
SUBSCRIPTION RECEIPT AGREEMENT

Made as of January 13, 2021

Between

LEVITEE LABS INC.
(the “Company”)

and

ODYSSEY TRUST COMPANY
(the “Subscription Receipt Agent”)

TABLE OF CONTENTS

	Page
RECITALS	1
ARTICLE 1 – INTERPRETATION.....	1
Section 1.1 Definitions.....	1
Section 1.2 Headings.....	5
Section 1.3 References	5
Section 1.4 Certain Rules of Interpretation.....	5
Section 1.5 Day Not a Business Day	5
Section 1.6 Applicable Law	6
Section 1.7 Conflict.....	6
Section 1.8 Currency	6
Section 1.9 Severability.....	6
Section 1.10 Schedules.....	6
Section 1.11 Meaning of “outstanding” for Certain Purposes	6
ARTICLE 2 – ISSUE OF SUBSCRIPTION RECEIPTS.....	7
Section 2.1 Creation and Issue of Subscription Receipts.....	7
Section 2.2 Payment Acknowledgement.....	8
Section 2.3 Terms of Subscription Receipts	8
Section 2.4 Fractional Subscription Receipts.....	8
Section 2.5 Register for Subscription Receipts.....	9
Section 2.6 Register Open for Inspection.....	9
Section 2.7 Receiptholder not a Shareholder	9
Section 2.8 Subscription Receipts to Rank Pari Passu.....	9
Section 2.9 Signing of Subscription Receipt Certificates	9
Section 2.10 Certification by the Subscription Receipt Agent.....	9
Section 2.11 Issue in Substitution for Subscription Receipt Certificates Lost, etc.	10
Section 2.12 Exchange of Subscription Receipt Certificates	10
Section 2.13 Transferability and Registration of Subscription Receipts	11
Section 2.14 Funds to be Placed in Escrow	12
Section 2.15 Subscription Receipts and Trading	12
Section 2.16 Cancellation of Surrendered Subscription Receipt Certificates	12
ARTICLE 3 – ESCROW RELEASE OR TERMINATION	13
Section 3.1 Notice of Escrow Release Conditions	13
Section 3.2 Release of the Escrowed Proceeds	13

Section 3.3 Issue of Underlying Shares and Payment Thereon	13
Section 3.4 Fractions	15
Section 3.5 Payment on Termination	15
Section 3.6 Additional Payments by the Company	15
Section 3.7 Withholding	16
ARTICLE 4 – ADJUSTMENT	16
Section 4.1 Definitions	16
Section 4.2 Adjustment	16
Section 4.3 Duties of the Subscription Receipt Agent	17
Section 4.4 Notice of Adjustment	18
ARTICLE 5 – INVESTMENT OF PROCEEDS AND PAYMENT OF INTEREST	18
Section 5.1 Investment of Proceeds	18
Section 5.2 Segregation of Proceeds	19
ARTICLE 6 - RIGHTS OF THE CORPORATION AND COVENANTS	20
Section 6.1 General Covenants	20
Section 6.2 Subscription Receipt Agent’s Remuneration and Expenses	21
Section 6.3 Performance of Covenants by Subscription Receipt Agent	21
Section 6.4 Accounting	21
Section 6.5 Payments by Subscription Receipt Agent	22
Section 6.6 Regulatory Matters	22
Section 6.7 Anti-Money Laundering & Privacy	22
Section 6.8 Privacy	22
Section 6.9 Use of Accounts	23
ARTICLE 7 – ENFORCEMENT	23
Section 7.1 Suits by Receiptholders	23
ARTICLE 8 – MEETINGS OF RECEIPTHOLDERS	23
Section 8.1 Right to Convene Meetings	23
Section 8.2 Notice	23
Section 8.3 Chairman	24
Section 8.4 Quorum	24
Section 8.5 Power to Adjourn	24
Section 8.6 Show of Hands	24
Section 8.7 Poll and Voting	24
Section 8.8 Regulations	25
Section 8.9 Company and Subscription Receipt Agent may be Represented	25

Section 8.10 Powers Exercisable by Special Resolution	25
Section 8.11 Meaning of Special Resolution	27
Section 8.12 Powers Cumulative	28
Section 8.13 Minutes.....	28
Section 8.14 Instruments in Writing	28
Section 8.15 Binding Effect of Resolutions	28
ARTICLE 9 – SUPPLEMENTAL AGREEMENTS AND SUCCESSOR PERSONS.....	28
Section 9.1 Provision for Supplemental Agreements for Certain Purposes.....	28
Section 9.2 Successor Persons	29
ARTICLE 10 – CONCERNING THE SUBSCRIPTION RECEIPT AGENT	29
Section 10.1 Rights and Duties of Subscription Receipt Agent.....	29
Section 10.2 Evidence, Experts and Advisers.....	31
Section 10.3 Securities, Documents and Monies Held by Subscription Receipt Agent	31
Section 10.4 Actions by Subscription Receipt Agent to Protect Interest.....	31
Section 10.5 Subscription Receipt Agent not Required to Give Security.....	32
Section 10.6 Protection of Subscription Receipt Agent.....	32
Section 10.7 Replacement of Subscription Receipt Agent; Successor by Business Combination	33
Section 10.8 Conflict of Interest	34
Section 10.9 Acceptance of Appointment.....	34
Section 10.10 Subscription Receipt Agent Not to be Appointed Receiver.....	34
ARTICLE 11 – GENERAL	34
Section 11.1 Notice to the Company and Subscription Receipt Agent.....	34
Section 11.2 Notice to Receiptholders	35
Section 11.3 Ownership of Subscription Receipts	35
Section 11.4 Satisfaction and Discharge of Agreement.....	36
Section 11.5 Sole Benefit of Parties and Receiptholders	36
Section 11.6 Force Majeure	36
Section 11.7 Time of Essence	36
Section 11.8 Counterparts	36
Section 11.9 Amendment	37
Schedule A – Form of Subscription Receipt Certificate	
Schedule B – Form of Escrow Release Notice	
Schedule C – Form of Declaration for Removal of Legend	

SUBSCRIPTION RECEIPT AGREEMENT

This Subscription Receipt Agreement is made as of January 4, 2021, between:

LEVITEE LABS INC.
(the “Company”)

and

ODYSSEY TRUST COMPANY
(the “Subscription Receipt Agent”)

RECITALS

A. **WHEREAS** the Company is proposing to create, issue and sell Subscription Receipts (as defined herein) representing the right to receive the Underlying Securities (as defined herein), on the terms and conditions described herein;

B. **WHEREAS** the Company is conducting a non-brokered private placement of up to 22,000,000 Subscription Receipts by the Company at a price of \$0.50 per Subscription Receipt (the “**Subscription Price**”) for aggregate gross proceeds of up to \$11,000,000 (the “**Offering**”);

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

D. **WHEREAS** at the Escrow Release Time (as defined herein), provided that such time occurs on or before the Escrow Release Deadline (as defined herein), each holder of Subscription Receipts (the “**Receiptholder**” or “**holder**”) shall automatically receive, without any further action required by such Receiptholder and without payment of any additional consideration, one Underlying Share (as defined herein) and one-half of one Underlying Warrant (as defined herein) for each Subscription Receipt held by the Receiptholder;

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

F. **AND WHEREAS** the following recitals are made as representations and statements of fact by the Company and not by the Subscription Receipt Agent.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed and declared as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

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

- (1) “**Agreement**” means this subscription receipt agreement, as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof;
- (2) “**Applicable Securities Laws**” means, collectively, the applicable securities laws of each of the Offering Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, multilateral or national instruments, blanket orders, rulings and notices of the applicable securities commissions or other securities regulatory authorities in each of the Offering Jurisdictions;
- (3) “**Business Day**” means any day which is not Saturday, Sunday or a statutory holiday in Vancouver, British Columbia or any other day on which businesses of the Subscription Receipt Agent and Canadian chartered banks are generally closed;
- (4) “**Capital Reorganization**” has the meaning given to that term in Section 4.2(3);
- (5) “**Certify**” means with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Company and certified by manual signature of an authorized officer of the Subscription Receipt Agent, and “**Certified**” and “**Certification**” have the appropriate correlative meanings, and internal procedures means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Subscription Receipt Agent’s internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Subscription Receipt Agent;
- (6) “**Closing Date**” means the date of each closing of the Offering, which may occur in multiple tranches on such date as the Company may determine;
- (7) “**Common Shares**” means the common shares in the capital of the Company;
- (8) “**Company**” means Levitee Labs Inc., a corporation existing under the laws of the Province of British Columbia;
- (9) “**CSE**” means the Canadian Securities Exchange;
- (10) “**Designated Office**” means the stock transfer offices of the Subscription Receipt Agent from time to time in Calgary, Alberta;
- (11) “**Directors**” means the directors of the Company;
- (12) “**dividends**” means the dividends (payable in cash or securities, property or assets of equivalent value) declared payable on the Common Shares, prior to the Transaction;
- (13) “**Escrow Account**” has the meaning attributed thereto in Section 2.2(1);
- (14) “**Escrow Release Conditions**” means the occurrence of the following: (i) the common shares of the Company will have been conditionally approved for listing on the CSE; and (ii) the Company will have obtained a final receipt on behalf of each of the securities regulatory authorities in the Provinces of Canada in which Subscription Receipts have been sold for a final prospectus qualifying the issuance of the Underlying Shares and the Underlying Warrants underlying the Subscription Receipts;
- (15) “**Escrow Release Date**” means the date on which the Escrow Release Conditions have been satisfied and the Underlying Securities have been issued to the Receiptholders and the Escrowed Proceeds have been released to the Company, as applicable, all in accordance with the terms of this Agreement;

- (16) “**Escrow Release Deadline**” means no later than 240 days from the Closing Date on or prior to 5:00 PM (Vancouver time);
- (17) “**Escrow Release Notice**” has the meaning attributed thereto in Section 3.1;
- (18) “**Escrow Release Time**” means 5:00 p.m. (Vancouver time) on the Escrow Release Date;
- (19) “**Escrowed Proceeds**” means, collectively, the Escrowed Subscription Funds;
- (20) “**Escrowed Subscription Funds**” means an amount equal to the aggregate Subscription Price for the Subscription Receipts received on each Closing Date, in respect of the Offering;
- (21) “**Exchange Act**” means *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;
- (22) “**Indemnified Parties**” has the meaning attributed thereto in Section 10.6(g);
- (23) “**Investments**” has the meaning given to that term in Section 5.1(2);
- (24) “**Offering**” has the meaning given to it on page one of this Agreement;
- (25) “**Offering Jurisdictions**” means each of the provinces of Canada and other jurisdictions where the Offering can lawfully be made;
- (26) “**person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;
- (27) “**Receiptholders**” or “**holders**” means persons who appear on the register of Subscription Receipts maintained pursuant to Section 2.5;
- (28) “**Receiptholders’ Request**” means an instrument signed in one or more counterparts by Receiptholders holding not less than 25% of the aggregate number of all Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;
- (29) “**Resulting Issuer**” means the Company as it exists after completion of the Transaction;
- (30) “**Resulting Issuer Shares**” means the Common Shares in the capital of the Resulting Issuer;
- (31) “**Share Reorganization**” has the meaning given to that term in Section 4.2(1)(b);
- (32) “**Shareholders**” means the registered holders from time to time of Common Shares;
- (33) “**Shortfall**” has the meaning attributed to that term in Section 3.5(3);
- (34) “**Subscription Agreements**” means the subscription agreements executed by the Company and each of the Receiptholders for the Subscription Receipts;
- (35) “**Subscription Price**” means \$0.50 per Subscription Receipt;
- (36) “**Subscription Receipt Agent**” has the meaning attributed to that term on page one of this Agreement;

(37) “**Subscription Receipt Certificate**” means a certificate evidencing one or more Subscription Receipts substantially in the form attached as Schedule A hereto with such appropriate insertions, deletions, substitutions and variations as may be required or permitted by the terms of this Agreement or as may be required to comply with any law or the rules of any stock exchange;

(38) “**Subscription Receipts**” means the subscription receipts of the Company issued and certified hereunder and from time to time outstanding, each such Subscription Receipt evidencing the right to an Underlying Security as provided herein;

(39) “**Subsidiary of the Company**” means a corporation, commercial trust, partnership or other entity of which a majority of the outstanding voting shares are owned, directly or indirectly, by the Company or by one or more Subsidiaries of the Company and, as used in this definition, “voting shares” means shares of any class of any corporation or securities which represent a beneficial interest in a commercial trust, partnership or other entity ordinarily entitled to vote for the election of the majority of the directors of an entity irrespective of whether or not shares of any class or securities shall have or might have the right to vote for directors;

(40) “**Termination**” means the earliest to occur of any of the following events:

- (a) the public announcement by the Company that it does not intend to satisfy the Escrow Release Conditions; or
- (b) the Escrow Release Time failing to occur at or before the Escrow Release Deadline;

(41) “**Termination Date**” means the date on which a Termination occurs;

(42) “**Termination Payment Time**” means as soon as practically possible following the Termination Date, and in any event within three (3) Business Days following the Termination Date;

(43) “**Underlying Security**” means collectively, the Underlying Share and Underlying Warrant;

(44) “**Underlying Share**” means a Common Share issuable to holders of Subscription Receipts upon conversion of the Subscription Receipts without payment of additional consideration or further action at the Escrow Release Time, provided that the Escrow Release Time occurs at or before the Escrow Release Deadline;

(45) “**Underlying Warrant**” means one-half Warrant issuable to holders of Subscription Receipts upon conversion of a Subscription Receipt without payment of additional consideration or further action at the Escrow Release Time, provided that the Escrow Release Time occurs at or before the Escrow Release Deadline;

(46) “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

(47) “**U.S. Person**” means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;

(48) “**U.S. Purchaser**” means an original purchaser of Subscription Receipts who was, at the time of purchase:

- (a) a U.S. Person or a person purchasing the Subscription Receipts in the United States;

- (b) a person purchasing Subscription Receipts on behalf of, or for the account or benefit of, any U.S. Person or person in the United States;
- (c) a person that received an offer to purchase the Subscription Receipts while in the United States; or
- (d) any person that was in the United States at the time such person's buy order was made or the subscription for the Subscription Receipts was executed or delivered;

(49) **"U.S. Securities Act"** means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

(50) **"U.S. Receiptholder"** means any Receiptholder that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person;

(51) **"Warrants"** means one whole Common Share purchase warrant exercisable for one Common Share at a price of \$0.75 per Common Share for a period of 36 months from the Closing Date; and

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

Section 1.2 Headings

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

Section 1.3 References

Unless otherwise specified in this Agreement:

- (a) references to Articles, Sections, and Schedules are to Articles, Sections, and Schedules in this Agreement;
- (b) **"hereto"**, **"herein"**, **"hereby"**, **"hereunder"**, **"hereof"** and similar expressions, without reference to a particular provision, refer to this Agreement; and
- (c) references to Subscription Receipts include any Subscription Receipts issued by the Company.

Section 1.4 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

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

Section 1.5 Day Not a Business Day

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

succeeding day that is a Business Day with the same force and effect as if taken within the period for the taking of such action.

Section 1.6 Applicable Law

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

Section 1.7 Conflict

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

Section 1.8 Currency

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

Section 1.9 Severability

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

Section 1.10 Schedules

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

- (a) Schedule A – Form of Subscription Receipt Certificate
- (b) Schedule B – Form of Escrow Release Notice
- (c) Schedule C – Form of Declaration for Removal of Legend

Section 1.11 Meaning of “outstanding” for Certain Purposes

Except as provided in Section 3.3 and Section 3.5(5) of this Agreement and subject to the terms of this Agreement, every Subscription Receipt Certificate countersigned as certified and delivered by the Subscription Receipt Agent hereunder shall be deemed to be outstanding until it has been surrendered to the Subscription Receipt Agent pursuant to this Agreement, provided however that:

- (a) where a Subscription Receipt Certificate has been issued in substitution for a Subscription Receipt Certificate that has been lost, stolen or destroyed, only the Subscription Receipt Certificate so issued in substitution shall be counted for the purpose of determining the Subscription Receipts outstanding; and
- (b) for the purpose of any provision of this Agreement entitling holders of outstanding Subscription Receipts to vote, sign consents, requests or other instruments or take any other action under this Agreement, Subscription Receipts owned legally or equitably by the Company or any affiliated entity thereof (including any Subsidiary of the Company or any

partnership to which the Company may be directly or indirectly a party to) shall be disregarded, except that:

- (i) for the purpose of determining whether the Subscription Receipt Agent shall be protected in relying on any vote, consent, request or other instrument or other action, only the Subscription Receipts of which the Subscription Receipt Agent has notice that they are so owned shall be disregarded; and
- (ii) Subscription Receipts so owned that have been pledged in good faith other than to the Company or any affiliated entity thereof (including any Subsidiary of the Company or any partnership to which the Company may be directly or indirectly a party to) shall not be so disregarded if the pledgee establishes to the satisfaction of the Subscription Receipt Agent, by providing the Subscription Receipt Agent with a legal opinion of counsel, the pledgee's right to vote the Subscription Receipts in the pledgee's discretion free from the control of the Company or any affiliated entity thereof (including any Subsidiary of the Company or any partnership to which the Company may be directly or indirectly a party to) pursuant to the terms of the pledge.

ARTICLE 2 – ISSUE OF SUBSCRIPTION RECEIPTS

Section 2.1 Creation and Issue of Subscription Receipts

- (1) An aggregate maximum of 13,333,333 Subscription Receipts are hereby created and authorized to be issued by the Company for a price per Subscription Receipt equal to the Subscription Price.
- (2) On each Closing Date, one or more Subscription Receipt Certificates dated the date of such Closing Date shall be executed by or on behalf of the Company, certified by or on behalf of the Subscription Receipt Agent upon written direction of the Company and delivered to the Receiptholders, as applicable, in accordance with this Agreement.
- (3) Each Subscription Receipt Certificate shall bear the following legend:

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

- (4) The Subscription Receipts and the Underlying Securities issuable upon conversion of for the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under any applicable state securities laws. Subscription Receipts issued to U.S. Purchasers who are “accredited investors” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act and who are not otherwise “qualified institutional buyers” as defined in Rule 144A(a)(1) under the U.S. Securities Act will be issued in a certificated form and each Subscription Receipt Certificate issued to such U.S. Purchasers, and each Subscription Receipt Certificate issued in exchange therefor or in substitution thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

“THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR

SUBSCRIPTION RECEIPT
AGREEMENT

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

(5) Subject to the terms and conditions hereof, each Subscription Receipt issued will be automatically converted at the Escrow Release Time, without any further act or formality on the part of the Receiptholder and without payment of additional consideration, for one Underlying Security.

Section 2.2 Payment Acknowledgement

(1) The Subscription Receipt Agent will acknowledge in writing to the Company and the Subscription Receipt Agent receipt from, or on behalf of, the Company, in connection with the Offering, of funds by certified cheque, bank draft or wire transfer, in the aggregate amount of up to \$11,000,000, being the amount equal to the Escrowed Subscription Funds, and confirm that such Escrowed Subscription Funds have been deposited together in a segregated account (the “**Escrow Account**”) to be held and dealt with in accordance with this Agreement.

(2) The Company hereby:

- (a) acknowledges that the amounts received by the Subscription Receipt Agent pursuant to Section 2.2(1) of this Agreement represent payment in full of the aggregate Subscription Price for the Subscription Receipts issued in respect of the Offering; and
- (b) irrevocably directs the Subscription Receipt Agent to hold such amounts received from, or on behalf of, the Company in escrow in accordance with the terms of this Agreement pending release and payment of such amounts in accordance with the terms of this Agreement; and
- (c) irrevocably directs the Subscription Receipt Agent, immediately following the execution and delivery of this Agreement, in accordance with and upon delivery of a written direction of the Company, to certify and deliver one or more Subscription Receipt Certificates registered in accordance with the Subscription Agreements received from Receiptholders.

Section 2.3 Terms of Subscription Receipts

Each Subscription Receipt shall evidence the right of the holder: (i) to receive, if the Escrow Release Time occurs at or before the Escrow Release Deadline, for no additional consideration, one Underlying Security for each Subscription Receipt held by the Receiptholder; and (ii) if a Termination occurs, to receive an amount equal to the sum of the Subscription Price per such Subscription Receipt, less applicable withholding taxes, if any, all in the manner and on the terms and conditions set out in this Agreement.

Section 2.4 Fractional Subscription Receipts

No fractional Subscription Receipts shall be issued or otherwise provided for hereunder.

SUBSCRIPTION RECEIPT
AGREEMENT

Section 2.5 Register for Subscription Receipts

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

Section 2.6 Register Open for Inspection

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

Section 2.7 Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt shall confer or be construed as conferring upon a Receiptholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend meetings of Shareholders, or the right to receive dividends or any continuous disclosure materials of the Company or the Resulting Issuer, until such former Receiptholder is noted in the register of holders of the Underlying Shares that are issued on the conversion of the Subscription Receipts. Receiptholders are entitled to exercise only those rights expressly provided for by this Agreement on the terms and conditions set forth herein.

Section 2.8 Subscription Receipts to Rank Pari Passu

All Subscription Receipts shall rank *pari passu*, whatever may be the actual date of issue of same.

Section 2.9 Signing of Subscription Receipt Certificates

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

Section 2.10 Certification by the Subscription Receipt Agent

(1) The Subscription Receipt Agent shall Certify Subscription Receipts to be issued by the Company upon the written direction of the Company. No Subscription Receipt shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof until it has been Certified by manual signature by or on behalf of the Subscription Receipt Agent substantially in the form of the certificate set out in Schedule A hereto and such Certification by the Subscription Receipt Agent upon any Subscription Receipt shall be conclusive evidence as against the Company that the Subscription Receipt so Certified has been duly issued hereunder and that the holder is entitled to the benefits hereof.

(2) The Certification by the Subscription Receipt Agent of Subscription Receipts issued hereunder shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or the Subscription Receipts (except the due Certification thereof by the Subscription Receipt Agent) and the Subscription Receipt Agent shall in no respect be liable for the use made of the Subscription Receipts or any of them or of the Escrowed Proceeds therefor except as otherwise specified herein. The Certification by or on behalf of the Subscription Receipt Agent of Subscription Receipts shall only constitute a representation and warranty by the Subscription Receipt Agent that the Subscription Receipts have been duly Certified by or on behalf of the Subscription Receipt Agent pursuant to the provisions of this Agreement.

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

(1) In case any of the Subscription Receipt Certificates shall become mutilated or be lost, destroyed or stolen, the Company, subject to applicable law and compliance with Section 2.11(2) below, shall issue and thereupon the Subscription Receipt Agent shall Certify and deliver, a new Subscription Receipt Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Subscription Receipt Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be in a form approved by the Subscription Receipt Agent and shall be entitled to the benefits hereof and shall rank *pari passu* with all other Subscription Receipt Certificates issued or to be issued hereunder.

(2) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.11 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Company and to the Subscription Receipt Agent in their sole discretion, and such applicant may also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Company and the Subscription Receipt Agent in their sole discretion and shall pay the reasonable charges of the Company and the Subscription Receipt Agent in connection therewith.

Section 2.12 Exchange of Subscription Receipt Certificates

(1) Subscription Receipt Certificates may, upon compliance with the reasonable requirements of the Subscription Receipt Agent, acting reasonably, be exchanged for another Subscription Receipt Certificate or Subscription Receipt Certificates entitling the holder thereof to, in the aggregate, the same number of Subscription Receipts as represented by the Subscription Receipt Certificates so exchanged.

(2) Subscription Receipt Certificates may be surrendered for exchange only at the Designated Office of the Subscription Receipt Agent during regular business hours of the Subscription Receipt Agent. Any Subscription Receipt Certificates so tendered for exchange shall be cancelled. Any one officer or Director of the Company shall sign, on behalf of the Company, all Subscription Receipt Certificates necessary to carry out exchanges as aforesaid and those Subscription Receipt Certificates shall be Certified by or on behalf of the Subscription Receipt Agent.

(3) Except as otherwise herein provided, the Subscription Receipt Agent may charge to the holder requesting an exchange a reasonable sum for each new Subscription Receipt Certificate issued in exchange for Subscription Receipt Certificate(s). Payment of such charges and reimbursement of the Subscription Receipt Agent or the Company for any governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange.

Section 2.13 Transferability and Registration of Subscription Receipts

- (1) The Subscription Receipts are non-transferable.
- (2) The Company, and the Subscription Receipt Agent will deem and treat the registered owner of any Subscription Receipt as the beneficial owner thereof for all purposes and neither the Company, nor the Subscription Receipt Agent shall be affected by any notice to the contrary.
- (3) The transfer register in respect of Subscription Receipts shall be closed at 5:00 p.m. (Vancouver time) on the earlier of:
 - (a) the day immediately prior to the Escrow Release Date, and
 - (b) the date of the Escrow Release Deadline (subject to settlement).
- (4) Subject to the provisions of this Agreement and applicable law, a Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts. Either the issue of the Underlying Securities as provided in Section 3.3 of this Agreement, or the payment of the Subscription Price (less applicable withholding taxes, if any) as provided in Section 3.5 of this Agreement, all in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Company, and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Company, nor the Subscription Receipt Agent shall be bound to inquire into the title of a Receiptholder.
- (5) Without limitation, signatures of Receiptholders, where so required under this Agreement, must be guaranteed by an authorized officer of a Canadian Schedule I Chartered Bank or by a medallion signature guarantee from a member of a recognized medallion signature guarantee program.
- (6) The Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws and are not transferable by the U.S. Receiptholders.
- (7) The Underlying Securities issuable pursuant to the Subscription Receipts have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws. A U.S. Receiptholder who is issued such Underlying Securities may only offer, sell, pledge or otherwise transfer such securities:
 - (a) to the Company,
 - (b) outside the United States to persons who are not U.S. Persons in accordance with an applicable exemption under the U.S. Securities Act and in accordance with applicable local laws and regulations.
- (8) The Resulting Issuer Securities have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws. A U.S. Receiptholder who is issued Resulting Issuer Securities may only offer, sell, pledge or otherwise transfer such securities:
 - (a) to the Resulting Issuer,
 - (b) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with local laws and regulations,
 - (c) if the securities have been registered in compliance with the registration requirements under the U.S. Securities Act and in accordance with applicable state securities laws,

- (d) in compliance with the exemption from the registration requirements of the U.S. Securities Act provided by
 - (i) Rule 144 under the U.S. Securities Act, if available, or Rule 144A under the U.S. Securities Act, if available, and, in each case, in accordance with applicable state securities laws, or
- (e) in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws; *provided*, that if the Resulting Issuer Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act, the U.S. Receiptholder provides an executed declaration to the Resulting Issuer and its registrar and transfer agent, in substantially the form set forth as Schedule C hereto (or in such other form as the Resulting Issuer may prescribe from time to time) and, if requested by the Resulting Issuer or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Resulting Issuer and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; *provided further* that, in the case of each such transfer pursuant to this Section 2.13, the U.S. Receiptholder has prior to such transfer furnished to the Resulting Issuer and its transfer agent an opinion of counsel of recognized standing or such other evidence in form and substance reasonably satisfactory to the Resulting Issuer stating that such transaction is exempt from registration under the U.S. Securities Act and applicable state securities laws.

Section 2.14 Funds to be Placed in Escrow

Upon delivery of the Escrowed Subscription Funds by, or on behalf of, the Company, or as directed thereby, to the Subscription Receipt Agent by certified cheque, bank draft or wire transfer of funds into the Escrow Account to be held pursuant to the terms hereof, the Subscription Receipt Agent shall issue the Subscription Receipts and deliver to the Receiptholders the Subscription Receipt Certificates. The Subscription Receipt Agent hereby agrees to hold the Escrowed Proceeds for and on behalf of the Receiptholders and the Company and to disburse and deal with the same as provided herein. The Subscription Receipt Agent shall retain the Escrowed Subscription Funds for the benefit of the holders of the Subscription Receipts and, upon the delivery of the Escrow Release Notice to the Subscription Receipt Agent (at or before the Escrow Release Deadline), retroactively for the benefit of the Company and Subscription Receipt Agent in accordance with the provisions of this Agreement.

Section 2.15 Subscription Receipts and Trading

The Company confirms that the Subscription Receipts and the Underlying Securities have not been approved for listing on the CSE or any other stock exchange.

Section 2.16 Cancellation of Surrendered Subscription Receipt Certificates

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

ARTICLE 3 – ESCROW RELEASE OR TERMINATION

Section 3.1 Notice of Escrow Release Conditions

If the Escrow Release Conditions, other than the delivery of the Escrow Release Notice, have been satisfied at or before the Escrow Release Deadline, the Company shall forthwith cause a notice of the same executed by the Company to be delivered to the Subscription Receipt Agent (substantially in the form attached as Schedule B , the “**Escrow Release Notice**”). The Escrow Release Notice delivered to the Subscription Receipt Agent shall specify the amounts to be released pursuant to Section 3.2 of this Agreement and to whom such amounts should be released.

Section 3.2 Release of the Escrowed Proceeds

If the Escrow Release Time occurs at or before the Escrow Release Deadline, the Subscription Receipt Agent shall pay the Escrowed Proceeds to the Company. The Subscription Receipt Agent shall deliver the funds referred to in this Section 3.2 to the Company, (or as directed by the Company) as soon as practicable after the delivery of the Escrow Release Notice referred to in Section 3.1 of this Agreement by wire transfer. Any Escrow Release Notice delivered to the Subscription Receipt Agent must be received by the Subscription Receipt Agent no later than 9:00 a.m. (Vancouver time) on the day on which the funds are to be released. Any Escrow Release Notice received by the Subscription Receipt Agent after 9:00 a.m. (Vancouver time) or received on a day that is not a Business Day shall, unless the notice is received on the date of the Escrow Release Deadline, be deemed to have been given prior to 9:00 a.m. (Vancouver time) on the next Business Day.

Section 3.3 Issue of Underlying Shares and Payment Thereon

- (1) If the Escrow Release Notice is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline, upon receipt of the Escrow Release Notice by the Subscription Receipt Agent, all Underlying Securities will be deemed to have been issued on the Escrow Release Date for and on behalf of the holders thereof and the holders thereof shall, without payment of additional consideration or any further action on the part of the holders thereof (including the surrender of any Subscription Receipt Certificates), be deemed to have subscribed for the corresponding number of Underlying Securities issuable pursuant to such Subscription Receipts.
- (2) Upon the deemed issuance of the Underlying Securities, the Company shall, in accordance with the provisions of its constituting documents, cause the Underlying Securities to be issued. Within five (5) Business Days after the receipt of the Escrow Release Notice provided for in Section 3.1 of this Agreement, the Subscription Receipt Agent shall cause the Underlying Securities to be deposited, mailed or delivered to the person or persons entitled thereto in the same manner as such person or persons held their Subscription Receipts.
- (3) Effective immediately after the Underlying Securities have been, or have been deemed to be, issued as contemplated by Section 3.3(1) hereof, the Subscription Receipts relating thereto shall be void and of no value or effect.
- (4) The Subscription Receipt Agent shall not be responsible for calculating the amounts owing under Section 3.2 of this Agreement, but shall be entitled to rely on the Escrow Release Notice specifying the payments to be made pursuant to Section 3.2 of this Agreement.
- (5) Each Underlying Security issued to a U.S. Receiptholder pursuant to a Subscription Receipt Certificate bearing the legend set forth in Section 2.1(4) of this Agreement, and each Underlying Security issued in exchange therefor or in substitution thereof, for so long as required by the U.S. Securities Act or applicable state securities laws, shall bear the following legend:

SUBSCRIPTION RECEIPT
AGREEMENT

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

(6) Certificates representing the Resulting Issuer Shares issued upon the exchange of the Underlying Securities to, or for the account or benefit of, U.S. Receiptholders, and all certificates issued in exchange therefore or in substitution thereof, shall bear or be deemed to bear, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) RULE 144A THEREUNDER, IF AVAILABLE AND IN COMPLIANCE WITH STATE SECURITIES LAWS OR (D) WITHIN THE UNITED STATES, WITH ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PROVIDED, IN THE CASE OF AN OFFER, SALE, ASSIGNMENT, PLEDGE, ENCUMBRANCE OR OTHER TRANSFER PURSUANT TO (C)(i) or (D), THE HOLDER SHALL HAVE PROVIDED TO THE CORPORATION AN OPINION OF COUNSEL TO THE EFFECT THAT THE PROPOSED TRANSFER MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, WHICH OPINION AND COUNSEL MUST BE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA OR ELSEWHERE.

provided, that if the Resulting Issuer Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Resulting Issuer and to the Resulting Issuer, in substantially the form set forth as Schedule C hereto (or in such other form as the Resulting Issuer may prescribe from time to time) and, if requested by the Resulting Issuer or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Resulting Issuer and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act; and

SUBSCRIPTION RECEIPT
AGREEMENT

provided further, that if any of the Resulting Issuer Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Resulting Issuer's registrar and transfer agent of an opinion reasonably satisfactory to the Resulting Issuer and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

Section 3.4 Fractions

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

Section 3.5 Payment on Termination

- (1) If a Termination occurs, the Company shall forthwith notify the Subscription Receipt Agent thereof in writing and shall issue a press release setting forth the Termination Date.
- (2) If a Termination occurs, each Subscription Receipt shall, subject to Section 3.5(5) hereof, be automatically terminated and cancelled and each Receiptholder shall be entitled to receive out of the Escrowed Proceeds at the Termination Payment Time, an amount equal to (i) the Subscription Price in respect of such holder's Subscription Receipts, less applicable withholding taxes, if any.
- (3) The amounts paid to each Receiptholder under Section 3.5(2) shall be satisfied by the Escrowed Proceeds. To the extent that the Escrowed Proceeds are insufficient to refund to each Receiptholder an amount equal to the aggregate Subscription Price for the Subscription Receipts held by them (a "**Shortfall**"), the Company shall be responsible and liable to the Receiptholders for any Shortfall and shall contribute such amounts as are necessary to satisfy any Shortfall such that each Receiptholder will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts held. In no case will the Subscription Receipt Agent be liable to the Receiptholders in the event of a Shortfall.
- (4) The obligation to make the payment of the amounts specified in Section 3.5(2) shall be satisfied by the Subscription Receipt Agent mailing cheques made payable to the Receiptholders at their registered addresses.
- (5) Upon the mailing or delivery of any cheque as provided in Section 3.5(4) (and, in the case of a cheque, provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof) all rights evidenced by the Subscription Receipts held by a Receiptholder shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

Section 3.6 Additional Payments by the Company

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

Section 3.7 Withholding

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

ARTICLE 4 – ADJUSTMENT

Section 4.1 Definitions

In this Article 4, references to any “record date” refer to the particular time on such relevant date stipulated for such event and otherwise refer to 5:00 p.m. (Vancouver time) on such date.

Section 4.2 Adjustment

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

- (1) If at any time after the issuance of the Subscription Receipts and before the Escrow Release Time, the Company:
 - (a) issues to all or substantially all the holders of the Common Shares by way of a stock distribution, stock dividend or otherwise, Common Shares or securities convertible into Common Shares or subdivides, re-divides or changes its outstanding Common Shares into a greater number of Common Shares; or
 - (b) reduces, combines or consolidates its outstanding Common Shares into a lesser number of Common Shares (any of such events in Section 4.2(1)(a) and Section 4.2(1)(b) being called a “**Share Reorganization**”),

then the number of Underlying Securities issuable with respect to each Subscription Receipt will be adjusted as of the record date at which the holders of Common Shares are determined for the purpose of the Share Reorganization by multiplying the number of Common Shares theretofore obtainable immediately prior to such record date by a fraction, the numerator of which will be the number of Common Shares outstanding on the record date after giving effect to such Share Reorganization and the denominator of which will be the number of Common Shares outstanding on the record date before giving effect to such Share Reorganization.

- (2) If at any time after the issuance of the Subscription Receipts and before the Escrow Release Time there is a reclassification of Common Shares at any time outstanding or a change or exchange of the Common Shares into other securities or property (other than a Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Company with or into any entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other securities or property), or a transfer of the undertakings or assets of the Company as an entirety or substantially as an entirety to another entity, or a record date for any of the foregoing events occurs, (any of such events being herein called a “**Capital Reorganization**”), any holder entitled to acquire Underlying Securities after the record date or effective date of such Capital Reorganization will be entitled to receive, and will accept in lieu of the number of Underlying Securities to which such holder was theretofore entitled, the aggregate number of other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date of such Capital Reorganization, the holder had been the registered

holder of the number of Underlying Securities to which such holder was then entitled with respect to the Subscription Receipts subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Section 4.2, provided however, that no such Capital Reorganization will be carried into effect unless all necessary steps have been taken to so entitle the holders.

(3) If at any time after the issuance of the Subscription Receipts and prior to the Escrow Release Time, the Company issues or distributes to the holders of all or substantially all of the outstanding Common Shares cash or securities of the Company including rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares or property or assets, including evidences of indebtedness, other than as a result of a Share Reorganization or a Capital Reorganization, or a record date for any of the foregoing events occurs, the Receiptholders will be entitled to receive, and will receive, in addition to the number of Underlying Securities to which such holder was theretofore entitled, the kind and amount of Underlying Securities, cash or other securities, property or assets which result from such issue or distribution as if, on the record date at which holders of Common Shares are determined for the purpose thereof, such Receiptholder had been the registered holder of the number of Common Shares to which the holder was theretofore entitled.

(4) The adjustments provided for in this Section 4.2 are cumulative and shall apply to successive subdivisions, consolidations, changes, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.2.

(5) In the event that the Company, after the date hereof, shall take any action affecting the Common Shares other than the actions described in this Section 4.2, which, in the reasonable opinion of the Directors, would materially affect the rights of the Receiptholders or the rights attaching to the Subscription Receipts, then the number of Underlying Securities which are to be received pursuant to the Subscription Receipts shall be adjusted in such manner, if any, and at such time as the Directors may, in their discretion, reasonably determine to be equitable to the Receiptholders in such circumstances.

(6) In the event of any question arising with respect to the adjustment provided in this Section 4.2, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company and acceptable to the Subscription Receipt Agent (who may be the auditors of the Company); such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company, the Subscription Receipt Agent, and the Receiptholders.

(7) As a condition precedent to the taking of any action which would require an adjustment in the number of Underlying Securities issuable upon conversion of the Subscription Receipts, the Company shall take any corporate action which may, in the opinion of counsel to the Company (acting reasonably), be necessary to ensure that the Company has sufficient authorized capital and that the Company may validly and legally issue, as fully paid and non-assessable shares, all of the securities which the holders of such Subscription Receipts are entitled to receive on the conversion of the Subscription Receipts, in accordance with the provisions of this Agreement.

(8) The Subscription Receipt Agent may rely upon certificates and other documents filed by the Company pursuant to this Article 4 for all purposes of any adjustment.

Section 4.3 Duties of the Subscription Receipt Agent

The Subscription Receipt Agent shall not:

- (a) at any time be under any duty or responsibility to any Receiptholder to determine whether any facts exist which may require any adjustment contemplated in Section 4.2, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making such adjustment;

- (b) be accountable with respect to the validity or value (or the kind or amount) of any Underlying Securities, or of any other securities or property which may at any time be issued or delivered upon the conversion of the rights attaching to any Subscription Receipt;
- (c) be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver Underlying Securities or certificates, or to comply with any of the covenants contained in Article 4 of this Agreement; or
- (d) incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Company of any of the representations, warranties or covenants herein contained or of any acts of the agents of the Company.

Section 4.4 Notice of Adjustment

(1) Promptly upon the occurrence of the earlier of the effective date of or the record date for any event referred to in Section 4.2 of this Agreement that requires an adjustment of the rights attaching to the Subscription Receipts, the Company shall:

- (a) file with the Subscription Receipt Agent a certificate of the Company specifying the particulars of the event and, if determinable, the adjustment and computation of the adjustment, which certificate, if required by the Subscription Receipt Agent and subject to the availability of the Company's auditors, shall be supported by a certificate of the Company's auditors verifying such computation, and the Subscription Receipt Agent may act and rely absolutely on the certificates of the Company or the Company's auditors, as applicable; and
- (b) give notice, or cause notice to be given, to the Receiptholders of its intention to fix the record date for any event referred to in Section 4.2 of this Agreement and, if determinable, the adjustment, such notice to specify the particulars of such event and the record date for such event, provided that the Company shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given.

(2) If notice has been given under Section 4.4(1) of this Agreement and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable:

- (a) file with the Subscription Receipt Agent a computation of the adjustment and, if applicable, the certificate of the Company's auditors verifying such computation; and
- (b) give notice, or cause notice to be given, to the Receiptholders of its intention to fix the record date for any event referred to in Section 4.2 of this Agreement and the adjustment, such notice to specify the particulars of such event and the record date for such event, provided that the Company shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given.

ARTICLE 5 – INVESTMENT OF PROCEEDS AND PAYMENT OF INTEREST

Section 5.1 Investment of Proceeds

(1) The Company will deliver, or cause to be delivered, the Escrowed Subscription Funds with respect to the Offering, to the Subscription Receipt Agent on the Closing Date by way of a certified cheque, bank draft or wire transfer. The Subscription Receipt Agent shall immediately place all such funds in a segregated

account at a Schedule I bank in Canada (an “Approved Bank”) in accordance with the provisions of this Article 5. The Company acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of \$0.50 per Subscription Receipt therefor that the Escrowed Proceeds are held by the Subscription Receipt Agent in accordance with the provisions of this Article 5. The Company further acknowledges and confirms that it has no interest in the Escrowed Proceeds unless and until the Escrow Release Notice is delivered to the Subscription Receipt Agent. The Subscription Receipt Agent shall retain the Escrowed Proceeds for the benefit of the Receiptholders and, upon the delivery of the Escrow Release Notice, to the Subscription Receipt Agent, retroactively for the benefit of the Company in accordance with the provisions of this Article 5.

(2) Pending disbursement of the Escrowed Proceeds, and upon receipt of a written direction from the Company, the Subscription Receipt Agent shall invest such Escrowed Proceeds in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments, collectively, the “**Investments**”), but the Subscription Receipt Agent shall not be liable to account for any profit to any parties to this Agreement or to any other person or entity other than at a rate, if any, established from time to time by the Subscription Receipt Agent. In the event that the Subscription Receipt Agent does not receive a written direction or receives a written direction that does not deal with the entirety of the Escrowed Proceeds, the Escrowed Proceeds or the undirected portion of same will be credited to or remain in the segregated account referred to in Section 5.1(1) and the Subscription Receipt Agent will pay interest on such amount at a rate that it normally pays on similar funds held in trust. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Receiptholders and the Subscription Receipt Agent shall have no liability with respect to any loss in value of Investments as permitted to be made hereunder, including any losses resulting from a default by the Approved Bank. The Company acknowledges and agrees that the Subscription Receipt Agent acts prudently in depositing the Escrowed Funds at the Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of such bank.

(3) At any time and from time to time, the Company shall be entitled to direct the Subscription Receipt Agent by written notice (a) not to deposit any new amounts in any Investments specified in the notice and/or (b) to withdraw all or any of the Escrowed Proceeds that may then be deposited with any Investments specified in the notice and re-deposit such amount with one or more of such other Investments as specified in the notice. With respect to any withdrawal notice, the Subscription Receipt Agent will endeavor to withdraw such amount specified in the notice as soon as reasonably practicable and the Company acknowledges and agrees that such specified amount remains at the sole risk of the Receiptholders prior to and after such withdrawal.

(4) For tax reporting purposes, all Earned Interest or other taxable income earned from the investment of the Escrow Proceeds in any tax year shall (i) to the extent such interest is distributed by the Subscription Receipt Agent to any person or entity pursuant to the terms of this Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise be allocated to the Company in the taxation year that it was earned, notwithstanding that no such amount has been distributed. The Receiptholders and the Company agree to provide the Subscription Receipt Agent with their certified tax identification numbers and others forms, documents and information that the Subscription Receipt Agent may request in order to fulfill any tax reporting function.

Section 5.2 Segregation of Proceeds

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

ARTICLE 6- RIGHTS OF THE CORPORATION AND COVENANTS

Section 6.1 General Covenants

The Company covenants with the Subscription Receipt Agent that so long as any Subscription Receipts remain outstanding:

- (a) it shall at all times maintain its existence and will carry on and conduct its business, and that of its subsidiaries, in a prudent manner in accordance with industry standards and good business practice and will keep or cause to be kept proper books of account in accordance with applicable law and generally accepted accounting principles;
- (b) it shall not take any action which would result in, or cause any change to, the share capital or capital structure of the Company including, but not limited to, a Share Reorganization or a Capital Reorganization, or enter into any agreement to do any of the foregoing;
- (c) it will perform and carry out all acts or things to be done by it as provided in this Agreement;
- (d) will reserve and conditionally allot for the purpose and keep available sufficient unissued Underlying Shares and Underlying Warrants to enable it to satisfy its obligations on the exchange of the Subscription Receipts;
- (e) it will cause the Underlying Securities to be duly issued pursuant to the conversion of the Subscription Receipts and the certificates representing such Underlying Securities to be issued and delivered or for the issuance to be recorded in the register of the Underlying Securities, in accordance with the provisions of this Agreement and the terms hereof and all Underlying Securities that are issued on the exchange of the Subscription Receipts will be fully paid and non-assessable securities;
- (f) the Company confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the Exchange Act or a reporting obligation pursuant to Section 15(d) of the Exchange Act. The Company covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the Exchange Act, (ii) the Company shall incur a reporting obligation pursuant to Section 15(d) of the Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Company in accordance with the Exchange Act, the Company shall promptly deliver to the Subscription Receipt Agent an officers' certificate (in a form provided by the Subscription Receipt Agent) notifying the Subscription Receipt Agent of such registration or termination and such other information as the Subscription Receipt Agent may reasonably require at the time. The Company acknowledges that the Subscription Receipt Agent is relying upon the foregoing representations and covenants in order to meet certain obligations of the Subscription Receipt Agent with respect to those clients of the Subscription Receipt Agent that are required to file reports with the United States Securities and Exchange Commission under the Exchange Act;
- (g) it will provide written notification to the Subscription Receipt Agent of the satisfaction of the Escrow Release Conditions and the Escrow Release Date or the Termination Date, as the case may be, in accordance with the terms of this Agreement;
- (h) it will cause the Subscription Receipt Agent to keep open the registers of holders referred to in Section 3.1 hereof as required by such section and will not take any action or omit to take any action which would have the effect of preventing the Receiptholders from

receiving any of the Underlying Securities issued upon conversion of the Subscription Receipts;

- (i) it will make all requisite filings, including any required filings with appropriate securities commissions and stock exchanges, as applicable, in connection with the conversion of the Subscription Receipts and the issue of the Underlying Securities;
- (j) it shall provide at least fourteen (14) Business Days written notice to each holder of Subscription Receipts of any record date to be set or declared by the Company with respect to any meeting or written resolution of holders of Underlying Securities;
- (k) in the event that (A) the Company delivers the Termination Notice, or (B) if the Escrow Release Notice has not been provided in accordance with the provisions hereof at or prior to the Escrow Release Deadline, it will promptly advise the Subscription Receipt Agent, and the Receiptholders in writing advising of that fact and each holder of Subscription Receipts shall receive that amount equal to the original Subscription Price for each Subscription Receipt held (less any applicable withholding tax thereon, if any) and such notice shall be sent within two (2) Business Days after the Termination Date;
- (l) generally, it shall well and truly perform and carry out all acts or things to be done by it as provided in this Agreement or in order to consummate the transactions contemplated thereby; and
- (m) it will promptly advise the Subscription Receipt Agent in writing of any material default under the terms of this Agreement.

Section 6.2 Subscription Receipt Agent's Remuneration and Expenses

The Company covenants that it will pay to the Subscription Receipt Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Subscription Receipt Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of this Agreement both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Subscription Receipt Agent's gross negligence, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable on demand.

Section 6.3 Performance of Covenants by Subscription Receipt Agent

If the Company shall fail to perform any of its covenants contained in this Agreement, the Subscription Receipt Agent may notify the Receiptholders of such failure on the part of the Company or may itself perform any of the said covenants capable of being performed by it, but shall be under no obligation to perform said covenants or to notify the Receiptholders of such performance by it. All sums expended or advanced by the Subscription Receipt Agent in so doing shall be repayable as provided in Section 6.2 of this Agreement. No such performance, expenditure or advance by the Subscription Receipt Agent shall relieve the Company of any default hereunder or of its continuing obligations under the covenants contained herein.

Section 6.4 Accounting

The Subscription Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Subscription Receipt Agent hereunder and the receipt, investment,

reinvestment and disbursement of the Escrowed Proceeds, and shall provide to the Company records and statements thereof periodically upon written request. The Company shall have the right to audit any such books, records, accounts and statements.

Section 6.5 Payments by Subscription Receipt Agent

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

Section 6.6 Regulatory Matters

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

Section 6.7 Anti-Money Laundering & Privacy

The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering, or anti-terrorist legislation or economic sanctions legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment, acting reasonably, determine at any time that its acting under this Agreement has resulted in a non-compliance with any applicable anti-money laundering, or anti-terrorist legislation or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 Business Days prior written notice sent to all parties provided that (i) the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction, acting reasonably, within such 10 Business Day period, then such resignation shall not be effective.

Section 6.8 Privacy

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

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

(2) Each party acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website www.odysseytrust.com, or upon request, including revisions thereto. Further, each party agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

Section 6.9 Use of Accounts

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

ARTICLE 7 – ENFORCEMENT

Section 7.1 Suits by Receiptholders

Subject to Section 8.10 hereof, any of the rights conferred upon any Receiptholder by any of the terms of the Subscription Receipt Certificates or this Agreement, or of both, may be enforced by the Receiptholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Subscription Receipt Agent to proceed in its own name to enforce each and all of the provisions contained herein for the benefit of the Receiptholders. The Subscription Receipt Agent shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may reasonably be advised shall be necessary or advisable to preserve and protect its interests and the interests of Receiptholders.

ARTICLE 8 – MEETINGS OF RECEIPTHOLDERS

Section 8.1 Right to Convene Meetings

The Subscription Receipt Agent may at any time and from time to time, and shall on receipt of a written request of the Company or of a Receiptholders' Request and upon being funded and indemnified to its reasonable satisfaction by the Company or by the Receiptholders signing such Receiptholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Receiptholders. In the event of the Subscription Receipt Agent failing to so convene a meeting within 10 days after receipt of such written request of the Company or such Receiptholders' Request and funding and indemnity given as aforesaid, the Company or such Receiptholders, as the case may be, may convene such meeting. Every such meeting shall be held in Vancouver, British Columbia, Canada or at such other place as may be determined by the Subscription Receipt Agent and approved by the Company.

Section 8.2 Notice

At least 10 days prior notice of any meeting of Receiptholders shall be given to the Receiptholders in the manner provided for in Section 11.2 of this Agreement and a copy of such notice shall be sent by mail to the Subscription Receipt Agent (unless the meeting has been called by the Subscription Receipt Agent) and to the Company (unless the meeting has been called by the Company). Such notice shall state the date (which shall be a Business Day) and time when, and the place where, the meeting is to be held,

shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Receiptholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 8.

Section 8.3 Chairman

An individual (who need not be a Receiptholder) nominated in writing by the Company shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 30 minutes from the time fixed for the holding of the meeting, the Receiptholders present in person or by proxy shall choose some individual present to be chairman.

Section 8.4 Quorum

Subject to the provisions of Section 8.11 of this Agreement, at any meeting of the Receiptholders a quorum shall consist of not less than two Receiptholders present in person or by proxy and holding at least 10% of the then outstanding Subscription Receipts. If a quorum of the Receiptholders is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the Business Day immediately following such day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum is present at the commencement of business. At the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not hold at least 10% of the then outstanding Subscription Receipts.

Section 8.5 Power to Adjourn

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

Section 8.6 Show of Hands

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

Section 8.7 Poll and Voting

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

(2) On a show of hands, every person who is present and entitled to vote, whether as a Receiptholder or as proxy for one or more absent Receiptholders, or both, shall have one vote. On a poll, each Receiptholder present in person or represented by a proxy duly appointed by instrument in writing shall be

entitled to one vote in respect of each Subscription Receipt then held or represented by such person. A proxy need not be a Receiptholder. In the case of joint holders, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them shall be present in person or by proxy, they shall vote together in respect of Subscription Receipts of which they are joint registered holders.

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

Section 8.8 Regulations

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

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

(2) Any regulations so made shall be binding and effective and the only votes given in accordance therewith shall be valid and shall be counted. Except as such regulations may provide, the only persons who shall be recognized at any meeting as a Receiptholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 8.9), shall be Receiptholders, their counsel, or duly appointed proxies of Receiptholders.

Section 8.9 Company and Subscription Receipt Agent may be Represented

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

Section 8.10 Powers Exercisable by Special Resolution

(1) In addition to all other powers conferred upon them by any other provisions of this Agreement or by law, the Receiptholders at a meeting shall, subject to the provisions of Section 8.11, have the power, subject to all applicable regulatory and exchange approvals, exercisable from time to time by special resolution (as defined in Section 8.11):

- (a) to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of the rights of Receiptholders or, subject to the consent of the Subscription Receipt Agent (such consent not to be unreasonably withheld), of the Subscription Receipt Agent in its capacity as agent hereunder or on behalf of the Receiptholders against the Company or against its undertaking, property and assets or any part thereof whether such rights arise under this Agreement, the Subscription Receipt Certificates or otherwise which shall be agreed to by the Company, and to authorize the Subscription Receipt Agent to concur in and execute any amendment or indenture supplemental hereto in connection therewith;
- (b) to amend, alter or repeal any special resolution previously passed or sanctioned by the Receiptholders;
- (c) subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or to authorize the Subscription Receipt Agent to enforce any of the covenants on the part of the Company contained in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders in any manner specified in such special resolution or to refrain from enforcing any such obligation, covenant or right referred to in this Section 8.10(1)(c);
- (d) to waive, or authorize and direct the Subscription Receipt Agent to waive, any default on the part of the Company in complying with any provisions of this Agreement or the Subscription Receipt Certificates either unconditionally or upon any conditions specified in such special resolution;
- (e) to appoint a committee with power and authority to exercise, and to direct the Subscription Receipt Agent to exercise, on behalf of the Receiptholders, such of the powers of the Receiptholders as are exercisable by special resolution;
- (f) to restrain any Receiptholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any of the covenants on the part of the Company in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders;
- (g) to direct any Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Receiptholder in connection therewith;
- (h) to assent to any modification of, change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to in writing by the Company, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission;
- (i) with the consent of the Company (such consent not to be unreasonably withheld), to remove the Subscription Receipt Agent or its successor in office and to appoint a new subscription receipt agent to take the place of the Subscription Receipt Agent;
- (j) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company;

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

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

Section 8.11 Meaning of Special Resolution

(1) The expression "special resolution" when used in this Agreement means, subject as hereinafter provided in this Section 8.11 and in Section 8.14, a resolution proposed at a meeting of Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 8 at which two or more Receiptholders are present in person or by proxy, representing not less than in the aggregate 10% of the number of Subscription Receipts then outstanding and passed by the affirmative votes of Receiptholders holding more than 662/3% of the outstanding Subscription Receipts represented at the meeting and voted on a poll upon such resolution.

(2) Notwithstanding Section 8.11(1), if, at any meeting called for the purpose of passing a special resolution, at least two Receiptholders holding not less than in the aggregate 10% of the then outstanding Subscription Receipts are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 21 days nor more than 60 days later, and to such place and time as may be determined by the chairman. Not less than 10 days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 11.2. Such notice shall state that at the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting:

- (a) if the special resolution purports to exercise any of the powers conferred pursuant to Section 8.10(1), Section 8.10(1)(d), Section 8.10(1)(j) or Section 8.10(1)(k) or purports to change the provisions of this Section 8.11 or Section 8.14 or purports to amend, alter or repeal any special resolution previously passed or sanctioned by the Receiptholders in exercise of the powers referred to in this paragraph, a quorum for the transaction of business shall consist of Receiptholders holding more than 10% of the then outstanding Subscription Receipts present in person or by proxy; and
- (b) in any other case, a quorum for the transaction of business shall consist of such Receiptholders as are present in person or by proxy.

(3) At any such adjourned meeting, any resolution passed by the requisite votes as provided in Section 8.11(1) shall be a special resolution within the meaning of this Agreement notwithstanding that Receiptholders holding more than 10% of the then outstanding Subscription Receipts are not present in person or by proxy at such adjourned meeting.

(4) Votes on a special resolution shall always be given on a poll and no demand for a poll on a special resolution shall be necessary.

Section 8.12 Powers Cumulative

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

Section 8.13 Minutes

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

Section 8.14 Instruments in Writing

Subject to receiving the consent of such persons as may otherwise be required by this Article 8 in connection with the taking of any action or the exercise of any power by Receiptholders, all actions which may be taken and all powers that may be exercised by the Receiptholders at a meeting held as provided in this Article 8 may also be taken and exercised by an instrument in writing signed in one or more counterparts by such Receiptholders in person or by attorney duly appointed in writing, by one or more Receiptholders holding more than 66^{2/3}% of the then outstanding Subscription Receipts with respect to a special resolution, and the expression "special resolution" when used in this Agreement shall include an instrument so signed by one or more Receiptholders holding more than 66^{2/3}% of the then outstanding Subscription Receipts.

Section 8.15 Binding Effect of Resolutions

Every resolution and every special resolution passed in accordance with the provisions of this Article 8 at a meeting of Receiptholders shall be binding upon all the Receiptholders, whether present at or absent from such meeting, and every instrument in writing signed by Receiptholders in accordance with Section 8.14 shall be binding upon all the Receiptholders, whether signatories thereto or not, and each and every Receiptholder and the Subscription Receipt Agent shall be bound to give effect accordingly to every such resolution and instrument in writing.

ARTICLE 9 – SUPPLEMENTAL AGREEMENTS AND SUCCESSOR PERSONS

Section 9.1 Provision for Supplemental Agreements for Certain Purposes

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

- (a) adding to the provisions hereof such additional covenants and enforcement provisions as are necessary or advisable by the Subscription Receipt Agent, provided that such changes are not prejudicial to the interests of the Receiptholders based on the opinion of counsel to the Company;

- (b) giving effect to any special resolution passed as provided in Article 8;
- (c) evidencing the succession, or the successive successions, of any other person to the Company and the assumption by such successor of the covenants of, and obligations of the Company under this Agreement in accordance with Section 9.2;
- (d) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Company, prejudicial to the interests of the Receiptholders;
- (e) adding to or altering the provisions hereof in respect of the transferability of Subscription Receipts, making provision for the exchange of Subscription Receipt Certificates, and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;
- (f) modifying any of the provisions of this Agreement, including relieving the Company from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Company, such modification or relief in no way prejudices any of the rights of the Receiptholders or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any such supplemental agreement which in its opinion (acting reasonably) may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and
- (g) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Subscription Receipt Agent, relying on the opinion of counsel to the Company, the rights of the Subscription Receipt Agent and of the Receiptholders are in no way prejudiced thereby.

Section 9.2 Successor Persons

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

ARTICLE 10 – CONCERNING THE SUBSCRIPTION RECEIPT AGENT

Section 10.1 Rights and Duties of Subscription Receipt Agent

(1) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent shall exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. No provision of this Agreement

shall be construed to relieve the Subscription Receipt Agent from liability for its own gross negligence or wilful misconduct.

(2) The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Subscription Receipt Agent or the Receiptholders hereunder shall be conditional upon the Receiptholders furnishing, when required by notice by the Subscription Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and to hold harmless the Subscription Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the Subscription Receipt Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(3) The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipts held by them, for which Subscription Receipts the Subscription Receipt Agent shall issue receipts.

(4) Every provision of this Agreement that by its terms relieves the Subscription Receipt Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of this Section 10.1 and of Section 10.2.

(5) The Subscription Receipt Agent shall not be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and in the absence of any such notice, the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether or not the Subscription Receipt Agent shall take action with respect to any default.

(6) The Subscription Receipt Agent shall have no duties except those expressly set forth herein, and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of, this Agreement, unless received by it in writing and signed by the other parties hereto and, if its duties herein are affected, unless it shall have given its prior written consent thereto.

(7) The Subscription Receipt Agent shall not be responsible or liable in any manner whatsoever for the deficiency, correctness, genuineness or validity of any securities deposited with it.

(8) The Subscription Receipt Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement, which documentation does not require the exercise of any discretion or independent judgment.

(9) Every provision of this Agreement that relieves the Subscription Receipt Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of applicable law.

(10) The Subscription Receipt Agent shall not be liable to account to anyone for the profit it may receive, if any, while holding the Escrowed Proceeds, subject to compliance with this Agreement.

Section 10.2 Evidence, Experts and Advisers

- (1) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Company shall furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as the Subscription Receipt Agent may reasonably require by written notice to the Company.
- (2) In the exercise of its rights and duties hereunder, the Subscription Receipt Agent may, if it is acting in good faith, act and rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Company, certificates of the Company or other evidence furnished to the Subscription Receipt Agent pursuant to any provision hereof or pursuant to a request of the Subscription Receipt Agent.
- (3) Whenever it is provided in this Agreement that the Company shall deposit with the Subscription Receipt Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Company to have the Subscription Receipt Agent take the action to be based thereon.
- (4) Proof of the execution of an instrument in writing, including a Receiptholders' Request, by any Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Subscription Receipt Agent may consider adequate.
- (5) The Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.
- (6) The Subscription Receipt Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from counsel, or any accountant, appraiser, or other expert or advisor, whether retained or employed by the Company or by the Subscription Receipt Agent with respect to any matter arising in relation to the Agreement.
- (7) The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Subscription Receipt Agent.

Section 10.3 Securities, Documents and Monies Held by Subscription Receipt Agent

Any securities, documents of title, monies or other instruments that may at any time be held by the Subscription Receipt Agent pursuant to this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or invested in any Investments.

Section 10.4 Actions by Subscription Receipt Agent to Protect Interest

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

Section 10.5 Subscription Receipt Agent not Required to Give Security

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

Section 10.6 Protection of Subscription Receipt Agent

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

- (a) the Subscription Receipt Agent shall not be liable for or by reason of any statements of fact in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 10.8 or in the certificate of the Subscription Receipt Agent on the Subscription Receipt Certificates) or be required to verify the same, but all such statements are and shall be deemed to be made by the Company;
- (b) nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;
- (c) the Subscription Receipt Agent shall not be bound to give notice to any person or persons of the execution hereof;
- (d) the Subscription Receipt Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Company of any of the covenants herein contained or of any acts of any Directors, officers, employees, agents or servants of the Company;
- (e) the Subscription Receipt Agent shall incur no liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;
- (f) notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Subscription Receipt Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages; and
- (g) in addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Company shall indemnify the Subscription Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the “**Indemnified Parties**”) and save them harmless from and against all claims, demands, losses, actions, causes of action, suits, proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Subscription Receipt Agent’s duties hereunder, and including any services that the

Subscription Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from Subscription Receipt Agent's gross negligence, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Company. Notwithstanding any other provision hereof, the Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. Notwithstanding any other provision hereof, this indemnity shall survive the resignation or removal of the Subscription Receipt Agent and the termination or discharge of this Agreement; and

- (h) notwithstanding the foregoing or any other provision of this Agreement, any liability of the Subscription Receipt Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Company to the Subscription Receipt Agent under this Agreement in the twelve (12) months immediately prior to the Subscription Receipt Agent receiving the first notice of the claim.

Section 10.7 Replacement of Subscription Receipt Agent; Successor by Business Combination

(1) The Subscription Receipt Agent may resign its appointment and be discharged from all other duties and liabilities hereunder, subject to this Section 10.7, by giving to the Company not less than 30 days' prior notice in writing or such shorter prior notice as the Company may accept as sufficient. The Receiptholders by special resolution shall have power at any time to remove the existing Subscription Receipt Agent and to appoint a new subscription receipt agent. In the event of the Subscription Receipt Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Company shall forthwith appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Receiptholders; failing such appointment by the Company, the retiring Subscription Receipt Agent (at the expense of the Company) or any Receiptholder may apply to a court in the Province of Alberta or British Columbia on such notice as such court may direct, for the appointment of a new subscription receipt agent; but any new subscription receipt agent so appointed by the Company or by the courts of the Provinces of Alberta or British Columbia shall be subject to removal as aforesaid by the Receiptholders. Any new subscription receipt agent appointed under any provision of this Section 10.7 shall be a corporation authorized to carry on the business of a trust company in one or more of the Provinces of Ontario, Alberta or British Columbia and, if required by the applicable legislation for any other provinces or territories, in such other provinces or territories. On any such appointment the new subscription receipt agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent hereunder. At the request of the Company or the new subscription receipt agent, the retiring Subscription Receipt Agent, upon payment of the amounts, if any, due to it pursuant to Section 6.2, shall duly assign, transfer and deliver to the new subscription receipt agent all property and money held and all records kept by the retiring Subscription Receipt Agent hereunder or in connection herewith.

(2) Upon the appointment of a successor subscription receipt agent, the Company shall promptly notify the Receiptholders thereof in the manner provided for in Article 11 hereof.

(3) Any corporation into or with which the Subscription Receipt Agent may be merged, consolidated or amalgamated, or any corporation resulting therefrom to which the Subscription Receipt Agent shall be a party, or any corporation succeeding to the corporate trust business of the Subscription Receipt Agent shall be the successor to the Subscription Receipt Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Subscription Receipt Agent under Section 10.7(1).

(4) Any Subscription Receipt Certificate certified but not delivered by a predecessor Subscription Receipt Agent may be delivered by the successor Subscription Receipt Agent in the name of the predecessor or successor Subscription Receipt Agent.

Section 10.8 Conflict of Interest

(1) The Subscription Receipt Agent represents to the Company that at the time of execution and delivery hereof no material conflict of interest exists between its role as a subscription receipt agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 30 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its appointment as subscription receipt agent hereunder to a successor Subscription Receipt Agent approved by the Company and meeting the requirements set forth in Section 10.7(1).

(2) Notwithstanding the foregoing provisions of this Section 10.8(1), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.

(3) Subject to Section 10.8(1), the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company and generally may contract and enter into financial transactions with the Company or any affiliated entity of the Company without being liable to account for any profit made thereby.

Section 10.9 Acceptance of Appointment

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

Section 10.10 Subscription Receipt Agent Not to be Appointed Receiver

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

ARTICLE 11 – GENERAL

Section 11.1 Notice to the Company and Subscription Receipt Agent

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

(a) if to the Company:

Levitee Labs Inc.
405-1477 W Pender St, Vancouver, BC V6G 2S3

Attention: Ken Osborne

Email: [REDACTED]

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

SUBSCRIPTION RECEIPT
AGREEMENT

Segev LLP
6th Floor, 905 West Pender Street
Vancouver, British Columbia
V6C 1L6

Attention: Aadam Tejpar
Email: [redacted] [redacted]

(b) if to the Subscription Receipt Agent:

Odyssey Trust Company
Stock Exchange Tower 1230 300 5th Ave SW
Calgary, Alberta
T2P 3C4

Attention: VP, Corporate Trust
Email: [redacted]

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

(2) The Company or the Subscription Receipt Agent, as the case may be, may from time to time notify the other in the manner provided in Section 11.1(1)(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Company or the Subscription Receipt Agent, as the case may be, for all purposes of this Agreement.

Section 11.2 Notice to Receiptholders

(1) Unless herein otherwise expressly provided, any notice to the Receiptholders under the provisions of this Agreement shall be valid and effective if delivered or sent by letter or circular through the ordinary post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five (5) Business Days following actual posting of the notice.

(2) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Receiptholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Receiptholders or if delivered to the address for such Receiptholders contained in the register of Subscription Receipts maintained by the Subscription Receipt Agent.

(3) All notices to joint Receiptholders may be given to whichever one of the holders thereof is named first in the appropriate register hereinbefore mentioned, and any notice so given shall be sufficient notice to all such joint Receiptholders.

Section 11.3 Ownership of Subscription Receipts

The Company and the Subscription Receipt Agent may deem and treat the registered owner of any Subscription Receipt Certificate or, in the case of a transferee who has surrendered a Subscription Receipt Certificate in accordance with and as contemplated in Section 3.3 and Section 3.5, such transferee, as the

absolute owner of the Subscription Receipt represented thereby for all purposes, and the Company and the Subscription Receipt Agent shall not be affected by any notice or knowledge to the contrary except where the Company or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Receiptholder shall be entitled to the rights herein free from all equities or rights of set off or counterclaim between the Company and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such Receiptholder for the Underlying Securities which may be acquired pursuant thereto shall be a good discharge to the Company and the Subscription Receipt Agent for the same and neither the Company nor the Subscription Receipt Agent shall be bound to inquire into the title of any such holder except where the Company or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction.

Section 11.4 Satisfaction and Discharge of Agreement

Upon the earliest of:

- (a) the issuance of the Underlying Securities to all Receiptholders as provided in Section 3.3(1) and the payment of monies required to be paid to the Company pursuant to Section 3.2; or
- (b) the payment of all monies required where a Termination occurs as provided in Section 3.5(4),

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

Section 11.5 Sole Benefit of Parties and Receiptholders

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

Section 11.6 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, pandemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 11.6.

Section 11.7 Time of Essence

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

Section 11.8 Counterparts

This Agreement may be executed and delivered in counterparts, each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the

same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

Section 11.9 Amendment

This Agreement may be amended or modified in any respect by written instrument only if executed by each of the parties hereto.

[The remainder of this page is intentionally left blank.]

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

LEVITEE LABS INC.

By: /s/ Pouya Farmand

Name: Pouya Farmand

Title: CEO

ODYSSEY TRUST COMPANY

By: /s/ Dan Sander

Name: Dan Sander

Title: VP, Corporate Trust

By: /s/ Amy Douglas

Name: Amy Douglas

Title: Director, Corporate Trust

Schedule A – Form of Subscription Receipt Certificate

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

[U.S. Legend: Include the following legend as set forth in Section 2.1(4) of the Subscription Receipt Agreement if Subscription Receipt is issued to, or for the account or benefit of, a U.S. Purchaser.]

“THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION THEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, OR (B) OUTSIDE THE UNITED STATES TO A PERSON WHO IS NOT A “U.S. PERSON” (AS DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT) IN ACCORDANCE WITH AN APPLICABLE EXEMPTION UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS.”

LEVITEE LABS INC.

Certificate Number:

Number of Subscription Receipts:

THIS IS TO CERTIFY THAT _____ (the “**holder**”) is the registered holder of _____ Subscription Receipts represented hereby. The Subscription Receipts represented by this subscription receipt certificate (this “**Certificate**”) are issued pursuant to a subscription receipt agreement (the “**Agreement**”) dated [●] between Levitee Labs Inc. (the “**Company**”) and Odyssey Trust Company (the “**Subscription Receipt Agent**”).

Capitalized terms used in the Agreement have the same meanings herein, unless otherwise defined herein.

Each Subscription Receipt entitles the holder:

1. provided that the Escrow Release Time occurs on or before Escrow Release Deadline, to receive automatically, without any further action required by such holder and without the payment of any additional consideration at the Escrow Release Time one (1) fully paid and non-assessable common share in the capital of the Company (an “**Underlying Share**”) and one-half (1/2) common share purchase warrant of the Company (an “**Underlying Warrant**”, and together with the Underlying Share, an “**Underlying Security**”); or
2. in the event a Termination occurs, or, if the Escrowed Proceeds are insufficient, from the Company, an amount equal to the Subscription Price in respect of such holder’s Subscription Receipts less applicable withholding taxes, if any. To the extent that the Escrowed Proceeds are insufficient to refund to each holder of Subscription Receipts an amount equal to the aggregate Subscription Price of the Subscription Receipts held by them, the Company shall be responsible and liable to the Receiptholders and shall contribute such amounts as are necessary to satisfy any Shortfall such that each holder of Subscription Receipts will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts held. In no case will the Subscription Receipt Agent be liable to the Receiptholders in the event of a Shortfall.

The holder acknowledges and agrees that certificates for the Underlying Securities will not be issued until the satisfaction of the Escrow Release Conditions upon which the conversion of the Subscription Receipts will take place for no additional consideration.

This Certificate also evidences the receipt by the Company of the Subscription Price of \$0.50 for each Subscription Receipt represented hereby, which funds shall be delivered in escrow to the Subscription Receipt Agent, pursuant to the Agreement.

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

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

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

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

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

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

Time shall be of the essence hereof.

This Certificate is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the Company has caused this Certificate to be signed by its duly authorized representatives as of _____, 2021.

LEVITEE LABS INC.

By: _____
Authorized Signatory

Countersigned this _____, 2021.

ODYSSEY TRUST COMPANY

By: _____
Authorized Signatory

Schedule B – Form of Escrow Release Notice

TO: Odyssey Trust Company (the “**Subscription Receipt Agent**”)

Reference is made to the subscription receipt agreement dated as of [●], 2021 between Levitee Labs Inc. and the Subscription Receipt Agent (the “**Subscription Receipt Agreement**”). All capitalized terms used herein without definition having the meanings specified thereto in the Subscription Receipt Agreement.

In accordance with the provisions of the Subscription Receipt Agreement, the Company hereby confirms that the Escrow Release Conditions, other than the delivery of the Escrow Release Notice, have been satisfied.

In accordance with Section 3.2 of the Subscription Receipt Agreement, you are hereby irrevocably directed and authorized, in its capacity as Escrow Agent, to release the Escrowed Proceeds as follows:

- a) \$[●] to be retained for its outstanding fees and expenses; and
- b) as to the balance to the Company by wire transfer to the following account:

[The remainder of this page is intentionally left blank.]

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

DATED the ___ day of _____, 2021.

LEVITEE LABS INC.

By: _____
Authorized Signatory

Schedule C – Form of Declaration for Removal of Legend

TO: LEVITEE LABS INC.

AND TO: The registrar and transfer agent for the securities of Levitee Labs Inc.

The undersigned (A) acknowledges that the sale of the securities of Levitee Labs Inc. (the “**Company**”) to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) and (B) certifies that: (1) the undersigned is not an “affiliate” of the Company as that term is defined in Rule 405 under the U.S. Securities Act, a “distributor” or an affiliate of “distributor”, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a “designated offshore securities market” (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any “directed selling efforts” in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing-off” the resale restrictions imposed because the securities are “restricted securities” as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act. The undersigned in making this Declaration acknowledges that the Company is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Company for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at _____ this _____ day of _____ 20_____.

By: _____

Name

Title:

Affirmation by Seller's Broker-Dealer (required for sales under (B)2(b) above)

We have read the foregoing representations of our customer _____, (the "Seller") dated _____, with regard to our sale, for such Seller's account, of the securities of the Company described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or other designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Name of Firm

By:

Authorized Officer

Date:

Please ensure that all signatures are Medallion Guaranteed.