere where permitted by applicable law, and "**Offering Province**" means any one of them;
- (ee) "**OSC**" means the Ontario Securities Commission;
- (ff) "**Passport System**" means the system and procedures for the filing of prospectuses and related materials in one or more Canadian jurisdictions pursuant to MI 11-102 and NP 11-202;
- (gg) "**Preliminary Prospectus**" means the preliminary long form prospectus of the Corporation dated November 21, 2018 and any amendments thereto, in respect of the qualification for distribution of the Units in the Offering Provinces;
- (hh) "**Preliminary Receipt**" means the receipt or receipts for the Preliminary Prospectus issued in accordance with the Passport System;
- (ii) "**Prospectus**" means the (final) long form prospectus of the Corporation and any amendments thereto, in respect of the qualification for distribution of the Units in the Offering Provinces;
- (jj) "**Prospectuses**" means, collectively, the Preliminary Prospectus, and the Prospectus;
- (kk) "**Public Record**" means all information filed by or on behalf of the Corporation with the Securities Commissions, including without limitation, the Prospectuses, any Supplementary Material and any other information filed with the Securities Commissions, or any other securities commission or similar regulatory authority in compliance, or intended compliance, with any Applicable Securities Laws;
- (ll) "**Securities**" means, collectively, the Units, Unit Shares, Warrants, Warrant Shares, Agent's Warrants, Compensation Units and Compensation Unit Warrants;
- (mm) "**Securities Commissions**" means the securities commission or similar regulatory authority in each of the Offering Provinces, as the case may be;
- (nn) "**Supplementary Material**" means, collectively, any amendment to the Prospectuses, any amended or supplemental Prospectuses or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation with the Securities Commissions in compliance or intended compliance with the Applicable Securities Laws;
- (oo) "**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time and any and all rules and regulations made pursuant thereto;
- (pp) "**Technical Report**" means the NI 43-101 compliant technical report entitled "2018 Technical Summary Report on the Rogers Creek Property, South Western British Columbia, Lillooet Mining District" dated December 19, 2018 prepared by Brian P. Fowler, P.GeO, an independent person of the Corporation and a "Qualified Person" as defined in NI 43-101;
- (qq) "**Transfer Agent**" means TSX Trust Company;

- (rr) **"Unit Share"** means one (1) Common Share of the Corporation comprising a part of the Unit;
- (ss) **"Units"** means units issued by the Corporation pursuant to the Offering, each Unit consisting of one (1) Unit Share and one-half (½) of one (1) Warrant;
- (tt) **"Warrant"** means a Common Share purchase warrant of the Corporation issued pursuant to the Warrant Indenture, entitling the holder thereof to acquire one (1) Warrant Share for an exercise price of \$0.10 per Warrant Share for a period of 18 months following the Closing Date, subject to the Acceleration Clause;
- (uu) **"Warrant Indenture"** means the warrant indenture dated January 31, 2019 between the Corporation and the Transfer Agent in respect of the creation of the Warrants;
- (vv) **"Warrant Share"** means a Common Share issued pursuant to the exercise of a Warrant; and

**"affiliate", "associate", "distribution", "insider", "misrepresentation", "material change" and "material fact"** shall have the meanings ascribed thereto under the Applicable Securities Laws.

Capitalized terms not otherwise defined in this Agreement shall have the meaning set out in the Prospectus.

## 2. Covenants as to Creation and Qualification

The Corporation:

- (a) agrees that the Securities will be duly and validly authorized and issued;
- (b) shall elect and comply in all material respects with the Passport System and will:
  - (1) file the Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions in each of the Offering Provinces; and
  - (2) obtain from the British Columbia Securities Commission and the OSC the Final Receipt, evidencing that a receipt for the Prospectus has been issued in Alberta, British Columbia and Ontario and has been deemed to have been issued in each of the Offering Provinces, or otherwise obtained a receipt for the Prospectus from each of the Securities Commissions;

and shall have taken all other steps and proceedings that may be necessary on its part in order to qualify the Units and Agent's Warrants for distribution in each of the Offering Provinces by the Agent who are registered in a category permitting them to distribute the Units under the Applicable Securities Laws and who comply with the Applicable Securities Laws;

- (c) covenants that it will use its reasonable commercially efforts to obtain the Final Receipt not later than February 15, 2019, and if not obtained by such date, the Corporation will continue to use its reasonable commercially efforts to obtain the Final Receipt;

- (d) covenants that it will use its reasonable commercially efforts to obtain, on or prior to the issuance of the Final Receipt, all necessary approvals of the Exchange for the listing on the Exchange of the Common Shares (including without limitation the Unit Shares, Warrant Shares and the Common Shares comprising the Compensation Units and the Common Shares issuable upon the exercise of the Compensation Unit Warrants), subject only to satisfaction of conditions of the Exchange satisfactory to the Agent, acting reasonably, and thereafter maintain its listing on the Exchange;
- (e) shall, prior to the filing of the Prospectus and, during the period of distribution of the Units, prior to the filing with any Securities Commissions of any Supplementary Material, have allowed the Agent and the Agent's counsel to participate fully in the preparation of and to approve the form of such documents (such approval not to be unreasonably withheld);
- (f) prior to the filing of the Prospectus or any Supplementary Material and the Closing Time, will allow the Agent to participate fully in the preparation of such documents and will allow the Agent and the Agent's counsel, advisors and representatives to conduct all additional due diligence investigations, which they may reasonably require in order to fulfill their obligations as Agent in connection with the distribution of the Units and in order to enable them to execute the certificate required to be executed by them in the Prospectus and any Supplementary Material, which may include investigations conducted up to the Closing Time, including the holding of one or more due diligence sessions to be held at or prior to the Closing Time (collectively, the "**Due Diligence Session**") with officials of the Corporation, outside counsel, auditors and Qualified Persons (as defined in NI 43-101). The Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions and shall use its best efforts to have its outside counsel, its auditors and Qualified Persons (as defined in NI 43-101) provide written responses to such questions in advance of the Due Diligence Session. The Agent may waive holding actual due diligence sessions and instead rely on the written responses to such questions, in which case Due Diligence Session will mean the written responses;
- (g) shall use its reasonable commercial efforts to take or cause to be taken all such steps and proceedings, including fulfilling all legal, regulatory and other requirements as required under Applicable Securities Laws to qualify the Units and Agent's Warrants for distribution in the Offering Provinces, and shall not withdraw the Prospectus from the Offering Provinces without the prior written consent of the Agent; and
- (h) shall duly, faithfully and punctually perform all the obligations to be performed by it pursuant to this Agreement and shall comply with its covenants and agreements hereunder.

### **3. Delivery of Prospectus and Related Documents**

The Corporation shall deliver or cause to be delivered without charge to the Agent and the Agent's counsel the documents set out below at the respective times indicated:

- (a) prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Prospectuses:
  - (i) copies of the Prospectuses, signed as required by the Applicable Securities Laws; and

- (ii) if requested by the Agent, acting reasonably, copies of any documents referred to therein which have not previously been delivered to the Agent;
- (b) as soon as they are available, copies of any Supplementary Material, if required, signed as required by the Applicable Securities Laws;
- (c) a "long-form" comfort letter or comfort letters dated the date of the Prospectus, in form and substance satisfactory to the Agent, addressed to the Agent from the Corporation's auditors, and based on a review completed not more than two Business Days prior to the date of the Prospectus, with respect to certain financial and accounting information relating to the Corporation in the Prospectus, which letter shall be in addition to the auditors' reports contained in the Prospectus and any auditors' comfort letters addressed to the Securities Commissions;
- (d) comfort letters and other documents substantially similar to those referred to in subparagraph 3(c) of this Agreement will be delivered to the Agent and the Agent's counsel with respect to any Supplementary Material or other relevant document, concurrently with the filing of the Supplementary Material or other relevant document; and
- (e) prior to the filing of the Prospectus, evidence satisfactory to the Agent, acting reasonably, of the approval of the listing for trading on the Exchange of the Common Shares (including the Unit Shares, Warrant Shares, the Common Shares comprising the Compensation Units and the Common Shares issuable upon the exercise of the Compensation Unit Warrants).

#### **4. Material Change and Certain Other Covenants**

The Corporation agrees:

- (a) that during the period of distribution of the Units and Agent's Warrants, it will promptly inform the Agent with full particulars of:
  - (i) any material change (actual, anticipated or threatened) in or affecting the business, operations, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation;
  - (ii) any change in any material fact contained or referred to in the Public Record; and
  - (iii) the occurrence of a material fact or event which, in any such case, is, or may be, of such a nature as to:
    - (A) render any portion of the Public Record untrue, false or misleading in any material respect;
    - (B) result in a misrepresentation in the Public Record; or
    - (C) result in the Public Record not complying with the Applicable Securities Laws,

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this section has occurred, the Corporation

shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature;

- (b) that during the period of distribution of the Units, it will promptly inform the Agent with full particulars of:
  - (i) any request of the Securities Commissions or any similar regulatory authority for any amendment to, or to suspend or prevent the use of the Prospectus, any Supplementary Material or any other part of the Public Record or for any additional information;
  - (ii) the issuance by the Securities Commissions or similar regulatory authority, the Exchange, or by any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose; or
  - (iii) the receipt by the Corporation of any communication from the Securities Commissions, or similar regulatory authority, the Exchange or any other competent authority, relating to the Prospectuses, any Supplementary Material, any other part of the Public Record, the distribution of the Units and Agent's Warrants, or the listing of the Common Shares (including the Unit Shares, Warrant Shares, Common Shares comprising the Compensation Units and the Common Shares issuable upon the exercise of the Compensation Unit Warrants) on the Exchange;
- (c) it will promptly comply to the reasonable satisfaction of the Agent and the Agent's counsel with Applicable Securities Laws with respect to any material change, change, occurrence or event of the nature referred to in subparagraphs 4(a) or (b) above and the Corporation will prepare and file promptly at the Agent's request any amendment to the Prospectus or Supplementary Material as may be required under Applicable Securities Laws, provided that the Corporation shall have allowed the Agent and the Agent's counsel to participate fully in the preparation of any Supplementary Material, and to conduct all due diligence investigations which the Agent may reasonably have required in order to fulfil their obligations as Agent and in order to enable the Agent to execute the certificate required to be executed by them in, or in connection with such Supplementary Material;
- (d) that during the period from the effective date hereof until the completion of the distribution of the Units, it will promptly provide to the Agent for review by the Agent and the Agent's counsel prior to filing or issuance:
  - (i) any financial statement of the Corporation;
  - (ii) any document intended to be filed as part of the Public Record;
  - (iii) any press release of the Corporation; and
  - (iv) any amendment to the Prospectus;
- (e) that during the period commencing the effective date hereof and ending 90 days after the Closing Date, the Corporation shall not, except for:



- (i) issuances of stock options and other securities pursuant to Corporation's stock option plan or similar Common share compensation plan or arrangement described in the Prospectus, and the issuance of the Common Shares issuable pursuant to the exercise thereof;
- (ii) issuances of Common Shares or securities convertible into Common Shares in connection with convertible securities existing as of the date hereof and described in the Prospectus; or
- (iii) issuances of Common Shares as contemplated pursuant to the Material Agreements;

issue or agree to issue any Common Shares, or any securities exchangeable or convertible into Common Shares, without the prior written consent of the Agent, not to be unreasonably withheld; and

- (f) that no press release or similar public announcement concerning this Agreement or any other instrument relating hereto, or the relationship between the Corporation and the Agent shall be made without the prior written consent of the Agent, such consent not to be unreasonably withheld.

## **5. Agent's Covenants**

The Agent represents, warrants, covenants and agrees with the Corporation that it:

- (a) will offer the Units for sale to the public in the Offering Provinces, directly and through sub-agents, if any, in compliance with the Applicable Securities Laws and upon the terms and conditions set forth in this Agreement. The Agent shall be obligated only to use its commercially reasonable efforts to effect the distribution of the Units and shall be under no obligation to purchase any Units as principal, or to retain any sub-agent. Notwithstanding the foregoing, the Agent will not be liable to the Corporation under this subparagraph 5(a) with respect to a default by any sub-agent under this subparagraph 5(a) if the Agent is not itself also in default;
- (b) will not solicit subscriptions for the Units, trade in Units or otherwise do any act in furtherance of a trade of Units in any jurisdictions outside of the Offering Provinces and will cause a similar covenant to be contained in any agreement entered into with any sub-agent, if any, established in connection with the distribution of the Units;
- (c) will conduct activities in connection with the proposed offer and sale of the Units in compliance with all the Applicable Securities Laws and upon the terms and conditions set forth in the Prospectus and this Agreement and cause a similar covenant to be obtained from sub-agent, if any, in connection with the distribution of the Units and will indemnify the Corporation from all losses incurred by it as a result of a violation by the Agent of Applicable Securities Laws;
- (d) it is a corporation incorporated and existing under the laws of its jurisdiction or incorporation;
- (e) it will refrain from advertising the Offering in (A) printed public media of general and regular paid circulation, (B) radio, (C) television or (D) telecommunications, including

electronic display and not make use of any green sheet or other internal marketing document without the consent of the Corporation, such consent to be promptly considered and not to be unreasonably withheld;

- (f) it will comply with, and ensure that its directors, officers, employees and affiliates comply with all applicable market stabilization rules and requirements of the Securities Commissions and Applicable Securities Laws; and
- (g) it is and will be, at the Closing Time, duly registered under the Applicable Securities Laws under a category that permits it to sell the Units in the Offering Provinces.

## **6. Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Agent and acknowledges that the Agent and the Agent's counsel are relying upon such representations and warranties, that:

- (a) delivery of each of the Prospectuses or any Supplementary Material shall constitute a representation and warranty to the Agent by the Corporation that:
  - (i) all of the information and statements contained in the Prospectuses, Public Record or any Supplementary Material, as the case may be:
    - (1) are at the respective dates of such documents, true and correct in all material respects;
    - (2) contain no misrepresentation; and
    - (3) constitute full, true and plain disclosure of all material facts relating to the Corporation, and the distribution of the Units;

other than any information or statements relating solely to the Agent and furnished to the Corporation by the Agent in writing expressly for inclusion in the Prospectuses or the Supplementary Material;
  - (ii) the Prospectuses or any Supplementary Material, as the case may be, comply in all material respects with the Applicable Securities Laws;
  - (iii) there has been no intervening material change (actual, proposed or prospective, whether financial or otherwise), from the date of the Prospectuses and any Supplementary Material to the time of delivery thereof in the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation;
  - (iv) the Financial Statements fairly present, in all material respects and in accordance with internal financial reporting standards consistently applied, the financial position and condition of the Corporation as at the dates thereof and the results of the operations of the Corporation for the periods then ended and reflect all liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof, in all material respects, and in accordance with internal financial reporting standards consistently applied;

- (v) based upon representations made by the Corporation's auditors to the Corporation, the Corporation's auditors are independent chartered accountants with respect to the Corporation as required by Applicable Securities Laws; and
  - (vi) there has not been any reportable disagreement (within the meaning of Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with the Corporation's auditors;
- (b) the Corporation has been duly incorporated and is valid and subsisting under the laws of the ABCA, and the Corporation has all requisite power and authority to carry on its business as now conducted by it and to own, lease and operate its properties and assets;
  - (c) the Corporation has no subsidiaries;
  - (d) the Corporation is qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business;
  - (e) the Corporation has full power and authority to enter into the Material Agreements and Agent's Warrant certificates and to perform its obligations set out herein (including, without limitation, to issue the Securities) and the Material Agreements and Agent's Warrant certificates have been or will be duly authorized, executed and delivered by the Corporation, and the Material Agreements and Agent's Warrant certificates are legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms subject to the general qualification that:
    - (i) the enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting creditors' rights;
    - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
    - (iii) the enforceability of any provision exculpating a party from liability or duty otherwise owed by it may be limited under applicable law;
    - (iv) the enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court;
    - (v) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments;
    - (vi) rights to indemnity and contribution hereunder may be limited under applicable law; and
    - (vii) the enforceability may be limited by applicable laws regarding limitation of actions;
- (f) at the date of issuance, the Common Shares to be issued pursuant to this Agreement will, upon issuance, be issued as fully paid and non-assessable Common Shares. The Warrant

Shares issuable upon exercise of the Warrants, the Common Shares comprising part of the Compensation Units issuable upon exercise of the Agent's Warrants and the Common Shares issuable upon the exercise of the Compensation Unit Warrants will, when executed pursuant to the terms of the Warrant Indenture or the applicable certificate, respectively, be validly issued as fully paid and non-assessable Common Shares;

- (g) the Corporation is not in default or breach of the execution and delivery of, and the performance of and compliance with the terms of this Agreement and the Material Agreements by the Corporation, or any of the transactions contemplated hereby, do not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the articles, by-laws, other constating documents or resolutions of the directors or shareholders of the Corporation or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document, to which the Corporation is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation, which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or its properties and assets;
- (h) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that transactions are recorded as necessary to facilitate preparation of financial statements in conformity with internal financial reporting standards to maintain accountability for assets;
- (i) to the knowledge of the Corporation, there are no material actions, suits, proceedings or inquiries pending or threatened against or affecting the Corporation at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may in any way materially adversely affect, the business, operations, capital or condition (financial or otherwise) of the Corporation or its assets or which affects or may affect the distribution of the Units, and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;
- (j) there has not been any material change in the capital, assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation from the position set forth in the Financial Statements except as contemplated by the Prospectuses and there has not been any adverse material change in the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation since November 30, 2018; and since that date there have been no material facts, transactions, events or occurrences which could materially adversely affect the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation which have not been disclosed in the Prospectuses
- (k) the authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares, of which 4,825,000 Common Shares and no preferred shares are issued and outstanding;

- (l) no person holds any securities convertible or exchangeable into any unissued securities of the Corporation, or has any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right for the purchase or other acquisition of any unissued Common Shares, preferred shares or other securities of the Corporation, except as disclosed in the Prospectus;
- (m) the form and terms of definitive certificates representing the Common Shares, Warrants and Agent's Warrants have been duly approved and adopted by the Corporation and comply with all legal requirements relating thereto;
- (n) the Corporation has the necessary corporate power and authority to execute, deliver and file the Prospectuses and any Supplementary Materials and, prior to filing the Prospectuses or Supplementary Materials, as applicable, all requisite action will have been taken by the Corporation to authorize the execution, delivery and filing of the Prospectuses and Supplementary Materials;
- (o) neither the Securities Commissions, other securities commissions or similar regulatory authorities, the Exchange or any other stock exchanges have issued any order which is currently outstanding ceasing, halting, suspending or preventing trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened;
- (p) the Corporation is not in default of any requirement of Applicable Securities Laws in any material respect;
- (q) to the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation;
- (r) the Corporation does not owe any money to, nor has the Corporation any present loans to, or borrowed any monies from, is or otherwise indebted to any officer, director, employee, shareholder, partner, any person not dealing at "arm's length" (as such term is defined in the Tax Act) with the Corporation or any person with similar powers and authorities as those listed above, except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Corporation;
- (s) the Corporation is not a party to any contract, agreement or understanding with any officer, director, employee, shareholder, any other person not dealing at "arm's length" (as such term is defined in the Tax Act) with the Corporation or any person with similar powers and authorities as those listed above, which may have a material adverse effect on the conduct of the business, operations, financial condition or income of the Corporation, except as disclosed herein or in the Prospectus;
- (t) the minute books of the Corporation are, in all material respects, true and correct and contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors and shareholders of the Corporation and all such meetings were duly called and properly held and all consent resolutions were properly adopted;
- (u) the books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;

- (v) the information and statements set forth in the Public Record, as such relate to the Corporation, were true, correct and complete in all material respects and did not contain any misrepresentation as of the respective dates of such information or statements, the Public Record complies with Applicable Securities Laws in all material respects, no material change has occurred in relation to the Corporation which is not disclosed in the Public Record;
- (w) other than as provided for in this Agreement, the Corporation has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finders fees, commissions or other similar forms of compensation with respect to the transactions contemplated in this Agreement;
- (x) there is presently no material plan in place for retirement bonus, pension benefits, unemployment benefits, deferred compensation, severance or termination pay, insurance, sick leave, disability, salary continuation, legal benefits, vacation or other employee incentives or compensation that is contributed to or required to be contributed to by the Corporation for the benefit of any current or former director, officer, employee, consultant or partner of the Corporation;
- (y) the Corporation is not a party to or bound by any agreement of guarantee, indemnification or any other like commitment of the obligations, liabilities (contingent or otherwise) of indebtedness of any other person;
- (z) no officer, director, employee, partner or any other person not dealing at arm's length with the Corporation, any associate or affiliate of any such person, owns, has or is entitled to any royalty or any other encumbrances or claims of any nature whatsoever on the properties or other assets of the Corporation or any revenue or rights attributed thereto;
- (aa) except as disclosed in the Prospectus, neither the Corporation nor any of its holders of Common Shares is a party to any shareholders agreement, escrow agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation;
- (bb) to the knowledge of the Corporation, the Corporation has not entered into any agreements or made any covenants with any parties, including without limitation any rights of first refusal, that would restrict the Corporation from entering into this Agreement;
- (cc) the Corporation has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies applicable to it of each jurisdiction in which it carries on business and holds all licenses, registrations and qualifications in all jurisdictions in which it carries on business which is necessary or desirable to carry on the business as now conducted and as presently proposed to be conducted and all such licenses, registrations or qualifications are valid and existing and in good standing and none of such licenses, registrations or qualifications contain any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect on the business of the Corporation, as now conducted or as proposed to be conducted and the Corporation is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Corporation anticipates the Corporation will be unable to comply with without materially adversely affecting the Corporation;

- (dd) the Corporation is in compliance with all its material obligations, covenants and terms contained in any banking, mortgage or other financing agreements which it is a party to;
- (ee) no authorization, approval or consent of any court or governmental authority or agency is required to be obtained by the Corporation in connection with the sale and delivery of the Units hereunder, except such as may be required under the Applicable Securities Laws;
- (ff) the Transfer Agent, at its principal offices in the City of Calgary, in the Province of Alberta is the duly appointed registrar and transfer agent for the Common Shares;
- (gg) the Corporation is in material compliance with the terms of the Material Agreements and the Corporation is not aware of any default or breach of a material nature under any of such Material Agreements by any other party thereto;
- (hh) to the knowledge of the Corporation, the Technical Report does not contain a material misrepresentation and the Corporation has no knowledge of a material adverse change in any information provided to the author of the Technical Report since the date that such information was so provided. The Corporation has no reason to believe the Technical Report does not fully comply with the requirements set out in NI 43-101;
- (ii) although it does not warrant title, except as set out in the Prospectus:
  - (i) the Corporation does not have reason to believe that the Corporation does not have title to or the irrevocable right to prospect, explore for, mine and sell such minerals contained on or in the properties described in the Prospectuses (for the purposes of this subparagraph, the foregoing are referred to as the "**Interests**") and does represent and warrant that the Interests are free and clear of adverse claims created by, through or under the Corporation, or those arising in the ordinary course of business which are not material in the aggregate;
  - (ii) the Corporation is not aware of any defects, failures or impairments in the title of the Corporation to its Interests, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse affect on the Interests; and
- (jj) except to the extent that any violation or other matter referred to in this subsection does not have a material adverse effect on the business, financial condition, assets, properties, liabilities or operations of the Corporation:
  - (i) the Corporation is not in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");
  - (ii) the Corporation has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
  - (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or

- any municipal or other sewer or drain water systems by the Corporation that have not been remedied;
- (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation;
  - (v) the Corporation has not failed to report to the proper governmental body the occurrence of any event which is required to be so reported by any Environmental Law;
  - (vi) the Corporation holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect, and the Corporation has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and
  - (vii) the Corporation has not received any notice of, or been prosecuted for any offence alleging, material non-compliance with any Environmental Laws, and the Corporation has not settled any allegation of material non-compliance short of prosecution;
- (kk) any and all operations of the Corporation and, to the knowledge of the Corporation, any and all operations by third parties, on or in respect of the assets and properties of the Corporation have been conducted in accordance with good mining industry practices and in material compliance with applicable laws, rules, regulations, orders and directions of governmental and other competent authorities;
  - (ll) in respect of the assets and properties of the Corporation that are operated by it, if any, the Corporation holds all valid licences, permits and similar rights and privileges that are required and necessary under applicable laws to operate the assets and properties of the Corporation as presently operated; and
  - (mm) the responses given by the Corporation and its directors, officers, as applicable, in the Due Diligence Session were true and correct where they relate to matters of fact, and the Corporation and its directors, officers, as applicable, have responded in as thorough and complete fashion as possible, having regard to the nature of the questions and the time period that existed to address the due diligence questions and provide responses. Where the responses reflect the opinion or view of the Corporation or its directors, officers, as applicable, such opinions or views were honestly held at the time they were given.

## **7. Conditions**

The obligations of the Agent hereunder shall be conditional upon the Agent receiving on or prior to the Closing Date:



- (a) a legal opinion of the Corporation's counsel addressed to the Agent in form and substance reasonably satisfactory to the Agent and Agent's counsel, with respect to such matters as the Agent may reasonably request relating to the Offering, including, without limitation, that:
- (i) the Corporation has been duly incorporated and is valid and subsisting under the laws of Alberta, and the Corporation has all requisite power and authority to carry on its business as now conducted by it and to own, lease and operate its properties and assets. The Corporation has no subsidiaries;
  - (ii) the form and terms of the certificates representing the Common Shares, Warrants and Agent's Warrants have been approved and adopted and comply with all legal requirements relating thereto;
  - (iii) the Corporation has full corporate power and authority to enter into this Agreement, Warrant Indenture, Agent's Warrant certificates and to perform its obligations set out herein and therein and this Agreement, Warrant Indenture, Agent's Warrant certificates have been duly authorized, executed and delivered by the Corporation and constitutes its legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with its terms, except that the validity, binding effect and enforceability of the terms of agreements and documents are subject to the qualification that such validity, binding effect and enforceability may be limited by: (i) applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court; (iii) the statutory and inherent powers of a court to grant relief from forfeiture, to stay execution of proceedings before it and to stay executions on judgments; (iv) the applicable laws regarding limitations of actions; (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court; (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by them may be limited under applicable law; and (vii) the rights to indemnity, contribution and waiver under the documents which may be limited or unavailable under applicable law;
  - (iv) the execution and delivery of this Agreement, Warrant Indenture and Agent's Warrant certificates and the fulfillment of the terms hereof by the Corporation, and the performance of and compliance with the terms of this Agreement, Warrant Indenture and Agent's Warrant certificates by the Corporation, does not and will not result in a breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under: (a) any applicable laws of Alberta applicable therein; (b) any term or provision of the articles, by-laws or other constating documents of the Corporation; (c) of which counsel is aware, any resolutions of the shareholders or directors (or any committee thereof) of the Corporation; (d) of which counsel is aware, any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; or (e) of which counsel is aware, any judgment, decree or order, of any court, governmental agency or body or

regulatory authority having jurisdiction over or binding the Corporation or its properties or assets;

- (v) the Common Shares have been duly authorized and when issued in accordance with the terms hereof, will be validly issued as fully paid and non-assessable Common Shares. The Warrant Shares issuable upon exercise of the Warrants in accordance with the Warrant Indenture will be validly issued as fully paid and non-assessable Common Shares, the Common Shares comprising part of the Compensation Units when issued in accordance with the terms of the Agent's Warrants certificate and the Common Shares when issued in accordance with the terms of the Compensation Unit Warrants certificate will be validly issued as fully paid and non-assessable Common Shares;
- (vi) all Applicable Securities Laws of the Offering Provinces and other laws applicable to the Corporation in connection with the creation, offering, issuance and sale of the Securities have been complied with;
- (vii) the Corporation has the necessary power and authority to execute and deliver the Prospectuses and all necessary action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Offering Jurisdictions in accordance with the Applicable Securities Laws;
- (viii) all necessary documents will have been filed, all necessary proceedings will have been taken and all legal requirements will have been fulfilled as required under the Applicable Securities Laws of each of the Offering Provinces in order to qualify the Units for distribution in each of such Offering Provinces;
- (ix) all necessary documents will have been filed, all necessary proceedings will have been taken and all legal requirements will have been fulfilled as required under the Applicable Securities Laws in order to qualify the Agent's Warrants for distribution;
- (x) the first trade of the Unit Shares, Warrants, Warrant Shares, the Common Shares comprising part of the Compensation Units and the Common Shares issuable upon exercise of the Compensation Unit Warrants;
- (xi) the Unit Shares, Warrant Shares, the Common Shares comprising part of the Compensation Units and the Common Shares issuable upon exercise of the Compensation Unit Warrants sold pursuant to this Agreement are conditionally listed and, upon notification to the Exchange of the issuance and sale thereof, will be posted for trading on the Exchange;
- (xii) the Transfer Agent, at its principal office in Calgary has been duly appointed as the transfer agent and registrar for the Common Shares; and
- (xiii) the eligibility of the Unit Shares and Warrants as an investment by Registered Retirement Savings Plans or similar tax plans;

and additionally, relating to the authorized and issued capital of the Corporation and as to all other legal matters, including compliance with the laws of Alberta and Applicable

Securities Laws of the Offering Provinces, in any way connected with the disclosure of the Corporation in the Prospectuses and the distribution of the Units, as the Agent may reasonably request.

It is understood that the respective counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than the jurisdiction of residence of such counsel and on certificates of officers of the Corporation, the Transfer Agent and the Corporation's auditors as to relevant matters of fact;

- (b) a certificate of the Corporation dated the Closing Date, addressed to the Agent and signed on the Corporation's behalf by its Chief Executive Officer and Chief Financial Officer or such other officers or directors of the Corporation satisfactory to the Agent, acting reasonably, certifying that:
  - (i) the Corporation has complied with and satisfied all terms and conditions of this Agreement and the Material Agreements on its part to be complied with or satisfied at or prior to the Closing Time other than those which have been waived by the Agent;
  - (ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct at the Closing Time, as if made at such time;
  - (iii) no event of a nature referred to in subparagraphs 13(a), (b), (c), (f) or (g) has occurred or to the knowledge of such officers is pending, contemplated or threatened, except in the case where the Corporation has consulted with the Agent pursuant to subparagraph 4(a);
  - (iv) the Corporation has made and/or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances under Applicable Securities Laws, and under any applicable agreement or document to which the Corporation is a party or by which it is bound in respect of the execution and delivery of this Agreement, the offering and sale of the Units and the consummation of the other transactions contemplated hereby, subject to the completion of filings with the Securities Commissions following the Closing Date;
- (c) evidence satisfactory to the Agent that the Common Shares have been conditionally listed on the Exchange, and shall be posted for trading as at the opening of business on the Closing Date or such other date as the Corporation and the Agent may agree;
- (d) an executed Warrant Indenture by the Corporation and the Transfer Agent in form and substance satisfactory to the Agent, acting reasonably;
- (e) evidence that the Corporation is a "reporting issuer" in each of the Offering Jurisdictions and is not included on a list of defaulting reporting issuers maintained by the Securities Commissions where such a list is maintained; and
- (f) such other certificates and documents as the Agent may request, acting reasonably.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and without limitation, and the Agent shall have the right, if any of the foregoing conditions are not met, on behalf of potential subscribers, to withdraw all Subscriptions

Agreements delivered and not previously accepted by the Corporation or withdrawn or rescinded by such persons. If any of the foregoing conditions are not met or waived on or before the Closing Date, the Agent may terminate their obligations under this Agreement without prejudice to any other remedies they may have.

## 8. Closing

The closing of the issue and sale of the Units shall be completed at the Closing Time at the offices of the Corporation's counsel in Calgary, Alberta or at such other place as the Corporation and the Agent may agree. Subject to the conditions set forth in paragraph 7, the Agent, on the Closing Date, shall deliver to the Corporation the net proceeds from the sale of the Units, less the amount payable in paragraph 9, either directly or indirectly by way of certified cheque, bank draft or wire transfer against delivery by the Corporation of:

- (a) definitive certificates representing, in the aggregate, all of the Unit Shares and Warrants subscribed for registered in such name(s) as directed by the Agent;
- (b) definitive certificate(s) representing the Agent's Warrants registered in such name(s) as directed by the Agent; and
- (c) such further documentation as may be contemplated by this Agreement or that may reasonably be requested by the Agent.

Notwithstanding the foregoing, if the Agent requests that the Corporation issue all or part of the Unit Shares and Warrants as a book-entry only security in accordance with the rules and procedures of CDS Clearing and Depository Services Inc. ("**CDS**"), then, as an alternative to the Corporation delivering to the Agent definitive certificates representing the Unit Shares and Warrants in the manner and at the times set forth above:

- (a) the Agent will provide a direction to CDS with respect to the crediting of the Unit Shares and Warrants to the accounts of the participants of CDS as shall be designated by the Agent in writing in sufficient time prior to the Closing Date to permit such crediting; and
- (b) the Corporation shall cause the Transfer Agent to deliver to CDS, on behalf of the Agent, one fully registered global certificate for each of the Unit Shares and Warrants to be purchased hereunder, registered in the name of "CDS & Co." as the nominee of CDS, to be held by CDS as a book-entry only security in accordance with the rules and procedures of CDS.

## 9. Fees

In consideration for its services hereunder:

- (a) the Corporation will pay the Agent a cash fee of \$25,000 plus GST (the "**Corporate Finance Fee**") and has made a non-refundable payment to the Agent of \$12,500 plus GST towards the Corporate Finance Fee. The Corporation has also paid a deposit to the Agent in the amount of \$10,000 (the "**Deposit**") to be applied against the Agent's expenses and the fees, charges and expenses of the Agent's counsel;
- (b) if the Minimum Offering does not occur, the Agent shall retain the \$12,500 paid towards the Corporate Finance Fee and shall apply the Deposit against the Agent's expenses and

the fees, charges and expenses of the Agent's counsel. If the Agent's expenses and the fees, charges and expenses of the Agent's counsel are less than the Deposit, any amount of the Deposit remaining shall be returned forthwith to the Corporation by the Agent or the Agent's counsel, without interest or further deduction. If the Agent's expenses and the fees, charges and expenses of the Agent's counsel exceed the Deposit, the Corporation shall immediately pay such excess upon invoice by the Agent or Agent's counsel, as the case may be; or

- (c) if a closing of the Minimum Offering does occur:
  - (i) the Agent shall apply the Deposit at the Closing Time against the expenses of the Agent and the fees, charges and expenses of the Agent's counsel, and the Corporation will pay the expenses of the Agent and the fees, charges and expenses of the Agent's counsel in excess of the Deposit at the Closing Time by the Agent deducting such amount from the gross proceeds of the Offering;
  - (ii) the Corporate Finance Fee less the payment received by the Agent pursuant to subparagraph 9(a) shall be paid by the Agent deducting such amount from the gross proceeds of the Offering at the Closing Time;
  - (iii) the Corporation shall pay to the Agent the Agent's Fee at the Closing Time by the Agent deducting such amount from the gross proceeds of the Offering; and
  - (iv) the Corporation shall create and issue to the Agent, or as directed by the Agent, the Agent's Warrants at the Closing Time.

## 10. Right of First Refusal

If the Minimum Offering is completed, the Corporation hereby irrevocably grants to the Agent a right of first refusal to:

- (a) act as the exclusive and sole agent or underwriter of the Corporation, from the date hereof until twelve months from the Closing Date (the "**ROFR Period**"), in respect of brokered financings through the issuance of Common Shares (or other equity securities) or securities convertible, exercisable or exchangeable into such shares, or any debt whether by way of private placement or public offering, proposed by the Corporation. The Corporation shall give the Agent written notice ("**Notice**") of any such financing it proposes to undertake setting forth the terms thereof, and, where a financing is proposed by an investment advisor or other market intermediary, the term sheet proposed by the investment advisor or other market intermediary shall be attached to the notice. The Agent shall have a period of five (5) business days following receipt by the Agent of the Notice (the "**Prescribed Period**") within which to give written notice (the "**ROFR Notice**") to the Corporation that it wishes to exercise the right of first refusal and accept the terms of the proposed financing on the terms set forth in the Notice. If the ROFR Notice is delivered by the Agent, the Corporation will retain the Agent as the sole and exclusive underwriter or agent for the proposed financing (unless the Agent otherwise agrees in writing). If the ROFR Notice is not delivered by the Agent within the Prescribed Period or the Agent otherwise advises the Corporation that it will not exercise the right of first refusal, the Corporation shall be entitled to pursue the financing on the terms set forth in the Notice, provided that if such financing is not completed within a 90 day period following the date on which the Notice prescribed herein is given to the Agent by the Corporation, the right of first refusal shall

apply again in respect of such proposed financing and shall continue for the balance of the ROFR Period; and

- (b) act as the Corporation's financial advisor with respect to any change of business, reverse take-over, restructuring, merger, arrangement, amalgamation, corporate acquisition, sale of all or substantially all of the Corporation's assets, take-over bid or any other business combination or reorganization of the Corporation, or any proposal to do so (a "**Reorganization**") for the ROFR Period. If the Corporation wishes to effect a Reorganization, it shall provide the Agent with written notice thereof setting for the proposed terms thereof, including the proposed terms and conditions relative to the compensation of the financial advisor and the Agent shall have five (5) business days after receipt of such notice within which to notify the Corporation of its election to exercise its rights hereunder. If the Agent elects not to exercise its rights hereunder or the Corporation and the Agent are unable to agree to the terms of engagement in relation to a proposed Reorganization within such five (5) business day period, then the Corporation may proceed with the engagement of a financial advisor and agent in relation to a Reorganization without the Agent's participation, provided that the terms and conditions of such Reorganization are not less favourable to the Corporation and the terms and conditions relevant to the compensation of the financial advisor are not more favourable to such financial advisor than the terms and conditions proposed by the Corporation to the Agent which the Agent rejected.

## **11. Expenses**

Whether or not the transactions contemplated herein shall be completed, all reasonable costs and expenses of or incidental to the distribution of the Units shall be borne by the Corporation, including, without limitation, all costs and expenses of or incidental to the distribution of the Units, and the preparation, filing and reproduction of the Prospectuses and Supplementary Material, the fees and expenses of the Corporation's counsel, the fees and expenses of the Corporation's auditors, the Corporation's "Qualified Persons" (as defined in NI 43-101) and all other reasonable costs and expenses relating to this transaction.

## **12. Waiver**

The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, covenant, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, covenant, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, covenant, term or condition hereof, provided that any such waiver or extension shall be binding on the Agent only if the same is in writing and signed by the Agent.

## **13. Termination Events**

The Agent may, without liability, terminate its obligations hereunder, by written notice to the Corporation, in the event that after the date hereof and at or prior to the Closing Time:

- (a) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the distribution of the Securities is made, or proceedings are announced or commenced for the making of any such order, by the Securities Commissions, any other securities commissions or similar regulatory authority, or the Exchange, and has not been rescinded, revoked or withdrawn;

- (b) any inquiry, investigation (whether formal or informal) or other proceeding in relation to the Corporation, or any of its directors or senior officers is announced or commenced by the Securities Commissions, any other securities commission or similar regulatory authority, or the Exchange, if, in the opinion of the Agent acting reasonably, the announcement or commencement materially adversely affects the trading or distribution of the Units;
- (c) there is any change of law or the interpretation or administration thereof, including without limitation the taxation laws, if, in the opinion of the Agent acting reasonably, the change materially adversely affects the trading or distribution of the Units;
- (d) there should develop, occur, come into effect or existence or be announced any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation which in the opinion of the Agent, acting reasonably, materially adversely affects, or involves, or will materially adversely affect or involve, the financial markets, the commodity markets or the business or affairs of the Corporation, or the state of the financial markets is such that in the reasonable opinion of the Agent the Units cannot be profitably marketed;
- (e) there should occur or be discovered any material change, change of a material fact, occurrence or event of the nature referred to in subparagraph 4(a) which, in the opinion of the Agent, acting reasonably, would reasonably be expected to have a material adverse effect on the market price or value of the Units;
- (f) the Corporation shall be in breach of, default under or non-compliance with any material representation, warranty, term or condition of this Agreement or the other Material Agreements; or
- (g) as a result of investigations after the effective date hereof, the Agent determines that there exists any fact, information or circumstances not generally disclosed to the public by the Corporation, at the date hereof, which would have, in the opinion of the Agent acting reasonably, a material adverse effect on the market price or value of the Units.

#### **14. Continuation of Termination Right**

The Agent may exercise any or all of the rights provided for in paragraphs 7, 12 or 13 up to the Closing Time notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the Offering or continued Offering of the Units for sale and the Agent shall only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to paragraphs 7, 12 or 13 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

#### **15. Exercise of Termination Right**

Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation, provided that no termination shall discharge or otherwise affect any obligations of the Corporation under paragraphs 9, 11, 15, 16, 17, 18 or 19. The rights of the Agent to terminate its obligation hereunder are in addition to, and without prejudice to, any other remedies they may have.

**16. Survival**

All representations, warranties, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Agent for the Units, the termination of this Agreement and the distribution of the Units and shall continue in full force and effect for the benefit of the Agent regardless of any investigation by or on behalf of the Agent with respect thereto.

**17. Indemnity**

The Corporation shall indemnify and save each of the Indemnified Persons harmless against and from all liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages and expenses to which any of the Indemnified Persons may be subject or which any of the Indemnified Persons may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

- (a) any information or statement contained in the Public Record (other than any information or statement relating solely to the Agent and furnished to the Corporation by the Agent in writing expressly for inclusion in the Public Record), which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;
- (b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent in writing expressly for inclusion in the Public Record);
- (c) any prohibition or restriction on trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Units imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in subparagraph 17(b);
- (d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agent or sub-agent, if any) relating to or materially affecting the trading or distribution of the Units;
- (e) any breach of, default under or non-compliance by the Corporation with any representation, warranty, term or condition of this Agreement or the Material Agreements, any requirement of Applicable Securities Laws or any requirement; or
- (f) the exercise by any subscriber or permitted assignee of a subscriber, of any contractual, statutory or common law right of rescission or damages in connection with the purchase of the Units, including without limitation any right of rescission or damages granted pursuant to the Prospectuses, provided that this indemnity shall not apply if the rescission or damage arises out of, or is based upon a misrepresentation made by the Agent or the failure of the Agent to deliver the Prospectuses or Supplementary Material within the time required under Applicable Securities Laws.



Provided that in the event and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that such claims, demands, actions, suits, investigations and proceedings and all losses (other than loss of profits), costs, expenses, fees, damages, obligations, payments and liabilities resulted solely from the fraud or willful misconduct of any Indemnified Person (or any such Indemnified Person's affiliates, shareholders, directors, officers, partners, employees or Agent), claiming indemnity, this indemnity shall cease to apply.

The Corporation hereby waives its right to recover contribution from the Agent and any Indemnified Persons with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Public Record, including without limitation the Prospectuses or the Supplementary Material provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of: (i) any misrepresentation which is based upon information relating solely to the Agent contained in such document and furnished to the Corporation by the Agent expressly for inclusion in such document; (ii) any failure by the Agent to provide to prospective purchasers of Units any document which the Corporation is required to provide to such prospective purchasers and which the Corporation has provided to the Agent; or (iii) any fraud or willful misconduct of the Agent or Indemnified Persons.

The Corporation agrees that in case any legal proceedings or investigation shall be brought against or initiated against the Corporation by any governmental commission, regulatory authority, exchange, court or other authority with respect to the offering of Units hereunder and an Indemnified Person or other representative of the Agent shall be required to testify or respond to procedures designed to discover information regarding, in connection with or relating to the performance of professional services rendered to the Corporation by the Agent, the Corporation shall pay the Agent the reasonable costs (including an amount to reimburse the Indemnified Person for the time spent by its personnel in connection therewith on a per diem basis and out of pocket expenses) in connection therewith, other than any legal proceeding or investigations relating to information or statements relating solely to the Agent, and furnished to the Corporation by the Agent in writing expressly for inclusion in the Public Record.

#### **18. Notice of Indemnity Claim**

If any claim contemplated by paragraph 17 shall be asserted against any of the Indemnified Persons in respect of which indemnification is or might reasonably be considered to be provided for in such paragraph, such Indemnified Person shall notify the Corporation as soon as reasonably practical of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no admission of liability or settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by paragraph 17 if:

- (a) the Indemnified Person has been advised by counsel that there may be a material legal defence available to the Indemnified Person which is different from or additional to a defence available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Indemnified Person's behalf);
- (b) the Corporation shall not have taken the defence of such proceedings and employed counsel within ten days after notice of commencement of such proceedings; or

- (c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel shall be paid by the Corporation; provided that the Corporation shall not be obligated to pay fees and expenses of more than one separate legal firm for all Indemnified Persons, as a group.

It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of paragraphs 17 and 18 and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

## **19. Right of Contribution**

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation, on grounds of policy or otherwise, each of the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand and by the Agent on the other hand from the offering of the Units or any part thereof; or
- (b) if the allocation provided by subparagraph (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subparagraph (a) above but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the commission and fees received by the Agent.

The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Units), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof), whether or not resulting in any action, suit, proceeding or claim.

The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs. The rights to

contribution provided in this paragraph 19 shall be in addition to, and without prejudice to, any other right to contribution which the Agent may have.

Any liability of the Agent or Indemnified Party under this paragraph 19 shall be limited to the amount actually received by the Agent pursuant to paragraph 9.

## 20. Notices

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation be addressed to:

Tocvan Ventures Corp.  
820 - 1130 West Pender Street  
Vancouver, BC V6E 4A4  
Attention: Mr. Derek A. Wood  
Email: dwood@tocvan.ca

and a copy to: Heighington Law  
730, 1015 - 4th Street SW  
Calgary, AB T2R 1J4  
Attention: Mr. David D. Heighington  
Email: david@hlf.ca

and in the case of notice to be given to the Agent, addressed to:

PI Financial Corp.  
666 Burrard Street, 19th Floor  
Vancouver, BC V6C 3N1  
Attention: Mr. Jim Locke  
Email: jlocke@pifinancial.com

and a copy to: Burstall LLP  
Barristers and Solicitors  
1600, 333 - 7<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 2Z2  
Attention: Mr. V.E. Dale Burstall  
Email: dale@burstall.com

or to such other address as the party may designate by notice given to the others. Each communication shall be personally delivered to the addressee or sent by email to the addressee, and:

- (a) a communication which is personally delivered shall, if delivered before 4:30 p.m. (local time) on a business day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first business day following the day on which it is delivered; and
- (b) a communication which is sent by email transmission shall, if sent on a business day before 4:30 p.m. (local time), be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first business day following the day on which it is sent.

**21. Obligations of the Agent**

The Corporation: (i) acknowledges and agrees that the Agent has certain statutory obligations as registrants under the Applicable Securities Laws and has fiduciary relationships with its clients; and (ii) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as registrants under Applicable Securities Laws or fiduciary relationships with its clients conflicts with its obligations hereunder, the Agent shall be entitled to fulfill its statutory obligations as registrants under Applicable Securities Laws and its duties to its clients. Nothing in this Agreement shall be interpreted to prevent the Agent from fulfilling its statutory obligations as registrants under Applicable Securities Laws or to act as fiduciaries of its clients.

**22. Severance**

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

**23. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the Agent and the Corporation irrevocably attorns to the jurisdiction of the courts of the Province of Alberta with respect to all matters arising out of this Agreement and the transactions contemplated herein.

**24. Time of the Essence**

Time shall be of the essence of this Agreement.

**25. Counterpart Execution**

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. The parties hereto shall be entitled to rely on delivery of an electronic copy of this executed Agreement by email and such electronic copy shall be legally effective to create a valid and binding agreement.

**26. Entire Agreement**

It is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Agent and the Corporation with respect to the issuance of the Securities by the Corporation.

*[remainder of page intentionally left blank]*

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and returning same to PI Financial Corp.

**PI FINANCIAL CORP.**

Per: "Jim Locke"  
Jim Locke  
Vice President, Investment Banking (Retail)

**ACCEPTED AND AGREED** as of the date of this Agreement.

**TOCVAN VENTURES CORP.**

Per: "Derek A. Wood"  
Derek A. Wood  
President and Chief Executive Officer

**SCHEDULE "A"**

To an Agreement dated January 31, 2019 between Tocvan Ventures Corp. (the "**Corporation**") and PI Financial Corp. (the "**Agent**")

**THE AGENT'S WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE IF NOT EXERCISED PRIOR TO 4:30 P.M. (CALGARY TIME) ON THE DATE THAT IS THREE (3) YEARS FROM THE LISTING DATE**

**AGENT'S WARRANT CERTIFICATE**

**TOCVAN VENTURES CORP.**

(Incorporated under the *Business Corporations Act* (Alberta))

AGENT'S  
WARRANT  
CERTIFICATE NO.

•

• AGENT'S WARRANTS entitling the holder to acquire, subject to adjustment, one (1) Unit for each whole Agent's Warrant represented hereby.

THIS IS TO CERTIFY THAT • (the "**Warrantholder**") is entitled to acquire, for each Agent's Warrant represented hereby, in the manner and subject to the restrictions and adjustments set forth in the "Terms and Conditions of Agent's Warrants of Tocvan Ventures Corp." appended as a Schedule hereto and forming a part hereof, at any time and from time to time until 4:30 p.m. (Calgary time) on the date that is three (3) years from the Listing Date, one (1) unit ("**Unit**"), each Unit being comprised of one (1) fully paid and non-assessable common share ("**Common Share**") in the capital of Tocvan Ventures Corp. (the "**Corporation**") as constituted on February •, 2019, and one Common Share purchase warrant on payment to the Corporation of \$0.10 per Unit, subject to the Acceleration Clause and adjustment in certain events. Each Common Share purchase warrant ("**Warrant**") entitles the holder thereof to acquire one Common Share for \$0.20 per Common Share until 36 months from the Listing Date, subject to the Acceleration Clause.

**The Agent's Warrants represented by this certificate may only be exercised at the principal office of the Corporation from time to time in Vancouver, British Columbia (being 820 - 1130 West Pender Street, Vancouver, British Columbia V6E 4A4 as at the date hereof), upon surrender of this certificate with the Subscription Form on the reverse side hereof (or a separate notice in substantially the same form) duly completed and executed, and cash or a certified cheque or bank draft payable to or to the order of the Corporation, at par in Calgary, Alberta in immediately available funds, for the full purchase price of the Units so subscribed for.**

**The Agent's Warrants represented by this certificate are subject to the "Terms and Conditions of Agent's Warrants of Tocvan Ventures Corp." appended as a Schedule hereto and forming a part hereof.**

**IN WITNESS WHEREOF** the Corporation has caused this certificate to be executed by a duly authorized director or officer.

DATED for reference this ● day of ●, 2019.

**TOCVAN VENTURES CORP.**

Per: \_\_\_\_\_

Derek A. Wood, President and  
Chief Executive Officer

*The Agent's Warrants represented hereby cannot be transferred  
or otherwise disposed of by the holder to any person whatsoever.*

***IMPORTANT: SEE "TERMS AND CONDITIONS OF AGENT'S WARRANTS OF  
TOCVAN VENTURES CORP." APPENDED AS A SCHEDULE HERETO***

**SUBSCRIPTION FORM**

TO: TOCVAN VENTURES CORP.

The undersigned holder of the within Agent's Warrants hereby irrevocably subscribes for \_\_\_\_\_ Units (or such adjusted number of Units or other securities to which such subscription entitles the undersigned in lieu thereof) in accordance with and subject to the provisions of this Agent's Warrant Certificate at the subscription price of \$0.20 per Unit for each one (1) Agent's Warrant exercised hereby, and encloses herewith cash or a certified cheque or bank draft payable to or to the order of Tocvan Ventures Corp. for the full subscription price for the Units so subscribed for.

The Common Shares and Warrants comprising the Units subscribed for are to be issued as follows:

Name: \_\_\_\_\_

Address in full: \_\_\_\_\_

Daytime Telephone Number: \_\_\_\_\_

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

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

\_\_\_\_\_  
Signature Guaranteed

\_\_\_\_\_  
Signature of Warrantholder (to be the same as the name that appears on the face of this Agent's Warrant Certificate)

\_\_\_\_\_  
Name of Warrantholder (please print)

\_\_\_\_\_  
Address of Warrantholder (please print)

Instructions:

If the Subscription Form indicates that Units are to be issued to a person or persons other than the registered holder of the Agent's Warrant Certificate, the signature of such Warrantholder on the Subscription Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange, and the Warrantholder must pay any applicable transfer taxes or fees.

If the Subscription Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the Agent's Warrant Certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

**THE AGENT'S WARRANTS REPRESENTED HEREBY CANNOT BE TRANSFERRED OR OTHERWISE DISPOSED OF BY THE HOLDER TO ANY PERSON WHATSOEVER.**



**SCHEDULE TO AGENT'S WARRANT CERTIFICATE**  
**TERMS AND CONDITIONS OF AGENT'S WARRANTS**  
**OF TOCVAN VENTURES CORP.**

Terms and Conditions attached to the Agent's Warrants issued by Tocvan Ventures Corp. and dated for reference February ●, 2019.

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

- (a) "**Acceleration Clause**" shall have the meaning set out in the Agency Agreement;
- (b) "**Agency Agreement**" means the agency agreement between the Corporation and PI Financial Corp. dated January 31, 2019;
- (c) "**Agent's Warrant Certificate**" means the certificate to which these Terms and Conditions are attached and of which these Terms and Conditions form a part;
- (d) "**Agent's Warrants**" means the warrants to acquire the Units evidenced by the Agent's Warrant Certificate;
- (e) "**Business Day**" means a day other than a Saturday, Sunday or any day on which banks are not open for business in Calgary, Alberta;
- (f) "**Common Shares**" means the common shares in the capital of the Corporation as such shares existed on the Listing Date, subject to adjustment as provided herein;
- (g) "**Corporation**" means Tocvan Ventures Corp. and its successors;
- (h) "**dividends paid in the ordinary course**" means any dividends, whether in cash, in securities of the Corporation, in specie, in kind or otherwise in property or other assets, declared payable or paid on the Common Shares in any fiscal year of the Corporation to the extent that the aggregate of such cash dividends or the fair market value thereof, as bona fide determined by the directors of the Corporation, of such dividends in securities, in specie, in kind or otherwise in property or other assets declared and payable or paid from the beginning of the fiscal year of the Corporation in which such dividend is declared to the date of such declaration of such dividend, including in such calculation the dividend in question, does not exceed the retained earnings of the Corporation as at the date of declaration of such dividends;
- (i) "**Exchange**" means, if the Common Shares are listed on a stock exchange, that stock exchange, and if the Common Shares are listed on more than one stock exchange, the senior stock exchange on which the Common Shares are listed;

- (j) "**Exercise Price**" means the price of \$0.20 per Unit, expressed in lawful money of Canada, or such lesser price as may be determined in accordance with Section 5.2 subject to adjustment as provided herein;
- (k) "**Expiry Time**" means 4:30 p.m. (Calgary time) on the date that is 36 months from the Listing Date or such other time as may be determined in accordance with Section 5.2, subject to the Acceleration Clause;
- (l) "**Fair Value per Share**" means: (i) if the Common Shares are listed on a stock exchange, the volume weighted average trading price per Common Share for the twenty (20) trading days on the Exchange immediately preceding the date on which the value of a Common Share is assessed for the purposes hereof; and (ii) if the Common Shares are not listed on a stock exchange, the fair market value of a Common Share, as determined by the directors of the Corporation acting reasonably and in good faith, which determination shall be conclusive for all purposes of this Agent's Warrant Certificate;
- (m) "**herein**", "**hereby**" and similar expressions refer to these Terms and Conditions, as the same may be amended or modified from time to time; and the expression "Article", "Section" and "subsection" followed by a number refer to the specified Article, Section or subsection of these Terms and Conditions;
- (n) "**Listing Date**" shall have the meaning set out in the Agency Agreement;
- (o) "**person**" includes an individual, corporation, partnership, trustee or any unincorporated organization and words importing persons include individuals, corporations, partnerships, trustees and unincorporated organizations;
- (p) "**Purchase Price**" shall mean, for any exercise of Agent's Warrants, the aggregate consideration payable to the Corporation by the Warrantholder pursuant to Section 2.1 hereof, in an amount equal to the product of the Exercise Price applicable as at the date of exercise multiplied by the number of Agent's Warrants so exercised at such time;
- (q) "**Unit**" means a unit of the Corporation comprised of one Common Share and one Warrant, and "**Units**" means all of them;
- (r) "**Warrant**" means a non-transferable Common Share purchase warrant of the Corporation that forms part of the Unit, each whole warrant entitling the holder thereof to purchase one Warrant Share for a period of 36 months from the Listing Date, subject to the Acceleration Clause, at an exercise price of \$0.20 per Warrant Share, and "**Warrants**" means all of them;
- (s) "**Warrant Certificates**" means the warrant certificates of the Corporation, substantially in the form attached hereto as Exhibit 1, respecting the Warrants, and "**Warrant Certificate**" means any one of them;
- (t) "**Warrantholder**" means the registered holder of the Agent's Warrants;
- (u) "**Warrant Share**" means a Common Share issued upon the exercise of a Warrant, and "**Warrant Shares**" means all of them;

words importing the singular number include the plural and *vice versa* and words importing the masculine gender include the feminine and neuter genders. Capitalized terms not otherwise defined herein shall have the meaning set out in the Agency Agreement.

## **1.2 Interpretation Not Affected by Headings**

The division of these Terms and Conditions into Articles, Sections and subsections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation hereof.

## **1.3 Applicable Law**

These Terms and Conditions shall be construed in accordance with and the rights and obligations of the Warrantholder and the Corporation hereunder shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to principles of conflicts of law. The Corporation and the Warrantholder attorn to the exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters and disputes arising hereunder.

## **ARTICLE 2 EXERCISE OF AGENT'S WARRANTS**

### **2.1 Method of Exercise**

The right to subscribe for and purchase Units hereunder may be exercised, prior to the Expiry Time, by the Warrantholder delivering to the Corporation at its principal office: (i) the Agent's Warrant Certificate with the subscription form printed on the reverse side thereof (or a separate notice in substantially the same form) duly completed and executed; and (ii) cash or a certified cheque or bank draft payable to or to the order of the Corporation, at par in Calgary, Alberta in immediately available funds, for the full amount of the Purchase Price, in lawful money of Canada. The Agent's Warrant Certificate and payment shall be deemed to be delivered only upon actual receipt of same by the Corporation.

### **2.2 Effect of Exercise**

Upon delivery and payment as set forth in Section 2.1 above, the Common Shares and Warrants comprising the Units so subscribed for shall be issued as fully paid and non-assessable shares in the capital of the Corporation and the Warrantholder will become the holder of record of the Common Shares and Warrants, effective as of the date of such delivery and payment, and within three (3) Business Days thereafter the Corporation will cause certificate(s) for the Common Shares and Warrant Certificates purchased to be mailed to the Warrantholder, at the address set forth in the delivery instructions provided by the Warrantholder in the subscription form printed on the reverse side of the Agent's Warrant Certificate (or a separate notice in substantially the same form), or otherwise delivered to or to the order of the Warrantholder.

### **2.3 Partial Exercise**

The Warrantholder may subscribe for and purchase a number of Units that is less than the total number of Units that the Warrantholder is entitled to subscribe for and purchase hereunder, in which event the Corporation shall cause a certificate representing the balance of the Agent's Warrants not exercised by the Warrantholder to be mailed to the Warrantholder at the address set forth in the delivery instructions provided by the Warrantholder in the subscription form printed on the reverse side of the Agent's Warrant Certificate (or a separate notice in substantially the same form), or otherwise delivered to or to the order of the Warrantholder.

## **2.4 Expiration**

At the Expiry Time, all rights hereunder shall wholly cease and terminate and the Agent's Warrants shall be void and of no effect whatsoever.

## **2.5 Fractional Interests**

The Corporation shall not be required to issue fractional Common Shares, Warrants or scrip representing fractional Common Shares or Warrants on the exercise of any Agent's Warrants. If more than one Agent's Warrant shall be presented by the Warrantholder for exercise at the same time, the number of full Units issuable upon the exercise thereof will be computed on the basis of the aggregate number of Units purchasable on exercise of the Agent's Warrants so presented. If any fraction of a Unit would, except for the provisions of this Section 2.5, be issuable on the exercise of any Agent's Warrants, such fraction shall be deemed to be surrendered to the Corporation and cancelled without any payment therefor to the Warrantholder.

# **ARTICLE 3 GENERAL**

## **3.1 Reservation of Sufficient Common Shares**

For so long as the Agent's Warrants remain outstanding, the Corporation shall reserve and keep available for issue upon the exercise of the Agent's Warrants such number of authorized but unissued Common Shares and Warrants or other shares in the capital of the Corporation as will be required to satisfy in full the rights of the Warrantholder pursuant to the Agent's Warrants to subscribe for and purchase Units from the Corporation.

## **3.2 Additional Securities**

Nothing contained herein shall be construed as preventing the Corporation from making any distribution of or otherwise issuing to any person, at any time and from time to time, additional Common Shares or securities convertible into Common Shares for such consideration and on such terms as may be approved by the board of directors of the Corporation in its sole discretion.

## **3.3 Lost, Stolen, Destroyed or Mutilated Agent's Warrant Certificates**

Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of any Agent's Warrant Certificate and, in the case of loss, theft or destruction, upon receipt of indemnity or security in an amount and form satisfactory to the Corporation, or, in the case of mutilation, upon surrender and cancellation of such Agent's Warrant Certificate, the Corporation will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Agent's Warrant Certificate, a new Agent's Warrant Certificate of like tenor and representing the same number of Agent's Warrants. The Warrantholder shall pay the reasonable charges of the Corporation in connection with any such replacement.

## **3.4 Warrantholder Not a Shareholder**

The Agent's Warrants represented hereby shall not constitute the Warrantholder a shareholder of the Corporation, nor entitle the Warrantholder to any right or interest (including, without limitation, any voting rights or rights to receive dividends or other distributions) as a shareholder of the Corporation. For greater certainty, the Agent's Warrants represented hereby shall not entitle the Warrantholder to any voting rights whatsoever in the affairs of the Corporation.

### **3.5 Notice to Regulatory Authorities**

The Corporation may give notice of the issuance of any Units pursuant to the exercise of Agent's Warrants, in such detail as may be required, to any stock exchange, securities commission or similar regulatory authority in Canada having jurisdiction in respect of such issuance.

### **3.6 Legends**

If, at the time of the exercise of the Agent's Warrants, the Common Shares and Warrants comprising the Units acquired thereby are subject to trading restrictions under applicable securities legislation, the Corporation may, on the advice of counsel, endorse the certificates representing such Common Shares and Warrants to such effect.

### **3.7 Transfer Taxes**

The Corporation shall pay any and all transfer taxes (if any) that may be payable in respect of the issuance or delivery of Common Shares and Warrants upon the exercise of the Agent's Warrants; *provided, however, that* the Corporation shall not be required to pay any such tax or taxes that may be payable in respect of the issuance or delivery of any certificates for Common Shares and Warrants issued upon the exercise of the Agent's Warrants in the name of a person or persons other than the Warrantholder.

## **ARTICLE 4 ADJUSTMENTS**

### **4.1 Adjustment of Subscription Rights**

- (a) The Exercise Price and the number of Common Shares comprising the Units purchasable upon the exercise of an Agent's Warrant shall be subject to adjustment from time to time as set forth in this Article 4 with respect to any fact or event described herein occurring after the Listing Date but prior to the Expiry Time. The adjustments provided for in this Article 4 are cumulative. Notwithstanding anything contained in this Article 4, any adjustment made pursuant to any provision of this Article 4 shall be made without duplication of an adjustment otherwise required by and made pursuant to another provision of this Article 4 on account of the same facts or events. Adjustments to the Warrants shall be governed by the Warrant Certificate as if the Warrants were issued prior to the effective date of the adjustment.
- (b) After any adjustment pursuant to this Article 4, the term "Common Shares" where used in this Agent's Warrant Certificate shall, unless the context requires otherwise, be interpreted to mean securities or other property that, as a result of all prior adjustments pursuant to this Article 4, the Warrantholder is entitled to receive upon the exercise of an Agent's Warrant, and the number of Units indicated in any subscription made pursuant to the exercise of Agent's Warrants shall be interpreted to mean the number of such securities or other property which, as a result of all prior adjustments pursuant to this Section, the Warrantholder is entitled to receive upon the exercise of Agent's Warrants entitling the holder thereof to subscribe for and purchase the number of Units so indicated.

### **4.2 Stock Dividends, Subdivisions or Consolidations**

- (a) If and whenever at any time after the Listing Date but prior to the Expiry Time, the Corporation shall: (i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares; (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares; or (iii) issue Common Shares or securities convertible into or exchangeable for Common

Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend other than a dividend paid in the ordinary course, then the Exercise Price in effect on the effective date of such subdivision, redivision, change, reduction, combination or consolidation or on the record date for such issue of Common Shares or securities convertible or exchangeable into Common Shares by way of a stock dividend, as the case may be, shall be adjusted immediately after such effective date or record date, as the case may be, so that it shall equal the price determined by multiplying the Exercise Price in effect on such date by a fraction of which the numerator shall be the total number of Common Shares outstanding immediately prior to such date and the denominator shall be the total number of Common Shares outstanding immediately after such date (including, in the case where securities convertible into or exchangeable for Common Shares are issued, the number of Common Shares that would have been outstanding had such securities been converted into or exchanged for Common Shares on such record date).

- (b) Any issue of Common Shares by way of a stock dividend as contemplated in this Section 4.2 shall be deemed to have been made on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares, or securities convertible into Common Shares, under Sections 4.2, 4.3 and 4.4. To the extent that any securities convertible into or exchangeable for Common Shares are not converted into or exchanged for Common Shares prior to the expiration of the conversion or exchange right, the Exercise Price shall be readjusted effective as at the date of such expiration to the Exercise Price that would then be in effect based upon the number of Common Shares actually issued on the exercise of such conversion or exchange right.
- (c) Upon any adjustment of the Exercise Price pursuant to Section 4.2, the number of Common Shares purchasable under each Agent's Warrant shall contemporaneously be adjusted by multiplying the number of Common Shares theretofore purchasable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment.

### **4.3 Rights Offerings**

If and whenever at any time after the Listing Date but prior to the Expiry Time, 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 forty-five (45) days after such record date, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Fair Value per Share on such record date, the Exercise Price in effect on such record date 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 plus a 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 securities so offered) by such Fair Value per Share, 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 securities so offered are convertible or exchangeable). Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. To the extent that any such rights, options or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price that would then be in effect if such record date had not been fixed or to the Exercise Price that would then be in effect based upon the number and aggregate price of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

#### **4.4 Other Distributions**

If and whenever at any time after the Listing Date but prior to the Expiry Time, 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) shares of any class other than Common Shares (or other securities convertible into or exchangeable for Common Shares); (ii) rights, options or warrants (excluding rights, options or warrants referred to in Section 4.3, or rights, options or warrants referred to in Section 4.3 but exercisable at a price per share (or having a conversion or exchange price per share) that is at least 95% of the Fair Value per Share); (iii) evidences of its indebtedness; or (iv) assets (excluding assets distributed as dividends paid in the ordinary course or in the event of the liquidation, dissolution or winding-up of the Corporation); then, in each such case, the Exercise Price in effect on such record date 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 Fair Value per Share on such record date, less the aggregate fair market value (as determined by the directors of the Corporation acting reasonably and in good faith, which determination shall be conclusive) of such shares or rights, options or warrants or evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Fair Value per Share. Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price that 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.

#### **4.5 Reorganizations**

If and whenever at any time after the Listing Date but prior to the Expiry Time, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.2 or a consolidation, amalgamation, arrangement, merger or other reorganization 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 (any such event being hereinafter referred to as a "Reorganization"), the Warrantholder shall be entitled, for each Agent's Warrant still held at the effective date of the Reorganization, upon the exercise of such Agent's Warrant after the effective time, to receive, and shall thereupon be obligated to accept in lieu of the number of Common Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of shares or other securities of property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on the Reorganization if, on the record date or the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares so subscribed for. To give effect to or to evidence the provisions of this Section 4.5, the Corporation shall or shall impose upon its successor or such purchasing body corporate, partnership, trust or other entity, as the case may be, prior to or contemporaneously with any such Reorganization, an agreement or undertaking that provides, to the extent possible, for the application of the provisions of this Section 4.5 with respect to the rights and interests thereafter of the Warrantholder to the end that the provisions set forth in this Agent's Warrant shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Warrantholder is entitled on the exercise of his purchase rights thereafter. Any agreement or undertaking entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Article 4 and which shall apply to successive Reorganizations.

#### 4.6 Exception

Notwithstanding anything contained herein, no adjustment in the number of Common Shares purchasable upon the exercise of an Agent's Warrant, or the Exercise Price thereof, shall be made in respect of any event or circumstance described in this Article 4 if the Warrantholder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Warrantholder had exercised his Agent's Warrants on or before the effective date or record date of such event or circumstance.

#### 4.7 Abandonment or Deferral

- (a) If the Corporation sets a record date as at which the holders of Common Shares are to be determined for the purposes of an event in respect of which an adjustment in the number of Common Shares purchasable upon the exercise of an Agent's Warrant, or the Exercise Price thereof, is required to be made under Article 4 but legally abandons the event prior to completion thereof, then no adjustment in such number of Common Shares or the Exercise Price thereof shall be required by reason of the setting of such record date.
- (b) In any case where Article 4 requires that an adjustment in the number of Common Shares purchasable upon the exercise of an Agent's Warrant, or the Exercise Price thereof, be made effective immediately after a record date for a specified event, the Corporation may elect to defer, until after the occurrence of the event, the issuance to the holder of any Agent's Warrant exercised after the record date, of the Common Shares issuable upon the exercise of the Agent's Warrant that are in excess of the Common Shares that the Warrantholder would thereupon be entitled to receive in the absence of the specified event; *provided, however*, that the Corporation shall deliver to the holder an appropriate instrument evidencing the holder's right to receive such additional Common Shares if and when the event requiring such adjustment in fact occurs.

#### 4.8 Minimum Adjustment

No adjustment in the number of Common Shares purchasable upon the exercise of an Agent's Warrant shall be required under this Article 4 unless the adjustment would require an increase or decrease of at least one percent (1%) in such number of Common Shares; *provided, however, that* any adjustments which by reason of this Section 4.8 are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations made in this regard shall be made to the nearest one-tenth of a share.

#### 4.9 No Adjustments for Other Transactions or Events

For greater certainty, and notwithstanding anything contained herein, no adjustment to the terms of the Agent's Warrants shall be required under this Article 4 in the event of any one or more of the following:

- (a) the granting by the Corporation of options or other rights under any stock option plan, stock purchase plan, phantom stock plan, stock appreciation rights plan, or other deferred, share or incentive compensation plan to officers, directors, employees or consultants of the Corporation or its affiliates;
- (b) the issue by the Corporation of any Common Shares or other securities of the Corporation for valuable consideration to any persons other than as specifically provided for in this Article 4 (including without limitation the issue of Common Shares upon the exercise or conversion of any securities of the Corporation outstanding as at the date hereof that are exercisable or convertible into Common Shares); or



- (c) the declaration or payment of any dividends on the Common Shares other than as specifically provided for in this Article 4.

#### **4.10 Notice of Adjustment Events**

- (a) For so long as any Agent's Warrants remain outstanding, the Corporation will give notice to the Warrantholder of its intention to fix a record date or closing date, as the case may be, for any event referred to in Sections 4.2, 4.3 or 4.4 (other than a subdivision, redivision, change in number, reduction, combination or consolidation of its Common Shares) that gives rise or is reasonably expected to give rise to an adjustment pursuant to this Article 4, or its intention to take any action described in Section 4.5. The notice shall specify the particulars of such event and the record date and/or the effective date therefor; *provided, however*, that the Corporation shall only be required to specify in such notice the particulars that 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 fourteen (14) days prior to the applicable record date, closing date or effective date.
- (b) The Corporation will, within a reasonable time after the occurrence of any event that requires an adjustment pursuant to this Article 4, give notice to the Warrantholder specifying the nature of the event and the required adjustment; *provided, however*, that if the Corporation has given notice under paragraph (a) above and that notice discloses the relevant facts in respect of such event, no notice is required to be given under this paragraph (b).
- (c) Notwithstanding paragraphs (a) and (b) above, any failure or delay by the Corporation in giving the notice contemplated thereunder shall in no way impair, compromise or invalidate the effectiveness of the event or adjustment.

#### **4.11 Determination of Adjustments**

Any determinations shall be made by the auditors of the Corporation or, if the auditors of the Corporation are unable or unwilling to make the determination, by any other firm of Chartered Accountants in Calgary, Alberta that the Corporation may select and is qualified under applicable laws to audit the financial records of public companies in Canada. Adjustments required under this Article 4 shall be conclusive, and such firm shall have access to all appropriate records. Any such determination made by the auditors of the Corporation or, if applicable, the other firm of Chartered Accountants shall be binding on the Corporation and the Warrantholder.

## **ARTICLE 5 AMENDMENTS**

### **5.1 Amendments Generally**

Subject to Section 5.2, the terms of the Agent's Warrants represented by the Agent's Warrant Certificate may be amended, and the observance of any term thereof may be waived, only by a written instrument signed by the Corporation and the Warrantholder. Any such amendment shall be subject to receipt by the Corporation of all required approvals (if any) from any stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities.

### **5.2 Reduction in Exercise Price; Extension of Expiry Time**

Subject to applicable securities legislation and receipt by the Corporation of all required approvals (if any) from any stock exchange on which the Common Shares are listed, and all applicable securities regulatory authorities, the Corporation may, at its option, at any time during the term of the Agent's

Warrants, reduce the then current Exercise Price to any amount or extend the Expiry Time to such time as the board of the directors of the Corporation may consider appropriate.

## **ARTICLE 6 NOTICES**

### **6.1 Notice to Corporation**

Any notice to the Corporation under the provisions of this Agent's Warrant Certificate shall be valid and effective if personally delivered or given by email or prepaid mail, addressed to the Corporation at 820 - 1130 West Pender Street, Vancouver, British Columbia V6E 4A4, Email: dwood@tocvan.ca, Attention: President and Chief Executive Officer, and shall be deemed to have been effectively given on the day following the date of delivery or the date of email (provided it is so received before 4:30 pm (Calgary time) on a Business Day, failing which it will be deemed to have been effectively given on the next following Business Day), or if mailed, seven (7) Business Days after actual posting of the notice. The Corporation may from time to time give the Warrantholder written notice of a change of address, which new address shall thereafter, until changed by another notice, be the address of the Corporation for all purposes of this Agent's Warrant Certificate.

### **6.2 Notice to Warrantholder**

Any notice to the Warrantholder under the provisions of this Agent's Warrant Certificate shall be valid and effective if personally delivered or given by email or prepaid mail, addressed to the Warrantholder at the address appearing in the securities register of the Corporation, and shall be deemed to have been effectively given on the day following the date of delivery or the date of email (provided it is so received before 4:30 pm (Calgary time) on a Business Day, failing which it will be deemed to have been effectively given on the next following Business Day), or if mailed, seven (7) Business Days after actual posting of the notice.

**EXHIBIT 1 TO SCHEDULE "A"**

**WARRANT CERTIFICATE**

**THE COMMON SHARE PURCHASE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID UNLESS EXERCISED ON OR BEFORE THE DATE THAT IS 36 MONTHS FROM THE LISTING DATE, SUBJECT TO THE ACCELERATION CLAUSE.**

**Certificate Number: ●**

**TOCVAN VENTURES CORP.**

**This hereby certifies that:**

●

**is the owner of ● share purchase warrants (collectively, the "Warrants" and each a "Warrant") entitling the holder hereof to acquire an aggregate of ● common shares in the capital of Tocvan Ventures Corp. (the "Common Shares") being the right to acquire one (1) Common Share for each (1) Warrant at a price of \$0.20 per Common Share.**

**1. Grant of Warrant**

1.1 For valuable consideration, Tocvan Ventures Corp., a corporation organized under the laws of Alberta (the "**Corporation**"), hereby grants to the holder set out above and permitted assigns (the "**Holder**") the right to acquire that number of Common Shares set out above subject to adjustment as herein provided and upon and subject to the terms and conditions set out herein.

**2. Interpretation**

2.1 As used in this Warrant:

**"Acceleration Clause"** shall have the meaning set out in the Agency Agreement;

**"Agency Agreement"** means the agency agreement between the Corporation and PI Financial Corp. dated January 31, 2019;

**"Capital Reorganization"** has the meaning attributed thereto in section 6.1(a);

**"Common Shares"** means the common shares in the capital of the Corporation as such shares exist at the close of business as of the date of this Warrant Certificate; provided that, in the event of any adjustment of subscription rights pursuant to Article 6, "Common Shares" shall thereafter mean the shares or other securities or property purchasable upon the exercise of a Warrant as a result of any such adjustment;

**"Common Share Reorganization"** has the meaning attributed thereto in subsection 6.2(a);

**"Current Market Price"** of the Common Shares at any date means the simple average of the closing price per share for the Common Shares for any 10 consecutive trading days selected by the Corporation commencing not more than 45 trading days before such date on the senior stock exchange or, if such Common Shares are not listed on a stock exchange, such over-the-counter

market, on which the Common Shares trade (provided that if on any day in such period no closing price per share for the Common Shares is reported on by such exchange for such day, the average of the reported closing bid and asked prices on such exchange on such day shall be deemed to be the closing price per share for the Common Shares for such day) or if the Common Shares are not listed on any stock exchange, a price determined by the board of directors acting reasonably;

**"Dividend Paid in the Ordinary Course"** means a dividend declared payable on the Common Shares in any four consecutive quarters of the Corporation, whether in (1) cash, (2) securities of the Corporation, including rights, options or warrants (other than rights, options or warrants referred to in Section 6.2(b)) to purchase any securities of the Corporation or property or other assets of the Corporation, or (3) property or other assets of the Corporation, to the extent that the amount or value of such dividend together with the amount or value of all other dividends theretofore paid during such financial year (any such securities, property or other assets so distributed to be valued at the fair market value of such securities, property or other assets, as the case may be, as determined by the Corporation, which determination shall be conclusive, provided that, for the purposes of this definition, the fair market value of any Common Share distributed by way of dividend shall be conclusively determined by reference to the Current Market Price per Common Share on the date prior to the declaration of such dividend) does not exceed the greater of:

- (a) 150% of the aggregate amount and/or value of dividends declared payable by the Corporation on the Common Shares in the period of four consecutive financial quarters ended immediately prior to the first day of such financial year; and
- (b) 100% of the consolidated net income of the Corporation before extraordinary items (but after dividends payable on all shares ranking prior to or on a parity with respect to the payment of dividends with the Common Shares) in respect of the period of four consecutive financial quarters ended immediately prior to the first day of the current financial quarter (such consolidated net income, extraordinary items and dividends to be shown in the audited consolidated financial statements of the Corporation for such period of four consecutive financial quarters or if there are no audited consolidated financial statements for such period, computed in accordance with generally accepted accounting principles, consistent with those applied in the preparation of the most recent audited consolidated financial statements of the Corporation);

**"Equity Shares"** means the Common Shares and any shares of any other class or series of the Corporation which may from time to time be authorized for issue if by their terms such shares confer on the holders thereof the right to participate in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation beyond a fixed sum or a fixed sum plus accrued dividends;

**"Exercise Price"** means \$0.20 per Common Share as may be adjusted in accordance with the provisions of Article 6;

**"Expiry Date"** means the date that is 36 months from the Listing Date, subject to the Acceleration Clause;

**"Listing Date"** shall have the meaning set out in the Agency Agreement;

**"Time of Expiry"** means 4:30 p.m. (Calgary time) on the Expiry Date; and

**"Warrant Certificate"** means this Common Share Purchase Warrant Certificate.

- 2.2 As used in this Warrant Certificate, the masculine gender includes the feminine and neuter genders, and vice versa, and the singular includes the plural, and vice versa, where the context so requires, and the terms "herein", "hereby", "hereunder", "hereof", "this Warrant Certificate" and similar provisions refer to this Warrant Certificate as a whole and not to any particular section or other portion hereof unless the context otherwise requires.
- 2.3 The division of this Warrant Certificate into sections and the insertion of headings are for convenience of reference and shall not affect the interpretation hereof.
- 2.4 Where reference is made in this Warrant Certificate to an amount of money, such reference shall, unless otherwise specifically provided, be deemed to be to Canadian funds.
- 2.5 In calculating the period of time within which or following which any act is to be done or step taken pursuant to this Warrant Certificate, the date which is the reference date (either at the beginning or at the end of the period) in calculating such period shall be excluded. If the date for the doing of any act or the taking of any step pursuant to this Warrant Certificate is a non-business day, the day for doing such act or taking such step shall be the next business day.
- 2.6 This Warrant Certificate constitutes the entire agreement between the parties with respect to the subject matter hereof and there are no representations or warranties of any kind not contained herein. This Warrant Certificate may not be amended or modified in any respect except by written instrument signed by the parties.
- 2.7 The invalidity of any provision of this Warrant Certificate or any covenant herein contained shall not affect the validity of any other provision or covenant herein contained.
- 2.8 This Warrant Certificate will be governed by the laws of Alberta and the laws of Canada applicable therein.

### **3. Register of Warrants**

- 3.1 At all times while Warrants are outstanding, the Corporation shall maintain a register of all Holders of Warrants on which shall be entered the names, latest known addresses of all Holders and if available, the telecopier numbers of such Holders and particulars of the Warrants held by them and a register of transfers in which shall be entered the particulars of all transfers of Warrants, such registers to be kept by and at the office of the Corporation. The register of Warrants and the register of transfer of Warrants shall be open for inspection by the Holder during normal business hours of the Corporation.

### **4. Transfer of Warrant**

- 4.1 Warrants are non-transferrable.

### **5. Exercise of Warrant**

- 5.1 Neither this Warrant Certificate nor the Common Shares issuable upon the exercise hereof have been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and the Warrant(s) may not be exercised by or on behalf of a "U.S. person" (as that term is defined in Regulation S under the U.S. Securities Act) or a person in the United States in the absence of either (a) an exemption from the registration requirements of the U.S. Securities Act and

the delivery to the Corporation of a written opinion of counsel satisfactory to the Corporation to the effect that such registration is not required, or (b) delivery to the Corporation of written confirmation by the person exercising the Warrant(s) that it is the original purchaser thereof and reaffirming, as of the date of such exercise, the representations, warranties and agreements made by it in the subscription agreement pursuant to which it purchased the Warrant(s).

- 5.2 The Holder may exercise the right hereby conferred on the Holder to acquire Common Shares (subject to the provisions of this Article 5) by:
- (a) duly completing and executing the Warrant Exercise Form attached to this certificate; and
  - (b) certifying that the Holder or (if different) the recipient of the Common Shares to be issued upon exercise of the Warrant either: (i) is not (a) a "U.S. person" as defined in Regulation S under the U.S. Securities Act, (b) exercising the Warrant(s) on behalf of or for the account of a "U.S. person", and (c) is not in the United States at the time that the Warrant(s) are exercised and did not execute or deliver the Warrant Exercise Form in the United States; or (ii) at or prior to the time of such exercise, has delivered to the Corporation a written opinion of counsel satisfactory to the Corporation to the effect that the Common Shares issuable upon such exercise are exempt from registration under the U.S. Securities Act; or (iii) is the original purchaser of the Warrants and confirms as of the date of such exercise, the representations, warranties and agreements made by it in the Subscription Agreement pursuant to which the Warrant was purchased by it; and
  - (c) surrendering this certificate, together with the Holder's certified cheque or a bank draft, money order or wire transfer in the full amount of the total aggregate Exercise Price of the Common Shares being purchased, together with the duly completed and executed Warrant Exercise Form, to the Corporation at its offices,

at any time up until the Time of Expiry. The Holder may exercise Warrants in respect of a number of Common Shares which is less than the total number of Common Shares into which the Warrants evidenced by this certificate may be exercised. In such a case, the Holder shall be entitled to receive a new certificate in respect of the Warrants evidenced hereby that are not so exercised. This certificate shall be deemed to be surrendered only upon personal delivery thereof to, or if sent by mail or other means of transmission, upon actual receipt thereof by, the Corporation at its offices.

- 5.3 One (1) Warrant, together with the Exercise Price, is required to purchase one (1) Common Share.
- 5.4 The Warrant(s) may be exercised by the Holder at any time or from time to time up until the Time of Expiry, at which time the Warrant(s) shall immediately expire and terminate as to such of the Common Shares in respect of which the Warrant(s) has not then been exercised.
- 5.5 Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for, or the Corporation to issue, any securities except those securities in respect of which the Holder shall have exercised its right to purchase hereunder in the manner herein provided.
- 5.6 Nothing in this certificate or in the holding of Warrants evidenced by this certificate, will be construed as conferring on the Holder any right or interest whatsoever as a shareholder of the Corporation, including but not limited to any right to vote at, to receive notice of, or to attend any meeting of shareholders or any other proceeding of the Corporation or any right to receive any dividend or other distributions.

- 5.7 Notwithstanding anything contained herein, including without limitation, any adjustment provided for herein, the Corporation shall not be required, upon the exercise of any Warrant(s), to issue fractions of Common Shares or to distribute certificates which evidence such fractions of Common Shares. Any fractional Common Shares that would otherwise be issuable upon the exercise of Warrants shall be cancelled by the Corporation without compensation to the Holder thereof.
- 5.8 Notwithstanding anything herein contained, no Common Shares will be issued pursuant to the exercise of any Warrant if the issuance of such Common Shares would constitute a violation of the securities laws of any applicable jurisdiction or the requirements of any applicable stock exchange.

## 6. Adjustments

6.1 (a) If at any time after the date hereof and prior to the Time of Expiry there shall be a reclassification of the Common Shares outstanding or change of the Common Shares into other shares or securities, or any other capital reorganization affecting the Common Shares except as described in Section 6.2, or a consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares or securities), or a transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity (any of such events being called a "**Capital Reorganization**"), the Holder shall be entitled to receive upon the exercise of the Warrant, and shall accept for the same aggregate consideration, in lieu of the number of Common Shares to which it was theretofore entitled upon the exercise of the Warrant, the kind and amount of shares or other securities or property which it would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, it had been the registered holder of the number of Common Shares to which it was theretofore entitled upon such exercise. If determined appropriate by the Corporation, adjustments shall be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Article 6 with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Article 6 shall thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the exercise of the Warrant.

(b) If at any time after the date hereof and prior to the Time of Expiry any adjustment in the Exercise Price shall occur as a result of:

(i) an event referred to in subsection 6.2(a);

(A) the fixing by the Corporation of a record date for an event referred to in subsection 6.2(b); or

(B) the fixing by the Corporation of a record date for an event referred to in subsection 6.2(c) if such event constitutes the issue or distribution to the holders of all or substantially all of its outstanding Common Shares of (A) Equity Shares, or (B) securities exchangeable for or convertible into Equity Shares at an exchange or conversion price per Equity Share less than the Current Market Price on such record date or (C) rights, options or warrants to acquire Equity Shares at an exercise, exchange or conversion price per Equity Share less than the Current Market Price on such record date,

then the number of Common Shares purchasable upon the subsequent exercise of the Warrant shall be simultaneously adjusted by multiplying the number of Common Shares purchasable upon the exercise of

the Warrant immediately prior to such adjustment by a fraction which shall be the reciprocal of the fraction employed in the adjustment of the Exercise Price. To the extent that any adjustment in subscription rights occurs pursuant to this subsection 6.1(b) as a result of a distribution of exchangeable or convertible securities other than Equity Shares referred to in subsection 6.2(a) or as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in subsection 6.2(b), the number of Common Shares purchasable upon exercise of the Warrant(s) shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the number of Common Shares which would be purchasable based upon the number of Common Shares actually issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right. To the extent that any adjustment in subscription rights occurs pursuant to this subsection 6.1(b) as a result of the fixing by the Corporation of a record date for the distribution of exchangeable or convertible securities other than Equity Shares or rights, options or warrants referred to in subsection 6.2(b), the number of Common Shares purchasable upon exercise of the Warrant(s) shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the number which would be purchasable pursuant to this subsection 6.1(b) if the fair market value of such securities had been determined for purposes of the adjustment pursuant to this subsection 6.1(b) on the basis of the number of Equity Shares issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right.

6.2 The Exercise Price in effect at any date shall be subject to adjustment from time to time as follows:

- (a) If and whenever at any time after the date hereof and prior to the Time of Expiry, the Corporation shall subdivide the outstanding Common Shares into a greater number of Common Shares, combine or consolidate the outstanding Common Shares into a lesser number of Common Shares, or make any distribution, other than by way of a Dividend Paid in the Ordinary Course, to the holders of all or substantially all of the outstanding Common Shares payable in Common Shares (any of such events being called a "**Common Share Reorganization**"), the Exercise Price shall be adjusted effective immediately after the effective date or record date, as the case may be, on which the holders of Common Shares are determined for the purpose of the Common Share Reorganization by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization occurring on the effective date or record date as the case may be.
- (b) If and whenever at any time after the date hereof, the Corporation shall fix a record date which is prior to the Time of Expiry for the issue of rights, options or warrants to all or substantially all the holders of Common Shares under which such holders are entitled during a period expiring not more than sixty (60) days after the record date for such issue to subscribe for or purchase Common Shares, or securities convertible into or exchangeable for Common Shares, at a price per Common Share or having a conversion or exchange price per Common Share less than 90% of the Current Market Price per Common Share on such record date, 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 plus a number 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



securities so offered, by such Current Market Price per Common Share, 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 securities so offered are convertible or exchangeable). If by the terms of the rights, options or warrants referred to in this subsection 6.2(b), there is more than one purchase, conversion or exchange price per Common Share, 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 securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. To the extent that any adjustment in Exercise Price occurs pursuant to this subsection 6.2(b) as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in this subsection 6.2(b), the Exercise Price shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiration, and shall be further readjusted in such manner upon expiration of any further such right.

- (c) If and whenever at any time after the date hereof, the Corporation shall fix a record date which is prior to the Time of Expiry for the issue or distribution to all or substantially all the holders of the Common Shares of:
  - (i) securities of the Corporation including rights, options or warrants to acquire Equity Shares or securities convertible into or exchangeable for Equity Shares or property or assets and including evidences of its indebtedness; or
  - (ii) any property or other assets,

and if such issuance or distribution is not by way of a Dividend Paid in the Ordinary Course, a Common Share Reorganization or an issuance of rights, options or warrants referred to in subsection 6.2(b) 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 product of the number of Common Shares outstanding on such record date and the Current Market Price on such record date, less the aggregate fair market value (as determined by the Corporation, which determination shall be conclusive) of such securities, property or other assets so issued or distributed, and of which the denominator shall be the product of the number of Common Shares outstanding on such record date and such Current Market Price; any Common Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation.

6.3 (a) In any case in which this Article 6 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:

- (i) issuing to the Holder the additional Common Shares issuable upon such exercise by reason of the adjustment required by such event; and
- (ii) delivering to the Holder any distributions declared with respect to such additional

Common Shares,

provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing its right, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Common Shares purchasable upon exercise of the Warrant and to such distributions declared with respect to any such additional Common Shares issuable on the exercise of any Warrant.

- (b) The adjustments provided for in this Article 6 are cumulative; shall, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent; and shall apply (without duplication) to successive subdivisions, consolidations, distributions, issuances or other events resulting in any adjustment under the provisions of this Article; provided that, notwithstanding any other provision of this Article 6, 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 and no adjustment shall be required in the number of Common Shares purchasable on the exercise of the Warrant unless it would result in a change of at least one one-hundredth of a share (provided, however, that any adjustments which by reason of this subsection 6.3(b) are not required to be made shall be carried forward and taken into account in any subsequent adjustment).
  - (c) In the event of any question arising with respect to the adjustments provided in this Article 6 such question shall be conclusively determined by a firm of chartered accountants appointed by the Corporation (who may be the Corporation's auditors); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation and the Holder. In the event that any such determination is made, the Corporation shall deliver a certificate to the Holder describing such determination.
  - (d) No adjustment in the Exercise Price or in the number of Common Shares purchasable upon exercise of the Warrant shall be made in respect of any event described in this Article 6, other than the events referred to in subsection 6.2(a), if the Holder is entitled to participate in such event on the same terms mutatis mutandis as if it had exercised the Warrant prior to or on the effective date or record date of such event.
  - (e) If the Corporation shall set a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any issue or distribution or for the issue of any rights, options or warrants and shall thereafter and before such distribution or issue to such shareholders legally abandon its plan to make such distribution or issue, then no adjustment in the Exercise Price or the number of Common Shares purchasable upon exercise of the Warrant shall be required by reason of the setting of such record date.
  - (f) In the absence of a resolution of the directors fixing a record date for any of the events referred to in subsection 6.2(b) or (c), the Corporation shall be deemed to have fixed as the record date therefor the date on which any of such events is effected.
- 6.4 As a condition precedent to the taking of any action which would require an adjustment pursuant to Sections 6.1 or 6.2, the Corporation shall take any action which may, in the opinion of counsel to the Corporation, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable all the Common Shares which the Holder is entitled to receive on the full exercise of Warrant(s) in accordance with the provisions hereof.

6.5 At least fourteen (14) days prior to the effective date or record date, as the case may be, of any event which requires or may require an adjustment in the subscription rights pursuant to this Warrant, including the Exercise Price and the number of Common Shares which are purchasable upon the exercise thereof, the Corporation shall give written notice to the Holder of the particulars of such event and, if determinable, the required adjustment. In case any adjustment for which a notice has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable deliver written notice to the holder of this Warrant of the particulars of such event and the required adjustment.

## **7. Other Provisions**

7.1 The Corporation covenants that it has conditionally allotted and reserved sufficient Common Shares to be issued, as fully paid and non-assessable shares, on exercise of Warrant(s) and that all things necessary have been done and performed by the Corporation to create the Warrants and make the Warrants and this certificate a legal, valid and binding obligation of the Corporation in accordance with the terms hereof subject to the general qualifications that:

- (a) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;
- (b) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
- (c) the equitable or statutory powers of the courts in Canada or the United States having jurisdiction to stay proceedings before them and the execution of judgment; and
- (d) rights to indemnity and contribution hereunder may be limited under applicable law.

7.2 Subject to compliance with applicable securities legislation, the Corporation may from time to time purchase by private contract or otherwise any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors of the Corporation, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. The certificate representing the Warrants purchased pursuant to this paragraph shall forthwith be delivered to and cancelled by the Corporation. No Warrants shall be issued in replacement thereof.

7.3 To the extent permitted by law, by the acceptance of this certificate and as part of the consideration for the issue of the Warrants, the Holder shall be deemed to waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any of the past, present or future shareholders, directors, officers or employees of the Corporation on any covenant, agreement, representation or warranty by the Corporation herein.

7.4 To the extent permitted by law, the obligations hereunder are not personally binding upon, nor shall resort hereunder be had to the private property of, any of the past, present or future shareholders, directors, officers or employees of the Corporation, and only the property of the Corporation shall be bound in respect hereof.

7.5 If any Warrant certificate is lost, mutilated, destroyed or stolen, the Corporation may, on such reasonable terms as to cost and indemnity or otherwise as they may impose, respectively issue a replacement Warrant certificate similar as to denomination, tenor and date as the Warrant certificate so lost, mutilated, destroyed or stolen.

- 7.6 Any notice to the Holder under the terms hereof or with respect to the Warrants shall be valid and effective if delivered or sent by telecopy or by ordinary post addressed to the Holder at its post office address or telecopier number appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, on the fifth business day following the date of the postmark on such notice or, if telecopied, on the next business day following the date of transmission provided that its contents are transmitted and received completely and accurately.
- 7.7 The Corporation may deem and treat the registered Holder of the Warrants as the absolute owner thereof for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction. The Holder shall be entitled to the Warrant(s) evidenced hereby, free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder of such Warrant(s). The issue of Common Shares by the Corporation upon the exercise of Warrants by the Holder in accordance with the terms and conditions contained herein shall discharge all responsibilities of the Corporation with respect to such Warrants and the Corporation shall not be bound to inquire into the title of any such Holder except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

IN WITNESS WHEREOF this Warrant Certificate has been executed by the Corporation on the ● day of ●, 20●.

**TOCVAN VENTURES CORP.**

Per: \_\_\_\_\_

Derek A. Wood  
President and Chief Executive Officer

**WARRANT EXERCISE FORM**

TO: TOCVAN VENTURES CORP.

The undersigned holder of the within Warrant(s) hereby subscribes for \_\_\_\_\_ Common Shares of Tocvan Ventures Corp. (the "Corporation") (or such number of Common Shares or other securities or property to which such exercise entitles the undersigned in lieu thereof or in addition thereto under the provisions of the Warrant Certificate) pursuant to the within Warrant(s) at \$0.20 per share (or the adjusted dollar amount per share at which the undersigned is entitled to purchase such shares under the provisions of the Warrant(s) subscribed for above) prior to 4:30 p.m. on the Expiry Date on the terms specified in the said Warrant Certificate, which certificate is surrendered to the Corporation and which will, upon the issuance of the Common Shares referred to above and the issuance of a new Warrant for any outstanding rights of the surrendered Warrant, be null and void. The undersigned also encloses herewith cash, a certified cheque, bank draft or money order or has transmitted good same day funds by wire or other similar transfer, in lawful money of Canada, payable to or to the order of Tocvan Ventures Corp. in payment of the exercise price.

In order to exercise any Warrants represented by this certificate, the person exercising Warrant(s) must check one of the following:

**[PLEASE CHECK ONE]**

The undersigned holder (i) at the time of exercise of these Warrants is not in the United States; (ii) is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and is not exercising these Warrants on behalf of a "U.S. person"; and (iii) did not execute or deliver this Warrant Exercise Form in the United States; or

The undersigned certifies that an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available, and attached hereto is an opinion of counsel to such effect, it being understood that any opinion of counsel tendered in connection with the exercise of these Warrants must be in form and substance satisfactory to the Corporation; or

The undersigned certifies that the undersigned is the original purchaser of the Warrant(s) being exercised and confirms as of the date hereof, the representations, warranties and agreements made by the Subscriber in the subscription agreement pursuant to which such Warrant was acquired by it.

The undersigned directs that the said Common Shares hereby exercised, be issued and delivered as follows:

Name in full	Address(es) (Include Postal Code)	# of Common Shares
_____	_____	_____

(Please print full name in which certificates are to be issued. If any of the securities are to be issued to a person or persons other than the undersigned, the undersigned holder must pay to the Corporation all requisite taxes or other governmental charges.)

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

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Warrantholder (or its representative if not an individual).

**Print name and address of Warrantholder in full**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title of person signing on behalf of holder (if subscriber is not an individual):

\_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed

## Exhibit 1 - Page 12

1. If the Warrant Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the certificate, the signature of such holder of the Warrant Exercise Form must be guaranteed by an authorized officer of a chartered bank, trust Corporation or an investment dealer who is a member of a recognized stock exchange.
2. If the Warrant Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.