

**SUBSCRIPTION RECEIPT AGREEMENT**

**VEJII HOLDINGS LTD.**

**– and –**

**ODYSSEY TRUST COMPANY**

**– and –**

**EIGHT CAPITAL**

**Dated as of July 6, 2021**

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**THIS SUBSCRIPTION RECEIPT AGREEMENT** made as of July 6, 2021

AMONG:

**VEJII HOLDINGS LTD.**, a corporation incorporated under the laws of the Province of British Columbia,

(the “**Company**”)

AND

**ODYSSEY TRUST COMPANY**, a trust company incorporated under the laws of Alberta,

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

AND

**EIGHT CAPITAL**, (the “**Lead Agent**”) as lead agent of a syndicate of Agents (as defined herein),

**WHEREAS:**

- A. pursuant to the Agency Agreement (as defined herein), the Company proposes to create, issue and sell by way of a brokered private placement offering of 6,700,142 Subscription Receipts (as defined herein) at a price of \$0.35 per Subscription Receipt and (ii) 962,142 special warrants (the “**Special Warrants**”) at a price of \$0.35 per Special Warrant;
- B. the Company has also agreed to sell an aggregate of 4,047,599 Special Warrants on a non-brokered basis;
- C. each Subscription Receipt representing the right of the holder thereof to acquire one unit of the Company (each a “**Unit**”), subject to certain adjustments, for no additional consideration in the manner set forth herein. Each Unit shall be comprised of one Unit Share and one-half of one Warrant (as defined herein). Each Warrant shall entitle the holder thereof to purchase one Warrant Share until the Expiry Date at a price of \$0.50, subject to adjustment. The Warrants shall be issued pursuant to a warrant indenture between the Company and the Subscription Receipt Agent dated the date hereof (the “**Warrant Indenture**”).
- D. pending satisfaction of the Escrow Release Conditions (as defined herein), the Escrowed Proceeds (as defined herein) are to be delivered to and held by the Subscription Receipt Agent as escrow agent hereunder, unless otherwise directed, and invested in the manner set forth herein;
- E. if the Escrow Release Conditions are satisfied at or before the Escrow Release Deadline (as defined herein):
  - (i) the Subscription Receiptholders (as defined herein) will be entitled to receive without payment of additional consideration or the undertaking of any further action on the part of the Subscription Receiptholders, one Unit (subject to adjustment as set out herein) for each Subscription Receipt then held on the Release Date (as defined herein); and

- (ii) and the Subscription Receipt Agent will release the Escrowed Funds (as defined herein) to the Company and the Lead Agent, on its own behalf and on behalf of the Agents, in accordance with the terms of this Agreement and the Escrow Release Notice (as defined herein); and
- F. if a Termination Event (as defined herein) occurs, the Subscription Receipts will be cancelled and the Subscription Receiptholders will be entitled to receive an amount equal to the aggregate Offering Price (as defined herein) for their Subscription Receipts then held, plus their pro rata share of the Earned Interest (as defined herein), less applicable withholding tax required to be withheld in respect thereof, if any;
- G. the Subscription Receipt Agent has agreed to act as registrar and transfer agent for the Subscription Receipts, and as escrow agent to receive the Escrowed Proceeds, in accordance with the terms and conditions set out herein;
- H. all things necessary have been done and performed to make the Subscription Receipts, when Authenticated (as defined herein) and issued as herein provided, legal, valid and binding obligations of the Company with the benefits of and subject to the terms of this Agreement;
- I. the foregoing recitals are made as representations by the Company and not by the Subscription Receipt Agent or the Agents; and
- J. the Subscription Receipt Agent has agreed to enter into this Agreement and to hold all rights, interests and benefits contained herein for and on behalf of those Persons (as defined herein) who from time to time become holders of Subscription Receipts issued pursuant to this Agreement.

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

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement, including the recitals, and in the Subscription Receipt Certificates (as defined herein), unless there is something in the subject matter or context inconsistent therewith:

- (a) “**Agency Agreement**” means the Agency Agreement dated as of July 6, 2021 between the Company and the Agents;
- (b) “**Agents**” means, collectively, the Lead Agent and the Selling Firms, if any;
- (c) “**Agents' Compensation**” means the cash commission payable to the Agents pursuant to the Agency Agreement, equal to 7.0% (or 3.5% in the case of subscribers identified as "president's list" purchasers in the Agency Agreement) of the gross proceeds of the Offering;

- (d) “**Agents’ Expenses**” means all reasonable and documented out-of-pocket expenses in connection with the Offering, including, but not limited to, reasonable fees and disbursements (including applicable taxes) of the Agents’ Canadian legal counsel, all as set out in the Agency Agreement;
- (e) “**Agreement**” means this subscription receipt agreement, as amended, supplemented or otherwise modified from time to time;
- (f) “**Applicable Legislation**” means such provisions of any statute of Canada or of a province or territory thereof, and of regulations under any such statute, relating to subscription receipt agreements or to the rights, duties and obligations of corporations and of subscription receipt agents under subscription receipt agreements, as are from time to time in force and applicable to this Agreement;
- (g) “**Applicable Procedures**” means (a) with respect to any transfer or exchange of beneficial ownership interests in, or the conversion of the Subscription Receipts represented by, a CDS Subscription Receipt, the applicable rules, procedures or practices of the Depository and the Subscription Receipt Agent in effect at the applicable time, and (b) with respect to any issuance, deposit or withdrawal of Subscription Receipts to or from an electronic position evidencing a beneficial ownership interest in Subscription Receipts represented by a CDS Subscription Receipt, the rules, procedures or practices of the Depository and the Subscription Receipt Agent in effect at the applicable time with respect to the issuance, deposit or withdrawal of such positions;
- (h) “**Approved Bank**” has the meaning ascribed thereto in Section 7.2(a) hereof;
- (i) “**Authenticated**” means (i) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Company and countersigned by manual signature of an authorized officer of the Subscription Receipt Agent, (ii) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipt as required by Section 2.6(a) hereof are entered in the register of holders of Subscription Receipts; and “**Authenticate**” and “**Authentication**” have the appropriate correlative meanings;
- (j) “**Book Entry Participants**” means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Subscription Receipts;
- (k) “**Business Day**” means a day on which banks are open for the transaction of regular business in Vancouver, British Columbia;
- (l) “**CDS Subscription Receipts**” means Subscription Receipts representing all or a portion of the aggregate number of Subscription Receipts issued in the name of the Depository and represented by an Uncertificated Subscription Receipt or, if requested in writing by the Depository or the Company, by a Subscription Receipt Certificate;
- (m) “**Certificated Subscription Receipt**” means any Subscription Receipt which is evidenced by an instrument in writing substantially in the form of Schedule “A” attached hereto;
- (n) “**Closing**” means the closing of the Offering;
- (o) “**Closing Date**” means July 6, 2021 or such other closing date as the Company and the Lead Agent, each acting reasonably, may determine;



- (p) "**Commissions**" means the securities commissions of each of the Designated Jurisdictions;
- (q) "**Common Shares**" means the common shares of the Company;
- (r) "**Company**" means Vejii Holdings Ltd.;
- (s) "**Counsel**" means a barrister and solicitor or lawyer or a firm of barristers and solicitors or lawyers (who may be counsel to the Company or the Lead Agent), in each case acceptable to the Subscription Receipt Agent acting reasonably;
- (t) "**Court**" means the Supreme Court of British Columbia;
- (u) "**CSE**" means the Canadian Securities Exchange;
- (v) "**Current Market Price**" of a Common Share at any date means the price per share equal to the volume weighted average price at which the Common Shares have traded during the 10 consecutive trading days ending five days before such date, on the CSE, or, if the Common Shares are not listed thereon, on any stock exchange on which such shares are listed as may be selected for such purpose by the directors or, if such shares are not listed on any stock exchange, then on such over-the-counter market in Canada as may be selected for such purpose by the directors, provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the counter market, then the Current Market Price shall be determined by such firm of independent chartered accountants as may be selected by the directors of the Company;
- (w) "**Depository**" means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Company to act as depository in respect of the Subscription Receipts;
- (x) "**Designated Jurisdictions**" means those provinces of Canada, excluding Québec, in which the Subscription Receipts and the Special Warrants have been sold;
- (y) "**Director**" means a director of the Company, and reference without more to action by the directors means action by the directors of the Company as a board or, to the extent empowered, by a committee of the board, in each case by resolution duly passed;
- (z) "**Earned Interest**" means, in accordance with Section 7.2 the interest or other income earned, if any, on the investment of the applicable portion of the Escrowed Proceeds (or the reinvestment of such interest or other income) from the date hereof to, but not including, the earlier of (i) the Release Date; and (ii) the Termination Date;
- (aa) "**Early Expiry Date**" means the date that is 30 calendar days following the date the Company provides the Early Expiry Notice to holders of the Warrants pursuant to the Warrant Indenture;
- (bb) "**Early Expiry Event**" means at any time following the Closing Date, the volume weighted average trading price of the Common Shares on the CSE being equal to or greater than \$1.25 per Common Share for a period of 10 consecutive trading days;
- (cc) "**Early Expiry Notice**" means a written notice which may be sent by the Company pursuant to the Warrant Indenture advising the holders of the Warrants of an Early Expiry Event;
- (dd) "**Expiry Date**" means 5:00 p.m. (Toronto time) on the earlier of (i) 24 months following the satisfaction of the Escrow Release Conditions, and (iii) the Early Expiry Date;

- (ee) **“Escrow Release Conditions”** means all of the following:
  - (i) the Company obtaining the Final Receipt;
  - (ii) the Company obtaining conditional approval from the CSE to list the Common Shares;
  - (iii) the satisfaction or waiver of all conditions precedent to the acquisition of Veg Essentials LLC, other than the condition precedent pertaining to payment for the acquisition, which cannot, by its nature, be satisfied until the closing; and
  - (iv) each of the Company and the Lead Agent (on their own behalf and on behalf of the syndicate), having delivered the Escrow Release Notice to the Escrow Agent confirming that all escrow release conditions set forth in (i), (ii) and (iii) above have been met or waived; **“Escrow Release Deadline”** means 5:00 p.m. (Toronto time) on the date that is 120 days from the Closing Date, or such other date as may be agreed to by the Company and the Lead Agent;
- (ff) **“Escrow Release Notice”** means a written notice in substantially the form set out in Schedule “B” attached hereto executed by the Company and the Lead Agent confirming that the Escrow Release Conditions have been satisfied or waived in accordance with this Agreement;
- (gg) **“Escrowed Funds”** means the Escrowed Proceeds and the Earned Interest thereon;
- (hh) **“Escrowed Proceeds”** means \$2,042,755.66, being the aggregate gross proceeds of the Offering, less: (i) 50% of the Agents’ Compensation; and (ii) the Agents’ Expenses, delivered to the Subscription Receipt Agent to be held in escrow on the terms and subject to the conditions of this Agreement;
- (ii) **“Extraordinary Resolution”** has the meaning ascribed thereto in Section 10.12 and Section 10.15;
- (jj) **“Final Prospectus”** means a (final) long form prospectus of the Company in connection with qualifying the distribution of the Units underlying the Subscription Receipts and the Special Warrants in the Designated Jurisdictions and for which a Final Receipt has been issued;
- (kk) **“Final Receipt”** means the receipt issued by the British Columbia Securities Commission, as principal regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus by the Commissions;
- (ll) **“hereto”, “hereunder”, “hereof”, “herein”, “hereby”** and similar expressions mean or refer to this Agreement and any amendment or indenture, deed or instrument supplemental or ancillary hereto, and the expressions “Article” and “Section” followed by a number mean the specified article or section of this Agreement;
- (mm) **“Indemnified Parties”** has the meaning ascribed thereto in Section 12.7(b);
- (nn) **“Internal Procedures”** means in respect of the making of, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the 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;

- (oo) **“Lead Agent”** has the meaning ascribed thereto in the preamble to this Agreement;
- (pp) **“Offering”** means the issue and sale of 6,700,142 Subscription Receipts of the Company at the Offering Price for gross proceeds of up to \$9,200,000 pursuant to the Agency Agreement;
- (qq) **“Offering Price”** means \$0.35 per Subscription Receipt;
- (rr) **“Person”** includes an individual, corporation, partnership, joint venture, trustee, unincorporated organization or any other entity whatsoever, and words importing Persons have a similar extended meaning;
- (ss) **“Purchaser”** means a purchaser of Subscription Receipts sold pursuant to the Offering;
- (tt) **“Qualified Institutional Buyer”** means a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act;
- (uu) **“Qualified Institutional Buyer Letter”** means a letter, delivered to the Company, the Subscription Receipt Agent and the Lead Agent, in substantially the form attached hereto as Schedule “D”;
- (vv) **“Regulation S”** means Regulation S under the U.S. Securities Act;
- (ww) **“Release Date”** means (i) the date, prior to Termination Time, on which the Escrow Release Notice is received by the Subscription Receipt Agent in accordance with the terms of this Agreement, provided that the Escrow Release Notice is received by the Subscription Receipt Agent by 8:00 a.m., Vancouver time, on such date; or (ii) the first Business Day, provided that it is prior to the Termination Time, following the date on which the Escrow Release Notice is received by the Subscription Receipt Agent in accordance with the terms of this Agreement, if the Escrow Release Notice is received by the Subscription Receipt Agent after 8:00 a.m., Vancouver time, on such date;
- (xx) **“Selling Firm”** means any investment dealer or broker (other than the Lead Agent) with which the Lead Agent has a contractual relationship in respect of the distribution of the Subscription Receipts;
- (yy) **“Subscription Receipt Agent”** means Odyssey Trust Company, including its successors and assigns;
- (zz) **“Subscription Receipt Certificate”** means a certificate representing one or more Subscription Receipts, substantially in the form attached hereto as Schedule “A”;
- (aaa) **“Subscription Receiptholders”** or **“holders”** means the registered holders from time to time, entered in a register of holders described in Section 4.1 hereof as holders of Subscription Receipts;
- (bbb) **“Subscription Receiptholders’ Request”** means an instrument, signed in one or more counterparts by Subscription Receiptholders who hold in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;

- (ccc) **“Subscription Receipts”** means the subscription receipts of the Company created and issued pursuant to Section 2.1 and authorized for issue hereunder and that have not at the particular time expired, converted or otherwise become null, void and of no further force or effect;
- (ddd) **“Termination Date”** means the date on which the Termination Event occurs;
- (eee) **“Termination Event”** means any one of:
  - (i) the failure of the Company to satisfy the Escrow Release Conditions prior to the Escrow Release Deadline; or
  - (ii) a public announcement by the Company, and notice from the Company to the Subscription Receipt Agent prior to the Escrow Release Deadline, that (A) it does not intend to satisfy the Escrow Release Conditions or (B) the Escrow Release Conditions are incapable of being satisfied by the Escrow Release Deadline;
- (fff) **“Termination Notice”** means a written notice from the Company addressed to the Subscription Receipt Agent and the Lead Agent indicating that a Termination Event has occurred and directing the Subscription Receipt Agent to return all Escrowed Funds to the Subscription Receiptholders in accordance with Section 7.4;
- (ggg) **“Termination Time”** means 5:00 p.m. (Vancouver time) on the Termination Date;
- (hhh) **“Uncertificated Subscription Receipt”** means any Subscription Receipt which is not a Certificated Subscription Receipt;
- (iii) **“Underlying Securities”** means the Unit Shares and Warrants comprising the Units issuable upon the conversion of the Subscription Receipts, as applicable;
- (jjj) **“Unit”** has the meaning ascribed thereto in the preamble to this Agreement;
- (kkk) **“Unit Shares”** means the Common Shares issuable upon the deemed exercise or conversion of the Subscription Receipts;
- (lll) **“United States”** or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (mmm) **“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S;
- (nnn) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- (ooo) **“U.S. Subscription Receiptholder”** means any Subscription Receiptholder that acquired the Subscription Receipts in the United States, or for the account or benefit of any person in the United States or any U.S. Person;
- (ppp) **“Warrant Indenture”** has the meaning ascribed thereto in the preamble to this Agreement;
- (qqq) **“Warrant”** means a whole Common Share purchase warrant of the Company issuable upon the deemed exercise or conversion of the Subscription Receipts and pursuant to the Warrant Indenture, with each Warrant exercisable by the holder thereof to acquire one Common Share of the Company at a price of \$0.50 per Common Share until the Expiry Date;

(rrr) **“Warrant Share”** means the Common Shares issuable upon the exercise of the Warrants; and

(sss) **“Written Request of the Company”, “Written Direction of the Company” and “Certificate of the Company”** mean a written order, request, consent, direction and certificate, respectively, signed in the name of the Company by any Director or officer of the Company or by any other individual to whom applicable signing authority is delegated by the Directors from time to time, and may consist of one or more instruments so executed respectively.

## **1.2 Gender and Number**

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

## **1.3 Interpretation Not Affected by Headings, Etc.**

The division of this Agreement into articles and sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## **1.4 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 on or before the requisite time on the next succeeding day that is a Business Day.

## **1.5 Time of the Essence**

Time shall be of the essence in all respects in this Agreement and the Subscription Receipt Certificates.

## **1.6 Currency**

Except as otherwise stated, all dollar amounts herein are expressed in Canadian dollars.

## **1.7 Severability**

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

## **1.8 Assignment**

Neither this Agreement nor any rights or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties, which consent, by any party, may be arbitrarily refused or withheld.

## **1.9 Conflict**

In the event of any conflict between the provisions of this Agreement and the Subscription Receipt Certificates, the provisions of this Agreement will govern.

### **1.10 Applicable Law**

This Agreement, any amendment, addendum or supplement hereto, and all other documents relating hereto, including the Subscription Receipt Certificates issued hereunder shall be construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts.

### **1.11 Schedules**

The attached Schedules are incorporated into and form part of this Indenture.

## **ARTICLE 2 ISSUE OF SUBSCRIPTION RECEIPTS**

### **2.1 Issue of Subscription Receipts**

An aggregate of 26,285,714 Subscription Receipts (inclusive of the Subscription Receipts issuable on exercise of the over-allotment option granted to the Agents under the Agency Agreement) are hereby created and authorized for issue at a price of \$0.35 per Subscription Receipt, upon the terms and conditions herein set forth. Each Subscription Receipt shall be issued, without any further act or formality, on the Closing Date, for each \$0.35 received by the Company as payment therefor and each such Subscription Receipt shall be a fully paid and non-assessable security of the Company.

### **2.2 Description of Subscription Receipts**

- (a) Each Subscription Receipt issued hereunder shall evidence:
- (i) the holder's subscription for, and the right to receive pursuant to this Agreement, upon the conversion thereof in accordance with the provisions of Article 5, and without the payment of any additional consideration or further action, one Unit, with each Unit comprised of one Unit Share and one-half (0.5) of one Warrant, subject to adjustment in accordance with Article 8;
  - (ii) the holder's right to receive, without any action on the part of such holder, the greater of (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any, in accordance with Section 7.4 in the event that a Termination Notice is delivered in accordance with the provisions of this Agreement on or prior to the Escrow Release Deadline;
  - (iii) the Subscription Receipts shall only be automatically converted into the Units on the Release Date, which shall be evidenced by the delivery of the Escrow Release Notice signed by the Company and the Lead Agent to the Subscription Receipt Agent; and
  - (iv) no fractional Subscription Receipts or Underlying Securities shall be issued or otherwise provided for hereunder and any fractional Subscription Receipts or Underlying Securities shall be rounded down to the nearest whole Subscription Receipt or Underlying Security, as applicable, without compensation therefor.

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

- (a) Form: The Subscription Receipts may be issued in both certificated and uncertificated form. Upon the issue of Subscription Receipts, Subscription Receipt Certificates shall be executed by

an authorized signatory of the Company and, in accordance with a Written Direction of the Company, Authenticated by or on behalf of the Subscription Receipt Agent and delivered by the Subscription Receipt Agent in accordance with the Written Direction of the Company. The Subscription Receipt Certificates shall be substantially in the form attached as Schedule "A" hereto, subject to the provisions of this Agreement, with such variations and changes as may from time to time be agreed upon by the Subscription Receipt Agent and the Company, and the Subscription Receipt Certificates shall be dated as of the Closing Date, shall have such distinguishing letters and numbers as the Company may, with the approval of the Subscription Receipt Agent, prescribe and shall be issuable in any denomination excluding fractions. All Subscription Receipts issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Subscription Receiptholders to be maintained by the Subscription Receipt Agent in accordance with Section 4.1(a). All Subscription Receipts issued, sold or transferred to a U.S. Subscription Receiptholder in certificated form must bear the applicable legend as set forth in Section 2.10(a).

- (b) Production: All Subscription Receipts shall, save as to denominations, be of like tenor and effect. The Subscription Receipt Certificates may be engraved, printed, lithographed, photocopied or be partially in one form or another, as the Company may determine.
- (c) Legend: The Subscription Receipt Certificates, if any, evidencing the Subscription Receipts, or ownership statements issued under a direct registration system or other electronic book-entry statement in the case of Uncertificated Subscription Receipts, shall bear a legend to the following effect until such time as no longer required by applicable law, and any other legend which may be required by applicable law or under the rules and regulations of the CSE, which will be included in the Written Direction of the Company provided to the Subscription Receipt Agent.

**"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) JULY 6, 2021, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."**

and all Certificated Subscription Receipts registered in the name of the Depository, will include the following additional legend:

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

## 2.4 CDS Subscription Receipts

- (a) Re-registration of beneficial interests in and transfers of Subscription Receipts held by the Depository shall be made only through the book entry registration system and no Subscription Receipt Certificates shall be issued in respect of such Subscription Receipts except as set out herein or as may be requested by a Depository or the Company, from time to time. Except as provided in this Section 2.4, owners of beneficial interests in any CDS Subscription Receipts shall not be entitled to have Subscription Receipts registered in their names and shall not receive or be entitled to receive Subscription Receipts in definitive form or to have their names appear in the register referred to in Section 4.1(a) while they are held as book entry only securities with the Depository. Notwithstanding any terms set out herein, Subscription Receipts having any legend set forth in Section 2.10(a) and held in the name of the Depository may only be held in the form of Uncertificated Subscription Receipts with the prior consent of the Subscription Receipt Agent.
- (b) Notwithstanding any other provision in this Agreement, no CDS Subscription Receipts may be exchanged in whole or in part for Subscription Receipts registered, and no transfer of CDS Subscription Receipts in whole or in part may be registered, in the name of any Person other than the Depository for such CDS Subscription Receipts or a nominee thereof unless:
- (i) the Depository notifies the Company that it is unwilling or unable to continue to act as depository in respect of the CDS Subscription Receipts and the Company is unable to locate a qualified successor;
  - (ii) the Company determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Subscription Receipts and the Company is unable to locate a qualified successor;
  - (iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Company is unable to locate a qualified successor;
  - (iv) the Company determines that the Subscription Receipts shall no longer be held as CDS Subscription Receipts through the Depository;
  - (v) the Subscription Receipt is to be Authenticated to or for the account or benefit of a person in the United States; or
  - (vi) the Company so instructs the Subscription Receipt Agent in writing,
- following which Subscription Receipts for those holders requesting such shall be issued to the beneficial owners of such Subscription Receipts or their nominees as directed by the holders. The Company shall provide a Certificate of the Company giving notice to the Subscription Receipt Agent of the occurrence of any event outlined in this Section 2.4(b), except in the case of Section 2.4(b)(vi).
- (c) Subject to the provisions of this Section 2.4, any exchange of CDS Subscription Receipts for Subscription Receipts which are not CDS Subscription Receipts may be made in whole or in part in accordance with the provisions of Section 4.2, *mutatis mutandis*. All such Subscription Receipts issued in exchange for CDS Subscription Receipts or any portion thereof shall be registered in such names as the Depository shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Subscription Receipts) as the CDS Subscription Receipts or portion thereof surrendered upon such exchange.



- (d) Every Subscription Receipt Authenticated upon registration of transfer of a CDS Subscription Receipt or any portion thereof, or in exchange for or in lieu of a CDS Subscription Receipt or any portion thereof, whether pursuant to this Section 2.4, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Subscription Receipt, unless such Subscription Receipt is registered in the name of a Person other than the Depository or a nominee thereof.
- (e) Notwithstanding anything to the contrary in this Agreement, subject to Applicable Legislation, the CDS Subscription Receipts will be issued by way of an Uncertificated Subscription Receipt, unless otherwise requested in writing by the Depository or the Company.
- (f) The rights of beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system shall be limited to those established by Applicable Legislation and agreements between the Depository and the Book Entry Participants and between such Book Entry Participants and the beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and Applicable Procedures of the Depository and the Subscription Receipt Agent.
- (g) For so long as Subscription Receipts are held through the Depository, if any notice or other communication is required to be given to Subscription Receiptholders, the Subscription Receipt Agent will give such notices and other communications to the Depository.
- (h) Notwithstanding anything herein to the contrary, neither the Company, the Agents, nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for:
  - (i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Subscription Receipts or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Subscription Receipts represented by an electronic position in the book entry registration system (other than the Depository or its nominee);
  - (ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or
  - (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.
- (i) The Company, upon five (5) Business Days' notice to the Subscription Receipt Agent, may terminate the application of this Section 2.4 in its sole discretion in which case all Subscription Receipts shall be evidenced by Subscription Receipt Certificates registered in the name of a Person other than the Depository or a nominee thereof.

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

- (a) Signing Officers: The Subscription Receipt Certificates shall be signed by any one officer of the Company or any one Director or by any other individual to whom such signing authority is delegated by the Directors from time to time.
- (b) Signatures: The signature of the individual referred to in Section 2.5(a) may be a manual signature, electronic engraved, lithographed or printed in facsimile and Subscription Receipt

Certificates bearing such facsimile or electronic signature will, subject to Section 2.6, be binding on the Company as if they had been manually signed by such officer of the Company or Director.

- (c) No Longer Officer: Notwithstanding that any individual whose manual or facsimile signature appears on a Subscription Receipt Certificate as one of the officers of the Company or Directors referred to in Section 2.5(a) no longer holds the same or any other office with, or is no longer a Director of, the Company, at the date of issue of any Subscription Receipt Certificate or at the date of certification or delivery thereof, such Subscription Receipt Certificate will, subject to Section 2.6, be valid and binding on the Company.

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

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

No Subscription Receipt Certificate, if issued, will be valid or entitle the holder to the benefits 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 attached hereto as Schedule "A" or in such other form(s) as may be approved by the Subscription Receipt Agent and the Company. The certification by the Subscription Receipt Agent on a Subscription Receipt Certificate will be conclusive evidence as against the Company that such Subscription Receipt Certificate has been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

The Subscription Receipt Agent shall Authenticate Uncertificated Subscription Receipts (whether upon original issuance, exchange, registration of transfer, or otherwise) by completing its Internal Procedures and the Company shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Subscription Receipts under this Agreement. Such Authentication shall be conclusive evidence that such Uncertificated Subscription Receipts have been duly issued hereunder and that the holder or holders thereof are entitled to the benefits of this Agreement. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Subscription Receipts with respect to which this Agreement requires the Subscription Receipt Agent to maintain records or accounts. In case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error, and any Uncertificated Subscription Receipts recorded therein shall be binding on the Company.

Authentication by the Subscription Receipt Agent shall be conclusive evidence as against the Company that the Subscription Receipts so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

- (b) Change in Form of Certificate: Any Subscription Receipt Certificate validly issued in accordance with the terms of this Agreement in effect at the time of issue of such Subscription Receipt Certificate shall, subject to the terms of this Agreement and Applicable Legislation, validly entitle the holder to acquire Units, notwithstanding that the form of such Subscription Receipt Certificate may not be in the form then required by this Agreement.
- (c) Authentication No Representation: Authentication by the Subscription Receipt Agent of any Subscription Receipts, including by way of entry on the register, shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or of such Subscription Receipt Certificates or Uncertificated Subscription Receipts (except the due Authentication thereof) or as to the performance by the Company of its obligations under this

Agreement and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipts or any of them or of the consideration thereof.

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

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

## **2.8 Issue in Substitution for Lost Subscription Receipt Certificates, etc.**

- (a) Substitution: If any Subscription Receipt Certificate becomes mutilated or is lost, destroyed or stolen, the Company, subject to Applicable Legislation and to Section 2.8(b), will issue, and thereupon the Subscription Receipt Agent will Authenticate and deliver, a new Subscription Receipt Certificate of like tenor and bearing the same legends as the one mutilated, lost, destroyed or stolen in exchange for and in place of and on surrender and cancellation of such mutilated certificate or in lieu of and in substitution for such lost, destroyed or stolen certificate.
- (b) Cost of Substitution: The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.8 shall bear the reasonable cost of the issue thereof and in the case of loss, destruction or theft shall, as a condition precedent to the issue thereof 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 to be replaced as is satisfactory to the Company and to the Subscription Receipt Agent in their discretion, and such applicant may also be required to furnish an indemnity and a 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.

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

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

## **2.10 U.S. Securities Matters**

- (a) The Subscription Receipts, Units and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws, and may not be offered, sold or otherwise disposed of in the United States, or to, or for the account or benefit of, a U.S. Person or a person in the United States, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available. Subscription Receipts and Underlying Securities issued to U.S. Subscription Receiptholders are “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act. Subscription Receipts issued to, or for the account or benefit of, a U.S. Subscription Receiptholder (and any certificates issued in replacement thereof or in substitution therefor), must be issued only in certificated form, unless the U.S. Subscription Receiptholder is a Qualified Institutional Buyer that has executed and delivered to the Company, the Subscription Receipt Agent and the Lead Agent a Qualified Institutional Buyer Letter. Any certificates representing Subscription Receipts and Unit Shares issued to a U.S. Subscription Receiptholder, and any certificates issued in replacement thereof or in substitution therefor, shall, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable

state securities laws, bear legend in substantially the following form or such variations thereof as the Company may prescribe from time to time:

**“THE SECURITIES REPRESENTED HEREBY [for Subscription Receipts add: AND THE SECURITIES ISSUABLE IN EXCHANGE THEREFOR] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. [For Unit Shares add: THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.]”;**

provided that, if the Subscription Receipts or, if applicable, the Unit Shares are being sold outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and if the Company is a "foreign issuer" within the meaning of Regulation S at the time of issuance of such securities, this legend may be removed by the transferor providing a declaration, in substantially the form attached hereto as Schedule "C" (or in such other form as the Company may from time to time reasonably prescribe), to the Subscription Receipt Agent or, if applicable, the transfer agent for the Company's Common Shares, and, if required by the Company and the Subscription Receipt Agent, an opinion of counsel, of recognised standing reasonably satisfactory to the Company and the Subscription Receipt Agent that the proposed transfer may be effected without registration under the U.S. Securities Act. The Subscription Receipt Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

- (b) Any certificates representing Warrants and any Warrant Shares issued to a U.S. Subscription Receiptholder, and any certificates issued in replacement thereof or in substitution therefor, shall also bear legends in substantially the forms set forth in the Warrant Indenture to the extent required therein.

### **ARTICLE 3 SATISFACTION OF RELEASE CONDITIONS**

#### **3.1 Notice of Satisfaction of Escrow Release Conditions**

Upon the satisfaction of the Escrow Release Conditions prior to the Escrow Release Deadline and upon the Release Date, the Company shall forthwith deliver the Escrow Release Notice to the Subscription Receipt Agent. Provided that the Escrow Release Conditions have been satisfied prior to the

Escrow Release Deadline, upon the Release Date, the Subscription Receipt Agent and the Company shall cause the issuance and delivery of the Underlying Securities comprising the Units upon the automatic conversion of the Subscription Receipts in accordance with Section 3.2.

### **3.2 Issue and Delivery of Units**

- (a) If the Escrow Release Conditions are satisfied prior to the Escrow Release Deadline, upon the Release Date, the Subscription Receipts shall be automatically converted into Units on the Release Date for no additional consideration and without further action on the part of the Subscription Receiptholder and Underlying Securities comprising the Units shall be deemed to be issued to the Subscription Receiptholders on the Release Date in accordance with the rights of such holders as described in Section 2.2(a).
- (b) Upon the deemed issuance of the Units pursuant to the Subscription Receipts, the Company shall cause the transfer agent of the Common Shares to issue the Unit Shares to the Subscription Receiptholders (unless otherwise directed by the Company) and shall cause the warrant agent under the Warrant Indenture to issue the Warrants to the Subscription Receiptholders (unless otherwise directed by the Company), in both instances no later than the third Business Day following the Release Date.
- (c) Effective immediately after the Unit Shares and Warrants have been issued as contemplated in this Section 3.2, the Subscription Receipts relating thereto shall be void and of no value or effect.
- (d) If, in the opinion of Counsel, any instrument is required to be filed with, or any permission, order or ruling is required to be obtained from, any securities administrator, regulatory agency or governmental authority in Canada or any other step is required under any federal, provincial or territorial law of Canada before the Underlying Securities comprising the Units issuable upon the automatic conversion of the Subscription Receipts may be issued or delivered to a Subscription Receiptholder, the Company covenants that it will use its commercially reasonable efforts to file such instrument, obtain such permission, order or ruling or take all such other actions, at its expense, as is required or appropriate in the circumstances.
- (e) Under no circumstances shall the Company be obliged to issue any fractional Unit Shares or Warrants or make any payment of cash or other consideration in lieu thereof. To the extent that the holder of one or more Subscription Receipts would otherwise have been entitled to receive a fraction of a Unit Share or Warrant, such fraction shall be rounded down to the nearest whole number in accordance with Section 5.3 hereof.

### **3.3 Payment on Termination**

If a Termination Event occurs:

- (a) the Company shall forthwith notify the Subscription Receipt Agent and Lead Agent in writing and shall issue a press release setting forth the Termination Event;
- (b) each Subscription Receipt shall be automatically terminated and cancelled and each Subscription Receiptholder shall thereafter have no rights thereunder except to receive, and the Subscription Receipt Agent shall pay to such holders from the Escrowed Funds, an amount equal to the aggregate Offering Price for their Subscription Receipts then held, plus their pro rata share of the Earned Interest, less applicable withholding tax required to be withheld in respect thereof, if any;

- (c) the Company shall be liable for any shortfall between the amounts owing to Subscription Receiptholders under Section 3.3(b) and the amount of Escrowed Funds. The Subscription Receipt Agent shall have no responsibility for any shortfall owing to the Subscription Receiptholders; and
- (d) the register shall be closed at the Termination Time.

### **3.4 Cancellation of Subscription Receipts on Termination**

All Subscription Receipts in respect of which payment in accordance to Section 3.3(b) is made shall be deemed to have been cancelled on the Termination Date and the Subscription Receipt Agent shall record the deemed cancellation of such Subscription Receipts on the register of the Subscription Receipts upon all required payments having been so paid. Upon Written Request of the Company, the Subscription Receipt Agent shall furnish the Company with a certificate identifying the Subscription Receipts deemed to have been cancelled. All Subscription Receipts which have been deemed to have been cancelled pursuant to this Section 3.4 shall be without further force and effect whatsoever.

## **ARTICLE 4 REGISTRATION, TRANSFER AND OWNERSHIP OF SUBSCRIPTION RECEIPTS AND EXCHANGE OF SUBSCRIPTION RECEIPT CERTIFICATES**

### **4.1 Registration and Transfer of Subscription Receipts**

- (a) Register: The Company will cause to be kept by the Subscription Receipt Agent at its principal office in Vancouver, British Columbia, a register of holders in which shall be entered in alphabetical order the names and addresses of the holders and particulars of the Subscription Receipts held by them.
- (b) Transfer: The Subscription Receipts may only be transferred on the register kept by the Subscription Receipt Agent at the principal office by a holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent only upon (i) in the case of Certificated Subscription Receipts, surrendering to the Subscription Receipt Agent at the principal office the Subscription Receipt Certificates representing the Subscription Receipts to be transferred together with a duly executed form of transfer (in the form attached to the Subscription Receipt Certificate as set out in Schedule "A" attached hereto); (ii) in the case of Uncertificated Subscription Receipts, surrendering to the Subscription Receipt Agent at the principal office instruction from the holder in form reasonably satisfactory to the Subscription Receipt Agent; (iii) in the case of CDS Subscription Receipts, compliance with Applicable Procedures prescribed by the Depository under the book entry registration system; and (iv) compliance with:
  - (i) the conditions herein;
  - (ii) such reasonable requirements as the Subscription Receipt Agent may prescribe; and
  - (iii) all applicable securities laws and requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Subscription Receipt Agent. Upon compliance with such requirements, the Subscription Receipt Agent shall issue to the transferee of a Certificated Subscription Receipt, a Subscription Receipt Certificate representing the Subscription Receipts transferred, and to the transferee of an Uncertificated Subscription Receipt, an Uncertificated Subscription Receipt (or it shall Authenticate and deliver a Certificated

Subscription Receipt instead, upon request) representing the Subscription Receipts transferred, and the transferee of a CDS Subscription Receipt shall be recorded through the relevant Book Entry Participant in accordance with the book entry registration system as the entitlement holder in respect of such Subscription Receipts. Transfers within the systems of the Depository are not the responsibility of the Subscription Receipt Agent and will not be noted on the register maintained by the Subscription Receipt Agent. The Subscription Receipt Agent will promptly advise the Company of any requested transfer of Subscription Receipts. Notwithstanding the foregoing, the Company will be entitled, and may direct the Subscription Receipt Agent, to refuse to recognize any transfer, or enter the name of any transferee, of any Subscription Receipts on the registers referred to in this Section 4.1(b), if such transfer would constitute a violation of the applicable securities laws of any jurisdiction or the rules, regulations or policies of any regulatory authority having jurisdiction, or would be contrary to the terms of the constating documents of the Company or this Agreement.

- (c) Certain Transfers by U.S. Subscription Receiptholders: The Subscription Receipts and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws. Accordingly, if a Subscription Receipt Certificate tendered for transfer bears the legend set forth in Section 2.10(a), the Subscription Receipt Agent shall not register such transfer unless the transferor has provided the Subscription Receipt Agent with the Subscription Receipt Certificate and: (i) the transfer is made to the Company; (ii) the transfer is made outside the United States in compliance with Rule 904 of Regulation S, and a declaration to the effect attached hereto as Schedule "C" (or in such other form as the Company may from time to time reasonably prescribe) is delivered to the Subscription Receipt Agent, and, if required by the Company, the transferor provides an opinion of counsel of recognized standing reasonably satisfactory in form and substance to the Company and to the Subscription Receipt Agent to the effect that such transfer is being made in compliance with Rule 904 of Regulation S; (iii) the transfer is made in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with any applicable state securities laws, and the transferor provides an opinion of counsel of recognized standing reasonably satisfactory in form and substance to the Company and to the Subscription Receipt Agent to the effect that such transfer is being made in compliance with Rule 144; or (iv) with the prior written consent of the Company, the transfer is made pursuant to another exemption from registration under the U.S. Securities Act, and the transferor provides an opinion of counsel of recognized standing reasonably satisfactory in form and substance to the Company and to the Subscription Receipt Agent, to the effect that such transfer does not require registration under the U.S. Securities Act and such legend is no longer required under applicable requirements of the U.S. Securities Act. The Subscription Receipt Agent shall be entitled to request any other documents that it may require in accordance with its internal policies to process such transfer.
- (d) No Notice of Trusts: Subject to Applicable Legislation, neither the Company nor the Subscription Receipt Agent will be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Subscription Receipt.
- (e) Inspection: The register referred to in Section 4.1(a), and any branch register maintained pursuant to Section 4.1(f), will at all reasonable times be open for inspection by the Company and any Subscription Receiptholder. The Subscription Receipt Agent will from time to time when requested to do so in writing by the Company or any Subscription Receiptholder (upon payment of the reasonable charges of the Subscription Receipt Agent) furnish the Company or such Subscription Receiptholder with a list of the names and addresses of holders of Subscription Receipts entered on such register and showing the number of Subscription Receipts held by each such holder.

- (f) Location of Registers: The Company may at any time and from time to time change the place at which the register referred to in Section 4.1(a) is kept and/or cause branch registers of holders to be kept, in each case subject to the approval of the Subscription Receipt Agent, at other places and close such branch registers or change the place at which such branch registers are kept. Notice of all such changes or closures shall be given by the Company to the Subscription Receipt Agent and to the holders of Subscription Receipts in accordance with Section 13.1 and Section 13.2.

#### **4.2 Exchange of Subscription Receipts Certificates**

- (a) Exchange: One or more Subscription Receipt Certificates may at any time prior to the automatic conversion on the Release Date, in compliance with the reasonable requirements of the Subscription Receipt Agent, be exchanged for one or more Subscription Receipt Certificates of different denominations representing in the aggregate the same number of Subscription Receipts and registered in the same name as the Subscription Receipt Certificate or Subscription Receipt Certificates being exchanged.
- (b) Place of Exchange: Subscription Receipt Certificates may be exchanged only at the principal office in Vancouver, British Columbia, of the Subscription Receipt Agent or at any other place designated by the Company with the approval of the Subscription Receipt Agent.
- (c) Cancellation: Any Subscription Receipt Certificate tendered for exchange pursuant to Section 2.8, this Section 4.2 or for transfer pursuant to Section 4.1 shall be surrendered to the Subscription Receipt Agent and cancelled.
- (d) Execution: The Company will sign all Subscription Receipt Certificates in accordance with Section 2.5(a) as necessary to carry out exchanges pursuant to this Section 4.2 and such Subscription Receipt Certificates will be Authenticated by the Subscription Receipt Agent.
- (e) Subscription Receipt Certificates: Subscription Receipt Certificates exchanged for Subscription Receipt Certificates that bear one or more of the legends set forth in Section 2.3 and/or Section 2.10(a) shall bear the same legends, as applicable.

#### **4.3 No Charges for Exchange**

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

#### **4.4 Ownership of Subscription Receipts**

- (a) Owner: The Company and the Subscription Receipt Agent may deem and treat the Person in whose name any Subscription Receipt is registered as the absolute owner of such Subscription Receipt for all purposes, and such Person will for all purposes of this Agreement be and be deemed to be the absolute owner thereof, entitled to the rights and privileges attaching to such Subscription Receipt, and the Company and the Subscription Receipt Agent will not be affected by any notice or knowledge to the contrary except as required by Applicable Legislation or by order of a court of competent jurisdiction.
- (b) Rights of Registered Holder: The registered holder of any Subscription Receipt will be entitled to the rights represented thereby free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof and all Persons may act accordingly, and the issue and delivery to any such registered holder of Unit Shares and Warrants



issuable pursuant thereto (or the payment of amounts payable in respect thereof pursuant to Section 2.2(a)(ii)) will be a good discharge to the Company and the Subscription Receipt Agent therefor and neither the Company nor the Subscription Receipt Agent will be bound to inquire into the title of any such registered holder.

## ARTICLE 5 CONVERSION OF SUBSCRIPTION RECEIPTS

### 5.1 Conversion of Subscription Receipts by Subscription Receipt Agent

- (a) Delivery of Escrow Release Notice: As soon as practicable following the satisfaction of all of the Escrow Release Conditions, the Company (other than the Escrow Release Condition in Section 1.1(ee)1.1(ee)(iv)) will deliver to the Lead Agent an Escrow Release Notice duly executed by the Company, together with a certificate executed by the President and Chief Executive Officer of the Company (or such other officer as may be acceptable to the Lead Agent, acting reasonably) certifying to the Agents that the Escrow Release Conditions have been satisfied. Upon receipt of the Escrow Release Notice (other than the Escrow Release Condition in Section 1.1(ee)1.1(ee)(iv)) and such certificate from the Company, the Lead Agent will review the Escrow Release Notice and, unless the Lead Agent in good faith contests any of the statements contained therein, the Lead Agent will, as soon as practicable:
  - (i) execute the Escrow Release Notice in acknowledgement thereof; and
  - (ii) deliver the Escrow Release Notice, jointly executed by the Company and the Lead Agent, to the Subscription Receipt Agent.
- (b) Conversion by Subscription Receipt Agent: On the Release Date, as evidenced by the Subscription Receipt Agent's receipt of the Escrow Release Notice, all Subscription Receipts will be automatically converted by the Subscription Receipt Agent for and on behalf of the holders thereof and the holders thereof shall, without payment of additional consideration or any further action on the part of the holders thereof (including the surrender of any Subscription Receipt Certificates or deemed surrender of any Uncertificated Subscription Receipts), be deemed to have subscribed for the corresponding number of Units issuable upon the conversion of such Subscription Receipts. For greater certainty, the Subscription Receipts may not be converted by the holders thereof and may only be converted pursuant to the foregoing automatic conversion.
- (c) Conversion of Uncertificated and Certificated Subscription Receipts: In the case of Certificated Subscription Receipts, the Company will cause the issuance and delivery of certificates representing the applicable Unit Shares and Warrants to the holders of Certificated Subscription Receipts. In the case of Uncertificated Subscription Receipts, the Company will cause the issuance and delivery of the applicable Unit Shares and Warrants to the holders of Uncertificated Subscription Receipts.
- (d) Conversion of CDS Subscription Receipts: In the case of CDS Subscription Receipts, the Company will direct the Depository to cause to be entered and issued, as the case may be, to the Person or Persons in whose name or names the Unit Shares and Warrants have been issued, a book entry only system customer confirmation.
- (e) Rights on Conversion: The holder of any Subscription Receipt converted pursuant to Section 5.1(a) shall have no rights hereunder except to be issued Unit Shares and Warrants upon the conversion of the Subscription Receipts.

- (f) Direction of Subscription Receipt Agent: If the Escrow Release Notice is received by the Subscription Receipt Agent at or before the Escrow Release Deadline, the parties hereby irrevocably authorize and direct the Subscription Receipt Agent to convert the Subscription Receipts pursuant to Section 5.1(b).
- (g) Release of Escrowed Funds: If the Escrow Release Notice is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline, the Subscription Receipt Agent will release the Escrowed Funds in accordance with Section 7.3.

## **5.2 Effect of Conversion**

Upon the conversion of any Subscription Receipts in accordance with Section 5.1(a), the Unit Shares and Warrants thereby issuable will be deemed to have been validly issued, and the Person or Persons to whom such securities are to be issued will be deemed to have become the holder or holders of record thereof, on the Release Date unless the transfer registers for the Unit Shares and Warrants are closed on the Release Date, in which case such Unit Shares and Warrants will be deemed to have been issued and such Person or Persons will be deemed to have become the holder or holders of record thereof on the date on which such transfer registers are reopened, but such Unit Shares and Warrants will be issued on the basis of the number of Units to which such Person or Persons were entitled on the Release Date.

## **5.3 Fractions**

The Company shall not be required, upon the conversion of the Subscription Receipts or upon any adjustment in accordance with Article 8, to issue fractions of Unit Shares and Warrants to any Person. To the extent that a Subscription Receiptholder would otherwise have been entitled to receive a fraction or fractions of a Unit Share or Warrant on the conversion of its Subscription Receipts, that Subscription Receiptholder may exercise such right in respect of the fraction or fractions only in combination with its entitlement to a fraction or fractions of Unit Shares or Warrants in respect of another Subscription Receipt or other Subscription Receipts that in the aggregate entitle the Subscription Receiptholder to receive a whole number of Unit Shares and Warrants and the Company shall issue such whole Unit Shares and Warrants to the Subscription Receiptholder in respect of those fractions that in the aggregate form whole Unit Shares and Warrants. All fractions of a Unit Share or Warrant will be rounded down to the nearest whole number and the Company shall pay to the holders thereof the fair market value thereof in satisfaction of the right to otherwise have received a fraction of a Unit Share or Warrant.

## **5.4 Recording**

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

## **5.5 Securities Restrictions**

- (a) General: No Unit Shares and Warrants will be issued pursuant to the conversion of any Subscription Receipt if the issue of such Unit Shares and Warrants would constitute a violation of the securities laws of any jurisdiction and, without limiting the generality of the foregoing, the certificates representing the Unit Shares and Warrants thereby issued will bear or be deemed to bear such legend or legends as may, in the opinion of Counsel, be necessary or advisable in order to avoid a violation of any securities laws of any jurisdiction or to comply with the requirements of any stock exchange on which the Unit Shares, Warrants or the Warrant Shares are then listed, provided that if, at any time, in the opinion of Counsel, such legend or legends are no longer necessary or advisable in order to avoid a violation of any such laws or requirements, or the

holder of any such legended certificate, at the expense thereof, provides the Company and the Subscription Receipt Agent with evidence satisfactory in form and substance to the Company and the Subscription Receipt Agent (which may include an opinion of Counsel satisfactory to the Company and the Subscription Receipt Agent) to the effect that such holder is entitled to sell or otherwise transfer such Unit Shares and Warrants in a transaction in which such legend or legends are not required, such legended certificate may thereafter be surrendered to the transfer agent and warrant agent of the Company in exchange for a certificate which does not bear such legend or legends.

- (b) No Registration under the U.S. Securities Act: The Subscription Receipts, the Units and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws.

## **ARTICLE 6 COVENANTS**

### **6.1 General Covenants of the Company**

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

- (a) Maintenance: The Company will use its commercially reasonable efforts to at all times maintain its corporate existence, carry on and conduct its business, and that of its material subsidiaries, in a proper, efficient and business-like manner and keep or cause to be kept proper books of account in accordance with generally accepted accounting principles.
- (b) Reservation of Unit Shares and Warrants: The Company is duly authorized to create and issue the Subscription Receipts and, when issued and Authenticated by the Subscription Receipt Agent in accordance with the terms set forth herein (including, without limitation, deposit of the Escrowed Proceeds in respect thereof), such Subscription Receipts shall be valid and enforceable against the Company in accordance with the terms herein, and it will reserve and conditionally allot for the purpose and keep available sufficient unissued Unit Shares and Warrants to enable it to satisfy its obligations on the conversion of the Subscription Receipts.
- (c) Issue of Units: The Company will cause the Unit Shares and Warrants to be issued pursuant to the conversion of the Subscription Receipts and such Unit Shares and Warrants to be issued and delivered in accordance with the provisions of this Agreement, and with respect to the Warrants, in accordance with the terms of the Warrant Indenture and all Unit Shares and Warrants that are issued on the conversion of the Subscription Receipts will be validly issued as fully paid and non-assessable securities of the Company.
- (d) Announcement of Completion or Termination: The Company, at its discretion, will announce by one or more press releases the Release Date or the Termination Time.
- (e) Notice of Termination: In the event that (i) the Company delivers the Termination Notice, or (ii) if the Escrow Release Notice has not been provided in accordance with the provisions hereof on or prior to the Escrow Release Deadline, the Company shall send or cause to be sent to each Subscription Receiptholder written notice advising of that fact and each Subscription Receiptholder shall receive the aggregate Offering Price for their Subscription Receipts then held, plus their pro rata share of the Earned Interest thereon, less applicable withholding taxes to be withheld in respect thereof, if any, and such notice shall be sent within two (2) Business Days after the Termination Date. The Company will be liable for any shortfall between the amounts

owing to Subscription Receiptholders and the amount of Escrowed Funds. The Subscription Receipt Agent shall have no responsibility for any shortfall owing to the Subscription Receiptholders.

- (f) Open Registers: The Company will cause the Subscription Receipt Agent to keep open the registers of holders referred to in Section 4.1 as required by such section and will not take any action or omit to take any action which would have the effect of preventing the Subscription Receiptholders from receiving any of the Unit Shares and Warrants issued upon conversion of the Subscription Receipts.
- (g) Filings: The Company will make all requisite filings, including filings with appropriate securities commissions and the CSE, in connection with the conversion of the Subscription Receipts and the issue of the Unit Shares and Warrants.
- (h) General Performance: The Company will perform and carry out all acts and things to be done by it as provided in this Agreement or in order to consummate the transactions contemplated hereby.
- (i) Notice of Default: The Company will promptly advise the Subscription Receipt Agent, the Subscription Receiptholders and the Agents in writing of any default under the terms of this Agreement.
- (j) Notices to Subscription Receiptholders: Any notices or deliveries required to be provided to holders of Subscription Receipts hereunder shall be sent by prepaid mail or delivery to each Subscription Receiptholder at the address of such holder appearing on the register of Subscription Receipts maintained hereunder.

## **6.2 Remuneration and Expenses of Subscription Receipt Agent**

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 the its duties hereunder (including the reasonable compensation and the disbursements of Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable upon demand. This Section 6.2 shall survive the removal or resignation of the Subscription Receipt Agent and/or the termination of this Agreement. In no event shall any amount payable to the Subscription Receipt Agent hereunder be paid out of the Escrowed Funds unless the Escrowed Funds are, at the time of payment, payable to the Company.

## **6.3 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 5.1 such that (i) such issuance will comply with the prospectus and registration requirements (or exemptions therefrom) of applicable securities laws in each of the provinces of Canada (other than Quebec), as applicable, and (ii) the first trade in the Underlying Securities (other than from the holdings of a person who, alone or in combination with others, holds sufficient Common Shares to materially affect control of the Company) will not be subject to, or will be exempt from, the prospectus requirements of applicable securities laws in each of the provinces of

Canada (subject to a hold period under applicable securities laws following the date of issue of the Subscription Receipts) and on a basis exempt from registration under the U.S. Securities Act.

#### **6.4 Securities Qualification Requirements**

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

#### **6.5 Contractual Right of Rescission**

The Company covenants with the Subscription Receipt Agent to provide a right of rescission to each Subscription Receiptholder as hereinafter set forth, which right shall be exercisable by a Subscription Receiptholder directly. The Company hereby agrees that in the event that a holder of Subscription Receipts who acquires Unit Shares and Warrants pursuant to the exercise of Subscription Receipts is or becomes entitled under applicable securities laws to the remedy of rescission by reason of the Final Prospectus to be filed by the Company and any amendment thereto containing a misrepresentation, such holder shall, subject to available defences and any limitation period under applicable securities laws, be entitled to rescission not only of the holder's exercise of its Subscription Receipts but also of the private placement transaction pursuant to which the Subscription Receipts were initially acquired, and shall be entitled in connection with such rescission to a full refund from the Company of the aggregate purchase price paid on the acquisition of the Subscription Receipts. In the event such holder is a permitted assignee of the interest of the original holder of Special Warrants, such permitted assignee shall be permitted to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original holder. The provisions of this Section 6.5 are a direct contractual right extended by the Company to holders of Subscription Receipts and permitted assignees of such holders and are in addition to any other right or remedy available to a holder of a purchased security under applicable securities laws in the Designated Jurisdictions, or otherwise at law, and is subject to the defences and limitations described under such applicable laws.

#### **6.6 Performance of Covenants by Subscription Receipt Agent**

If the Company fails to perform any of its obligations under this Agreement, the Subscription Receipt Agent may notify the Subscription Receiptholders of such failure or may itself perform any of such obligations capable of being performed by the Subscription Receipt Agent, and the Subscription Receipt Agent may notify the Subscription Receiptholders that it is so doing but will be under no obligation to perform such obligations or provide notice thereof. All amounts expended or advanced by the Subscription Receipt Agent in so doing will be repayable as provided in Section 6.2. No such performance, expenditure or advance by the Subscription Receipt Agent will relieve the Company of any default or of its continuing obligations hereunder.

### **ARTICLE 7**

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

##### **7.1 Deposit of Escrowed Proceeds in Escrow**

The Company shall direct that, immediately prior to the issuance of the Subscription Receipts, the Escrowed Proceeds shall be deposited with the Subscription Receipt Agent by way of certified cheque,

electronic wire transfer by the Lead Agent, the Company, or a combination thereof. The Subscription Receipt Agent shall immediately place such funds in a segregated account in accordance with the provisions of this Article 7. The Company acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of the aggregate Offering Price that the Escrowed Proceeds are held by the Subscription Receipt Agent in accordance with the provisions of this Article 7. The Company further acknowledges and confirms that it has no interest in the Escrowed Funds or the Earned Interest unless and until the Escrow Release Notice is delivered to the Subscription Receipt Agent (at or before the Escrow Release Deadline). The Subscription Receipt Agent shall retain the Escrowed Funds and the Earned Interest for the benefit of the Subscription Receiptholders 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 the Agents (in relation to the unpaid Agents' Expenses) in accordance with the provisions of this Article 7.

## **7.2 Investment of Escrowed Funds**

- (a) Until released in accordance with this Agreement, the Escrowed Funds shall be recorded in the segregated internal trust account records of the Subscription Receipt Agent, which account record shall be designated in the name of the Company, and the Escrowed Funds shall be deposited in one or more trust accounts to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more banks listed in below in Subsection 7.2(c) (each such bank, an “**Approved Bank**”). Of the amount of interest, if any, earned by the Subscription Receipt Agent on such deposited monies, the Subscription Receipt Agent shall credit to the Escrowed Funds an amount that is equal to 0.20 percent less than the target overnight rate of interest announced from time to time by The Bank of Canada, converted to a daily rate, and applied to the Escrowed Funds, calculated daily (“**Earned Interest**”). Such calculated amount shall be credited by the Subscription Receipt Agent to the Escrowed Funds within five (5) Business Days of each month-end. The Subscription Receipt Agent may retain the remaining amount of interest, if any, that was earned on such deposited monies for its own use and benefit. Notwithstanding the foregoing, (i) in no event will the Subscription Receipt Agent be obligated to pay or credit any amount on account of interest that exceeds the amount of interest earned from the Approved Bank(s) on the Escrowed Funds, as determined by the Subscription Receipt Agent; and (ii) if an account at any Approved Bank into which the Escrowed Funds or any part thereof has been deposited bears a negative interest rate or there is otherwise any fee or other charge assessed on the account or in respect of the amount of cash on deposit, the cost, as determined by the Subscription Receipt Agent, shall be deducted from the Escrowed Funds.
- (b) All amounts held by the Subscription Receipt Agent pursuant to this Agreement shall be held by the Subscription Receipt Agent for the benefit of the Subscription Receiptholders and the delivery of the Escrowed Proceeds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Subscription Receiptholders and, without limiting the generality of the foregoing, the Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 7.2, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposits liquidated or sold prior to maturity. The Company and the Lead Agent acknowledge and agree that the Subscription Receipt Agent acts prudently and reasonably in depositing the Escrowed Proceeds at any Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of any such bank.

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

For tax reporting purposes, all interest or other taxable income earned from the investment of the Escrowed Funds in any tax year shall (i) to the extent such interest is distributed by the Subscription Receipt Agent to any person or entity pursuant to the terms of this Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise be allocated to the Company in the taxation year that it was earned, notwithstanding that no such amount has been distributed. The Subscription Receiptholders and 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.

- (c) The Approved Banks include the following:

| <b>Approved Banks</b>              |   |
|------------------------------------|---|
| <b>Bank</b>                        | <b>Relevant S&amp;P Issuer Credit Rating<br/>(as at March 1<sup>st</sup>, 2021)</b> |
| ANZ Banking Group                  | AA-   |
| Bank of America NA                 | A+  |
| Bank of Montreal                   | A+  |
| The Bank of Nova Scotia            | A+  |
| Bank of Scotland                   | A+  |
| Bank of Tokyo-Mitsubishi UFJ       | A   |
| BNP Paribas                        | A+  |
| Canadian Imperial Bank of Commerce | A+  |
| Citibank NA                        | A+  |
| HSBC Bank of Canada                | A+  |
| National Australia Bank Limited    | AA-   |
| National Bank of Canada            | A   |
| Royal Bank of Canada               | AA-   |
| Societe Generale (Canada Branch)   | A   |
| The Toronto-Dominion Bank          | AA-   |

### **7.3 Release of Escrowed Funds on Satisfaction of Escrow Release Conditions**

In the event that the Escrow Release Notice is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline, the Subscription Receipt Agent shall release the Escrowed Funds as follows:

- (a) the Company shall be entitled to receive from the Subscription Receipt Agent an amount equal to the Escrowed Funds, less:
- (i) any remaining unpaid Agents' Expenses at the Release Date;
  - (ii) the remaining 50% of the Agents' Compensation; and
  - (iii) any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 6.2; and
- (b) the Lead Agent shall be entitled to receive from the Subscription Receipt Agent any remaining unpaid Agents' Expenses and the remaining 50% of the Agent's Compensation as of the Release Date.

The Subscription Receipt Agent shall deliver the funds referred to in this Section 7.3 to the Company and the Lead Agent, on its own behalf and on behalf of the Agents, respectively (or as directed by the



Company or the Lead Agent, as applicable) as soon as practicable within one (1) Business Day of the Release Date.

#### **7.4 Release of Escrowed Funds on Termination**

- (a) In the event that a Termination Event occurs or in the event that an Escrow Release Notice has not been received by the Subscription Receipt Agent before the Escrow Release Deadline, the Company shall forthwith deliver a Termination Notice to the Subscription Receiptholders, the Subscription Receipt Agent and the Lead Agent stating the Termination Date and that a Termination Event has occurred. Upon delivery of a Termination Notice, the register shall be closed at the Termination Time and each Subscription Receipt shall, subject to Section 7.4(d), be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and each Subscription Receiptholder shall be entitled to receive as at the Termination Time, an amount equal to (i) the aggregate Offering Price for their Subscription Receipts then held, plus (ii) their pro rata share of the Earned Interest, less applicable withholding tax required to be withheld in respect thereof, if any.
- (b) The amounts paid to each Subscription Receiptholder under Section 7.4(a) shall be satisfied by the Escrowed Funds. To the extent that the Escrowed Funds are insufficient to refund to each Subscription Receiptholder an amount equal to the aggregate Offering Price due to them under Section 7.4(a)(i), if applicable, the Company shall be responsible and liable to the Subscription Receiptholders for any shortfall and shall contribute such amounts as are necessary to satisfy any shortfall such that each Subscription Receiptholder will receive an amount equal to the amounts due to them under Section 7.4(a)(i), if applicable.
- (c) The obligation to make the payment of the amounts specified in Section 7.4(a) shall be satisfied, in the case of CDS Subscription Receipts, by wire transfer of immediately available funds made by the Subscription Receipt Agent to the Depository or otherwise by the Subscription Receipt Agent mailing cheques made payable to the Subscription Receiptholders at their registered addresses.
- (d) Upon receipt of a wire transfer or the mailing or delivery of any cheque as provided in Section 7.4(c) (and, in the case of a cheque, provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof) all rights evidenced by the Subscription Receipts held by a Subscription Receiptholder shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

#### **7.5 Additional Payments by the Company**

The Company shall, no later than one (1) Business Day before the date upon which any amount due hereunder from the Company, if any, is required to be paid pursuant to this Article 7, 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 7. The Company shall notify in writing the Subscription Receipt Agent of such payments when made.

#### **7.6 Withholding**

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

## 7.7 Escrowed Funds

In addition to the other rights granted to holders of Subscription Receipts in this Agreement, until the earlier of the Termination Date and the Release Date, each Subscription Receiptholder has a claim against the Escrowed Funds held by the Subscription Receipt Agent and against the Company, in the amount equal to \$0.35 for each Subscription Receipt held by such holder, which claim shall subsist until such time as the Unit Shares and Warrants issuable upon the conversion of such Subscription Receipts are issued or such amount is paid in full. In the event that, prior to the earlier of the Termination Time and the first Business Day following the Release Date, the Company (i) makes a general assignment for the benefit of creditors or any proceeding is instituted by the Company seeking relief on behalf thereof as a debtor, or to adjudicate the Company a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of the Company or the debts of the Company under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, receiver and manager, trustee, custodian or similar official for the Company or any substantial part of the property or assets of the Company or the Company takes any corporate action to authorize any of the actions set forth above, or (ii) the Company shall be declared bankrupt, or a receiver, receiver and manager, trustee, custodian or similar official is appointed for the Company or any substantial part of the property or assets of the Company or an encumbrancer shall legally take possession of any substantial part of the property or assets of the Company or a distress or execution or any similar process is levied or enforced against such property and assets and remains unsatisfied for such period as would permit such property or such part thereof to be sold thereunder, the right of each Subscription Receiptholder to be issued Unit Shares and Warrants upon the conversion of the Subscription Receipts of such holder will terminate and such holder will be entitled to assert a claim, against the Escrowed Funds held by the Subscription Receipt Agent and against the Company for any shortfall, in an amount equal to \$0.35 for each Subscription Receipt held by such holder plus Earned Interest earned thereon less any withholding tax required to be withheld in respect thereof.

## 7.8 Representation Regarding Third Party Interests

Each of the Company and the Lead Agent (in this Section 7.8 referred to as a “**representing party**”) hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent in connection with this Agreement, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Subscription Receipt Agent a declaration of third party interest in the Subscription Receipt Agent’s prescribed form in accordance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the regulations thereto, or in such other form as may be satisfactory to it, as to the particulars of such third party.

# ARTICLE 8 ADJUSTMENTS

## 8.1 Adjustments

The Subscription Receipts shall be subject to adjustment from time to time in the following circumstances and manner:

- (a) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Release Date, the Company shall:
  - (i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares;

- (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares; or
- (iii) issue Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend or make a distribution to all or substantially all of the holders of Common Shares on its outstanding Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares;

then, in each such event, the number of Units issuable upon conversion of the Subscription Receipts shall be adjusted immediately after the effective date of such subdivision, redivision, change, reduction, combination or consolidation, or the record date for such issue of Common Shares by way of a stock dividend or distribution, as the case may be, by multiplying the number of Units issuable upon conversion of a Subscription Receipt by a fraction:

- A. the numerator of which shall be the total number of Common Shares outstanding immediately after such date; and
- B. the denominator of which shall be the total number of Common Shares outstanding immediately prior to such date.

Such adjustment shall be made successively whenever any event referred to in this Section 8.1(a) shall occur. Any such issue or distribution of Common Shares or securities convertible into or exchangeable for Common Shares shall be deemed to have been made on the record date for such issue or distribution for the purpose of calculating the number of outstanding Common Shares under Section 8.1(b) and Section 8.1(c).

- (b) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Release Date, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, the number of Units issuable upon conversion of the Subscription Receipts shall be adjusted immediately after such record date so that it shall equal the number determined by multiplying the number of Units issuable upon conversion of a Subscription Receipt by a fraction:
  - (i) the numerator of which shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; and
  - (ii) the denominator of which shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price.

Any Common Shares owned by or held for the account of the Company or any subsidiary shall be deemed not to be outstanding for the purpose of any such computation. Such

adjustment shall be made successively whenever such a record date is fixed. To the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the number of Units issuable upon conversion of a Subscription Receipt shall be readjusted to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect if such record date had not been fixed or to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

- (c) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Release Date, the Company shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of:
- (i) shares of the Company of any class other than Common Shares or other securities of the Company;
  - (ii) rights, options or warrants to acquire Common Shares (or securities convertible into or exchangeable for Common Shares) or other securities of the Company;
  - (iii) evidences of its indebtedness; or
  - (iv) any property or other assets;

(excluding, in each case, any distribution referred to in Section 8.1(a) or Section 8.1(b) then, in each such case, the number of Units issuable upon conversion of a Subscription Receipt shall be adjusted immediately after such record date so that it shall equal the number determined by multiplying the number of Units issuable upon conversion of a Subscription Receipt by a fraction:

- A. the numerator of which will be the product of the number of Common Shares outstanding on such record date and the Current Market Price on such record date; and
- B. the denominator of which will be:
  - (I) the product of the number of Common Shares outstanding on such record date and the Current Market Price on such record date; less
  - (II) the aggregate fair market value, as determined by the directors of the Company, acting reasonably, (whose determination, absent manifest error, will be conclusive), to the holders of Common Shares of such shares, other securities, rights, options, warrants, evidences of indebtedness or other assets so distributed.

Any Common Shares owned by or held for the account of the Company or any subsidiary shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the number of Units issuable upon conversion of a Subscription Receipt shall be readjusted to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect if such record date had not been fixed or to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect based upon such shares,

other securities, rights, options, warrants, evidences of indebtedness or other assets actually distributed, as the case may be.

- (d) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Release Date, there is a reclassification of the Common Shares or a capital reorganization of the Company (other than as described in Section 8.1(a), Section 8.1(b) or Section 8.1(c)) or an amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, each holder of a Subscription Receipt shall be entitled to receive and shall accept (subject to satisfaction of the Escrow Release Conditions) upon the automatic conversion of the Subscription Receipts, in lieu of the number of Units to which the Subscription Receiptholder was prior thereto entitled the kind and number of shares or other securities or property of the Company or of the body corporate, trust, partnership or other entity resulting from such reclassification, capital reorganization, amalgamation, arrangement or merger or to which such sale or conveyance may be made, as the case may be, that such Subscription Receiptholder would have been entitled to receive on such reclassification, capital reorganization, amalgamation, arrangement, merger, sale or conveyance, if on the record date or the effective date thereof, as the case may be, the Subscription Receiptholder had been the registered holder of the number of Common Shares to which immediately before the transaction or event such Subscription Receiptholder was entitled upon the automatic conversion of the Subscription Receipts. To give effect to or to evidence the provisions of this Section 8.1(d), the Company, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement which shall provide, to the extent possible, for the application of the provisions set out in this Agreement with respect to the rights and interests thereafter of the Subscription Receiptholder to the effect that the provisions set out in this Agreement shall thereafter correspondingly be made applicable, as nearly as may reasonably be possible, with respect to any shares, other securities or property to which a Subscription Receiptholder is entitled upon the automatic conversion of the Subscription Receipts thereafter. Any agreement entered into between the Company and the Subscription Receipt Agent pursuant to the provisions of this Section 8.1(d) shall be a supplemental agreement entered into pursuant to the provisions of Article 11. Any agreement entered into between the Company, any successor to the Company or such purchasing body corporate, partnership, trust or other entity and the Subscription Receipt Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 8.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, arrangements, mergers, sales or conveyances.
- (e) In any case in which this Section 8.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein the Company may defer, until the occurrence of such event, issuing to the holder of any Subscription Receipt in respect of which the Subscription Receipts are automatically converted after such event, the additional Underlying Securities or other securities or property issuable upon the automatic conversion of the Subscription Receipts, by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Company shall deliver to such Subscription Receiptholder, as soon as reasonably practicable after such record date, an appropriate instrument evidencing such Subscription Receiptholder's right to receive such additional Underlying Securities or other securities or property upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Underlying Securities or other securities or property declared in favour of holders of record of Common

Shares or securities or property on and after the relevant date of the automatic conversion of the Subscription Receipts, or such later date as such Subscription Receiptholder would, but for the provisions of this Section 8.1(e), have become the holder of record of such additional Underlying Securities or other securities or property pursuant to this Section 8.1.

- (f) No adjustment in the number of Units to be issued shall be made in respect of any events described in Section 8.1 if the Subscription Receiptholders are entitled to participate in the events on the same terms, *mutatis mutandis*, as if their Subscription Receipts had been automatically converted immediately prior to the effective date or record date of the events.
- (g) The adjustments provided for in this Section 8.1 are cumulative and shall be computed to the nearest two decimal places and will apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 8.1, provided that, notwithstanding any other provision of this Section 8.1 no adjustment of the number of Unit Shares and Warrants issuable upon conversion of the Subscription Receipts shall be required unless such adjustment would require an increase or decrease of at least one percent in the number of Unit Shares and Warrants issuable upon conversion of the Subscription Receipts, provided, however, that any adjustments which by reason of this Section 8.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (h) If the Company sets a record date to determine the holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, legally abandons its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment shall be made to the number of Units issuable upon conversion of the Subscription Receipts.
- (i) After any adjustment pursuant to this Section 8.1, the term “Common Shares” where used in this Agreement shall be interpreted to mean securities of any class or classes which as a result of such adjustment and all prior adjustments pursuant to this Section 8.1, the Subscription Receiptholder is entitled to receive upon conversion of the Subscription Receipts, and the number of Unit Shares and Warrants to be issued upon the conversion of the Subscription Receipts shall be interpreted to mean the number of Unit Shares and Warrants or other property or securities a Subscription Receiptholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 8.1, upon the full conversion of the Subscription Receipts, as the case may be.

## **8.2 No Adjustment for Stock Options etc.**

Notwithstanding anything to the contrary in this Article 8, no adjustment shall be made pursuant to this Agreement in respect of the issue of Common Shares pursuant to any stock option or other equity incentive or stock purchase plan in force from time to time for officers, Directors or employees, consultants or other service providers of the Company or pursuant to any stock option or other equity incentives granted or pursuant to the satisfaction of existing instruments issued prior to the date of this Agreement.

## **8.3 Determination by Company’s Auditors**

In the event of any question arising with respect to the adjustments provided for in this Article 8, such question shall, absent manifest error, be conclusively determined by the Company’s auditors, who shall have access to all necessary records of the Company, and such determination shall, absent manifest

error, be binding upon the Company, the Agents, the Subscription Receipt Agent, all Subscription Receiptholders and all other Persons interested therein.

#### **8.4 Proceedings Prior to Any Action Requiring Adjustment**

As a condition precedent to the taking of any action which would require an adjustment in the number of Units issuable upon conversion of the Subscription Receipts, the Company shall take any corporate action which may, in the opinion of Counsel (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 securities, 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.

#### **8.5 Action Requiring Adjustment**

In case the Company, after the date hereof, shall take any action affecting the Common Shares, other than the actions described in this Article 8, which, in the opinion of the Directors would materially adversely affect the rights of the Subscription Receiptholders, then the number of Units which are to be received upon the conversion of 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 Subscription Receiptholders in such circumstances.

#### **8.6 Certificate of Adjustment**

The Company shall, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 8, deliver a Certificate of the Company to the Subscription Receipt Agent specifying the nature of the event requiring such adjustment or readjustment and the amount of the adjustment or readjustment necessitated thereby and setting out in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate, if required by the Subscription Receipt Agent, shall be supported by a certificate of the Company's auditors verifying such calculation.

#### **8.7 Notice of Special Matters**

The Company covenants with the Subscription Receipt Agent that, so long as any Subscription Receipt remains outstanding, it will give notice to the Subscription Receipt Agent and to the Subscription Receiptholders of its intention to fix the record date for any event referred to in Section 8.1 which may give rise to an adjustment in the number of Units issuable upon conversion of the Subscription Receipts. Such notice shall 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. The notice shall be given in each case not less than 14 days prior to such applicable record date.

#### **8.8 Protection of Subscription Receipt Agent**

The Subscription Receipt Agent:

- (a) shall not at any time be under any duty or responsibility to any Subscription Receiptholder to determine whether any facts exist which may require any adjustment contemplated by Section 8.1, or with respect to the nature or extent of any such adjustment when made or the method employed in making such adjustment;

- (b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Unit Shares and Warrants or other shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Subscription Receipt;
- (c) shall not be responsible for any failure of the Company to issue, transfer or deliver Unit Shares and Warrants or certificates representing Unit Shares and Warrants or to comply with any of the covenants contained in this Article 8;
- (d) shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Company of any of the representations, warranties or covenants herein contained or for any acts of the agents of the Company; and
- (e) shall be entitled to act and rely upon the certificates of the Company or of the auditor of the Company and any other documents filed by the Company pursuant to Section 8.6.

## **ARTICLE 9 ENFORCEMENT**

### **9.1 Suits by Subscription Receiptholders**

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

### **9.2 Limitation of Liability**

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

## **ARTICLE 10 MEETINGS OF SUBSCRIPTION RECEIPTHOLDERS**

### **10.1 Right to Convene Meetings**

- (a) Convening of Meeting: The Subscription Receipt Agent may at any time and from time to time convene a meeting of the Subscription Receiptholders, and will do so on receipt of a Written Request of the Company or a Subscription Receiptholders' Request and on being funded and indemnified to its reasonable satisfaction by the Company or by one or more of the Subscription Receiptholders signing such Subscription Receiptholders' Request against the costs which it may incur in connection with calling and holding such meeting. Any meeting held pursuant to this Article 10 may be done through a virtual or electronic meeting platform, subject to the Subscription Receipt Agent's capabilities at the time.
- (b) Failure to Convene: If the Subscription Receipt Agent fails, within five (5) Business Days after receipt of such Written Request of the Company or Subscription Receiptholders' Request, funding and indemnification to its satisfaction, to give notice convening a meeting, the Company or any of such Subscription Receiptholders signing such Subscription Receiptholders' Request, as the case may be, may convene such meeting.



- (c) Place of Meeting: Every such meeting will be held in Vancouver, British Columbia, or such other place as is approved or determined by the Subscription Receipt Agent and the Company.

## **10.2 Notice**

- (a) Notice: At least ten (10) Business Days' notice of any meeting must be given to the Subscription Receiptholders, to the Subscription Receipt Agent (unless the meeting has been called by it) and to the Company (unless the meeting has been called by it).
- (b) Contents: The notice of the meeting must state the time when and the place where the meeting is to be held and must state briefly the general nature of the business to be transacted thereat, but it will not be necessary for the notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 10.

## **10.3 Chairman**

Some individual (who need not be a Subscription Receiptholder) designated in writing by the Subscription Receipt Agent will be chairman of the meeting or, if no individual is so designated or the individual so designated is not present within 30 minutes after the time fixed for the holding of the meeting, the Subscription Receiptholders present in person or by proxy may choose some individual present to be chairman.

## **10.4 Quorum**

- (a) Quorum: Subject to the provisions of Section 10.12, at any meeting of Subscription Receiptholders, a quorum will consist of Subscription Receiptholders present in person or by proxy at the commencement of the meeting holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding.
- (b) No Quorum: If a quorum of Subscription Receiptholders is not present within 30 minutes after the time fixed for holding a meeting, the meeting, if summoned by Subscription Receiptholders or on a Subscription Receiptholders' Request, will be dissolved, but, subject to Section 10.12, in any other case will be adjourned to the third following Business Day at the same time and place and no notice of the adjournment need be given. No business shall be transacted at any meeting unless a quorum be present at the commencement of business.
- (c) Quorum at Adjourned Meeting: At the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened notwithstanding the number of Subscription Receipts that they hold.

## **10.5 Power to Adjourn**

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

## **10.6 Show of Hands**

Every question submitted to a meeting, other than an Extraordinary Resolution, will be decided in the first place by a majority of the votes given on a show of hands and, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously

or by a particular majority or lost or not carried by a particular majority will be conclusive evidence of the fact.

### **10.7 Poll**

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

### **10.8 Voting**

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

### **10.9 Regulations**

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

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

- (b) Recognition: Except as such regulations provide, the only Persons who will be recognized at a meeting as the holders of any Subscription Receipts, or as entitled to vote or, subject to Section 10.10, to be present at the meeting in respect thereof, will be the registered holders of such Subscription Receipts or Persons holding proxies on their behalf.

#### **10.10 The Company and Subscription Receipt Agent may be Represented**

The Company and the Subscription Receipt Agent, by their respective employees, officers or directors, and Counsel, may attend any meeting of Subscription Receiptholders, but will have no vote, absent (i) being appointed as a proxy; and/or (ii) being a Subscription Receiptholder.

#### **10.11 Powers Exercisable by Extraordinary Resolution**

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

- (a) to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of any right of the Subscription Receiptholders or, with the consent of the Subscription Receipt Agent (such consent not to be unreasonably withheld), of the Subscription Receipt Agent in its capacity as agent hereunder or on behalf of the Subscription Receiptholders against the Company, whether such right arises under this Agreement 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 Extraordinary Resolution previously passed;
- (c) subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or authorize the Subscription Receipt Agent to enforce any obligation of the Company under this Agreement or to enforce any right of the Subscription Receiptholders in any manner specified in the Extraordinary Resolution;
- (d) to direct or authorize the Subscription Receipt Agent to refrain from enforcing any obligation or right referred to in Section 10.11(c);
- (e) to waive and direct the Subscription Receipt Agent to waive any default by the Company in complying with any provision of this Agreement, either unconditionally or on any condition specified in the Extraordinary Resolution
- (f) to appoint a committee with power and authority to exercise, and to direct the Subscription Receipt Agent to exercise, on behalf of the Subscription Receiptholders, such of the powers of the Subscription Receiptholders as are exercisable by Extraordinary Resolution;
- (g) to restrain any Subscription Receiptholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any obligation of the Company under this Agreement or to enforce any right of the Subscription Receiptholders;
- (h) to direct any Subscription Receiptholder who, as such, has brought any suit, action or proceeding, to stay or discontinue or otherwise deal therewith on payment of the costs, charges and expenses reasonably and properly incurred by it in connection therewith;
- (i) to assent to any change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any amendment or ancillary or supplemental instrument which may be agreed to by the Company or, with the consent of the Subscription Receipt Agent, such consent not to be unreasonably withheld, concerning any such right of the Subscription Receipt Agent, and to authorize the Subscription Receipt Agent to concur in and execute any amendment or ancillary or supplemental indenture embodying the change or omission;

- (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; or
- (k) from time to time and at any time to remove the Subscription Receipt Agent and appoint a successor Subscription Receipt Agent.

#### **10.12 Meaning of “Extraordinary Resolution”**

- (a) Meaning: The expression “Extraordinary Resolution” when used in this Agreement means, subject to the provisions of this Section 10.12 and of Section 10.15 and Section 10.16, a motion proposed at a meeting of Subscription Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 10 at which there are present in person or by proxy at the commencement of the meeting Subscription Receiptholders holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding and passed by the affirmative votes of Subscription Receiptholders who hold in the aggregate not less than 66 2/3% of the total number of Subscription Receipts represented at the meeting and voted on the motion.
- (b) No Quorum: If, at a meeting called for the purpose of passing an Extraordinary Resolution, the quorum required by Section 10.12(a) is not present within 30 minutes after the time fixed for the meeting, the meeting, if convened by Subscription Receiptholders or on a Subscription Receiptholders’ Request, will be dissolved, but in any other case will be adjourned to such day, being not less than five (5) Business Days or more than ten (10) Business Days later, and to such place and time, as is appointed by the chairman.
- (c) Notice of Adjourned Meeting: Not less than three (3) Business Days’ notice must be given to the Subscription Receiptholders of the time and place of such adjourned meeting.
- (d) Form of Notice: The notice must state that at the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum but it will not be necessary to set forth the purposes for which the meeting was originally called or any other particulars.
- (e) Quorum at Adjourned Meeting: At the adjourned meeting, the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened, and a motion proposed at such adjourned meeting and passed by the requisite vote as provided in Section 10.12(a) will be an Extraordinary Resolution within the meaning of this Agreement notwithstanding that Subscription Receiptholders holding in the aggregate at least 25% of the total number of Subscription Receipts then outstanding may not be present in person or by proxy at the commencement of such adjourned meeting.
- (f) Poll: Votes on an Extraordinary Resolution must always be given on a poll and no demand for a poll on an Extraordinary Resolution will be necessary.

#### **10.13 Power Cumulative**

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

#### **10.14 Minutes**

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

#### **10.15 Instruments in Writing**

Any action that may be taken and any power that may be exercised by Subscription Receiptholders at a meeting held as provided in this Article 10 may also be taken and exercised by Subscription Receiptholders who hold in the aggregate not less than 50% of the total number of Subscription Receipts at the time outstanding or in the case of an Extraordinary Resolution, Subscription Receiptholders who hold in the aggregate not less than 66 $\frac{2}{3}$ % of the total number of Subscription Receipts at the time outstanding, by their signing, each in person or by attorney duly appointed in writing, an instrument in writing in one or more counterparts, and the expression "Extraordinary Resolution" when used in this Agreement includes a resolution embodied in an instrument so signed.

#### **10.16 Binding Effect of Resolutions**

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 10 at a meeting of Subscription Receiptholders will be binding on all Subscription Receiptholders, whether present at or absent from the meeting and whether voting for or against the resolution or abstaining, and every instrument in writing signed by Subscription Receiptholders in accordance with Section 10.15 will be binding on all Subscription Receiptholders, whether signatories thereto or not, and every Subscription Receiptholder and the Subscription Receipt Agent (subject to the provisions for its indemnity herein contained) will be bound to give effect accordingly to every such resolution and instrument in writing.

#### **10.17 Evidence of Subscription Receiptholders**

Any request, direction, notice, consent or other instrument which this Agreement may require or permit to be signed or executed by the Subscription Receiptholders, including a Subscription Receiptholders' Request, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Subscription Receiptholders in person or by attorney duly appointed in writing. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article 10 with regard to voting at meetings of Subscription Receiptholders) of the holding by any Person of Subscription Receipts shall be sufficient for any purpose of this Agreement if the fact and date of execution by any Person of such request, direction, notice, consent or other instrument or writing is proved by a certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, to the effect that the Person signing such request, direction, notice, consent or other instrument in writing acknowledged to such Person the execution thereof or by an affidavit of a witness of such execution or in any other manner which the Subscription Receipt Agent may consider adequate and in respect of a corporate Subscription Receiptholder, shall include a certificate of incumbency of such Subscription Receiptholder together with a certified resolution authorizing the Person who signs such instrument to sign such instrument. The Subscription Receipt Agent may, nevertheless, in

its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

#### **10.18 Holdings by the Company and Subsidiaries Disregarded**

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

### **ARTICLE 11 SUPPLEMENTAL AGREEMENTS AND SUCCESSOR COMPANIES**

#### **11.1 Provision for Supplemental Agreements for Certain Purposes**

From time to time the Company, the Subscription Receipt Agent and the Lead Agent may, without the consent of the Subscription Receiptholders and subject to the provisions of this Agreement, execute and deliver amendments or agreements or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) providing for the issuance of additional Subscription Receipts hereunder and any consequential amendments hereto as may be required by the Subscription Receipt Agent provided the same are not prejudicial to the interests of the Subscription Receiptholders based on the opinion of Counsel;
- (b) evidencing the succession, or 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;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as are necessary or advisable, provided that the same are not in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, prejudicial to the interests of the Subscription Receiptholders as a group;
- (d) giving effect to any resolution or Extraordinary Resolution passed as provided in Article 10;
- (e) setting forth any adjustments resulting from the application of Article 8;
- (f) 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, prejudicial to the interests of the Subscription Receiptholders as a group;
- (g) adding to or amending the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipts and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;

- (h) modifying any of the provisions of this Agreement or relieving the Company from any of the obligations, conditions or restrictions herein contained, provided that no such modification or relief shall be or become operative or effective if, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, such modification or relief impairs any of the rights of the Subscription Receiptholders as a group or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any amendment or supplemental agreement or instrument which in its opinion may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and
- (i) 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, the rights of the Subscription Receipt Agent and the Subscription Receiptholders as a group are not prejudiced thereby.

## **11.2 Successor Entities**

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

## **ARTICLE 12 CONCERNING SUBSCRIPTION RECEIPT AGENT**

### **12.1 Applicable Legislation**

If and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, the mandatory requirement will prevail. The Company and the Subscription Receipt Agent each will at all times in relation to this Agreement and any action to be taken hereunder observe and comply with and be entitled to the benefits of Applicable Legislation.

### **12.2 Rights and Duties of Subscription Receipt Agent**

- (a) Duty of Subscription Receipt Agent: In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent will act honestly and in good faith with a view to the best interests of Subscription Receiptholders and will exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. The Subscription Receipt Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Subscription Receipt Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and in the absence of any such notice the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that

no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained therein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether or not the Subscription Receipt Agent shall take action with respect to any default.

- (b) No Relief From Liability: No provision of this Agreement will be construed to relieve the Subscription Receipt Agent from liability for its own grossly negligent act, wilful misconduct, fraud or bad faith.
- (c) Actions: The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding in connection herewith, including without limitation, for the purpose of enforcing any right of the Subscription Receipt Agent or the Subscription Receiptholders hereunder is on the condition that the Subscription Receipt Agent shall have received a Subscription Receiptholders' Request specifying the act, action or proceeding which the Subscription Receipt Agent is requested to take and, when required by notice to the Subscription Receiptholders by the Subscription Receipt Agent, the Subscription Receipt Agent is furnished by one or more Subscription Receiptholders with sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and hold it harmless against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (d) Funding: No provision of this Agreement will require the Subscription Receipt Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless it is so indemnified and funded.
- (e) Deposit of Subscription Receipts: The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Subscription Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipt Certificates held by them, for which certificates the Subscription Receipt Agent will issue receipts.
- (f) Accountability for Profit: The Subscription Receipt Agent shall not be liable to account to anyone for the profit it may receive, if any, while holding the Escrowed Funds.
- (g) Restriction: Every provision of this Agreement that relieves the Subscription Receipt Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of Applicable Legislation.
- (h) Right Not to Act/ Right to Resign: The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days' written notice to the Company and the Lead Agent provided (i) that the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction, acting reasonably, within such ten-day period, then such resignation shall not be effective.



- (i) Transfers: No duty shall rest with the Subscription Receipt Agent to determine compliance of the transferor or transferee with applicable securities laws. The Subscription Receipt Agent shall be entitled to assume that all transfers are legal and proper.

### **12.3 Evidence, Experts and Advisers**

- (a) Evidence: In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Company will furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as is prescribed by Applicable Legislation or as the Subscription Receipt Agent reasonably requires by written notice to the Company.
- (b) Reliance by Subscription Receipt Agent: In the exercise of any right or duty hereunder, the Subscription Receipt Agent, if it is acting in good faith, may act and rely, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declaration, opinion, report, certificate or other evidence furnished to the Subscription Receipt Agent pursuant to a provision hereof or of Applicable Legislation or pursuant to a request of the Subscription Receipt Agent, if such evidence complies with Applicable Legislation and the Subscription Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.
- (c) Statutory Declaration: Whenever Applicable Legislation requires that evidence referred to in Section 12.3(a) be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a Certificate of the Company required by any provision hereof. Any such statutory declaration may be made by any one or more of the Chief Executive Officer, President, Chief Financial Officer or Secretary of the Company or by any other officer(s) or director(s) of the Company to whom such authority is delegated by the Directors from time to time. In addition, the Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, direction, instruction, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper or document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.
- (d) Proof of Execution: Proof of the execution of any document or instrument in writing, including a Subscription Receiptholders' Request, by a Subscription Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to such Person the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Subscription Receipt Agent considers adequate and in respect of a corporate Subscription Receiptholder, shall include a certificate of incumbency of such Subscription Receiptholder together with a certified resolution authorizing the Person who signs such instrument to sign such instrument.
- (e) Experts: The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers, or other experts or advisers as it reasonably requires for the purpose of determining and discharging its rights and duties hereunder and may pay the reasonable remuneration and disbursements for all services so performed by any of them, and will not be responsible for any misconduct or negligence on the part of any of them. The Company shall pay or reimburse the Subscription Receipt Agent for any reasonable fees of such counsel, accountants, appraisers, or other experts or advisors. The Subscription Receipt Agent may act and rely and shall be protected in acting or not acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or

employed by the Company or by the Subscription Receipt Agent, in relation to any matter arising in the administration of the duties and obligations hereof.

#### **12.4 Documents, Money, etc. held by Subscription Receipt Agent**

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

#### **12.5 Action by Subscription Receipt Agent to Protect Interest**

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

#### **12.6 Subscription Receipt Agent not Required to Give Security**

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

#### **12.7 Protection of Subscription Receipt Agent**

- (a) Protection: By way of supplement to the provisions of any law for the time being relating to subscription receipt agents, it is expressly declared and agreed that:
- (i) the Subscription Receipt Agent will not be liable for or by reason of, or required to substantiate, any statement of fact, representation or recital in this Agreement or in the Subscription Receipt Certificates (except in the certification of the Subscription Receipt Agent on the Subscription Receipt Certificates), but all such statements or recitals are and will be deemed to be made by the Company;
  - (ii) nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any amendment or instrument ancillary or supplemental hereto;
  - (iii) the Subscription Receipt Agent will not be bound to give notice to any Person of the execution hereof;
  - (iv) the Subscription Receipt Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, wilful misconduct, fraud or bad faith;
  - (v) the Subscription Receipt Agent will not incur any liability or responsibility or be in any way responsible for the consequence of any breach by the Company of any obligation or warranty herein contained or of any act of any director, officer, employee or agent of the Company;
  - (vi) the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company, including the Subscription Receipts, and generally

- may contract and enter into financial transactions with the Company or any related entity of the Company without being liable to account for any profit made thereby;
- (vii) 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;
  - (viii) if the Subscription Receipt Agent delivers any cheque as required hereunder, the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such cheque is not honoured on presentation, provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and, if required by the Subscription Receipt Agent, an indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque;
  - (ix) the Subscription Receipt Agent will disburse funds in accordance with the provisions hereof only to the extent that funds have been deposited with it. The Subscription Receipt Agent shall not under any circumstances be required to disburse funds in excess of the amounts on deposit (including any Earned Interest) with the Subscription Receipt Agent at the time of disbursement;
  - (x) notwithstanding 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; and
  - (xi) 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.
- (b) Indemnity: In addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Company shall at all times indemnify the Subscription Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the “**Indemnified Parties**”) and save them harmless from and against all claims, demands, losses, actions, causes of action, suits, proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Subscription Receipt Agent’s duties, and including any services that the Subscription Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from Subscription Receipt Agent’s gross negligence, fraud, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Company. Notwithstanding any other provision hereof, the Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness 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.

## **12.8 Replacement of Subscription Receipt Agent**

- (a) Resignation: The Subscription Receipt Agent may resign and be discharged from all further duties and liabilities hereunder, except as provided in this Section 12.8, by giving to the Company and the Lead Agent not less than 60 days' notice in writing or, if a new subscription receipt agent has been appointed, such shorter notice as the Company and the Lead Agent accepts as sufficient provided that such resignation and discharge shall be subject to the appointment of a successor thereto in accordance with the provisions hereof.
- (b) Removal: The Subscription Receiptholders by Extraordinary Resolution may at any time remove the Subscription Receipt Agent and appoint a new subscription receipt agent.
- (c) Appointment of New Subscription Receipt Agent: If the Subscription Receipt Agent so resigns or is so removed or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Company shall forthwith appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Subscription Receiptholders.
- (d) Failure to Appoint: Failing such appointment by the Company, the retiring Subscription Receipt Agent or any Subscription Receiptholder may apply at the expense of the Company to the Court, on such notice as the Court directs, for the appointment of a new subscription receipt agent.
- (e) New Subscription Receipt Agent: Any new subscription receipt agent appointed under this Section 12.8 must be a corporation authorized to carry on the business of a transfer agent or trust company in the Province of British Columbia and, if required by the Applicable Legislation of any other province, in such other province. On any such appointment the new subscription receipt agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of the Company, all such conveyances or other instruments as, in the opinion of Counsel, are necessary or advisable for the purpose of assuring the transfer of such powers, rights, duties and responsibilities to the new subscription receipt agent including, without limitation, an appropriate instrument executed by the new subscription receipt agent accepting such appointment and, at the request of the Company, the predecessor Subscription Receipt Agent shall, upon payment of its outstanding remuneration and expenses, execute and deliver to the new subscription receipt agent an appropriate instrument transferring to such new subscription receipt agent all rights and powers of the Subscription Receipt Agent hereunder, and shall duly assign, transfer and deliver to the new subscription receipt agent all securities, property and all records kept by the predecessor Subscription Receipt Agent hereunder or in connection therewith. Any new subscription receipt agent so appointed by the Company, the Subscription Receiptholders or by the Court will be subject to removal as aforesaid by the Subscription Receiptholders and by the Company.
- (f) Notice of New Subscription Receipt Agent: On the appointment of a new subscription receipt agent, the Company will promptly give notice thereof to the Subscription Receiptholders in accordance with Section 13.2(a).

- (g) Successor Subscription Receipt Agent: A corporation into or with which the Subscription Receipt Agent is merged or consolidated or amalgamated, or to which all or substantially all of its corporate trust business is sold or otherwise transferred, or any corporation resulting therefrom to which the Subscription Receipt Agent will be a party, or any corporation succeeding to the corporate trust business of the Subscription Receipt Agent, will be the successor to the Subscription Receipt Agent hereunder without any further act on its part or on the part of any party hereto if such corporation would be eligible for appointment as a new subscription receipt agent under Section 12.8(e).
- (h) Certificates: A Subscription Receipt Certificate certified but not delivered by a predecessor Subscription Receipt Agent may be delivered by the new or successor subscription receipt agent in the name of the new or successor subscription receipt agent. In case at any time any of the Subscription Receipt Certificates have not been countersigned, a Subscription Receipt Certificate may be countersigned in the name of the predecessor or successor subscription receipt agent, and in all such cases such Subscription Receipt Certificates will have the full force provided in the Subscription Receipt Certificates and in this Agreement.

### **12.9 Acceptance of Duties and Obligations**

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

## **ARTICLE 13 GENERAL**

### **13.1 Notice to the Company, the Subscription Receipt Agent and the Agents**

- (a) Company: Unless herein otherwise expressly provided, a notice to be given hereunder to the Company, the Subscription Receipt Agent or the Agents will be validly given if delivered personally, if sent by registered letter, postage prepaid, or if sent by e-mail transmission:
- (i) if to the Company:

Vejii Holdings Ltd.  
Suite 504-460 Doyle Ave  
Kelowna, BC V1Y 2A2

Attention: Kory Zelickson, Chief Executive Officer  
Email: [kory@shopvejii.com](mailto:kory@shopvejii.com)

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

Bennett Jones LLP  
Suite 2500, 666 Burrard Street  
Vancouver, British Columbia  
V6C 2X8

Attention: Lisa Stewart  
E-mail: [StewartL@bennettjones.com](mailto:StewartL@bennettjones.com)

(ii) if to the Subscription Receipt Agent:

Odyssey Trust Company

United Kingdom Building  
350 – 409 Granville Street  
Vancouver, British Columbia V6C 1T2

Attention: Corporate Trust  
E-mail: [corptrust@odysseytrust.com](mailto:corptrust@odysseytrust.com); [dsander@odysseytrust.com](mailto:dsander@odysseytrust.com)

(iii) if to the Agents:

Eight Capital  
EY Tower  
100 Adelaide Street West  
Suite 2900  
Toronto, Ontario M5H 1S3

Attention: Elizabeth Staltari  
Email: [estaltari@viicapital.com](mailto:estaltari@viicapital.com)

with a copy to:

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

Attention: Sean Maniaci  
Email: [smaniaci@cassels.com](mailto:smaniaci@cassels.com)

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

- (b) Change of Address: Any party hereto may be, may from time to time notify each of the other parties hereto in the manner provided in Section 13.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, will be the address of the Company, the Subscription Receipt Agent or the Agents, as the case may be, for all purposes of this Agreement.
- (c) Postal Interruption: If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, a notice to be given to the Company, the Subscription Receipt Agent or the Agents hereunder could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is delivered to an officer of the party to which it is addressed. Any notice delivered in accordance with the foregoing will be deemed to have been received on the date of delivery to such officer.

### **13.2 Notice to Subscription Receiptholders**

- (a) Notice: Unless herein otherwise expressly provided, a notice to be given hereunder to Subscription Receiptholders will be deemed to be validly given if the notice is sent by ordinary surface or air mail, postage prepaid, addressed to the Subscription Receiptholders or delivered (or so mailed to certain Subscription Receiptholders and so delivered to the other Subscription Receiptholders) at their respective addresses appearing on any of the registers of holders described in Section 4.1, provided, however, that if, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, the notice could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is so delivered or is given by publication twice in the Report on Business section in the national edition of The Globe and Mail.
- (b) Date of Notice: A notice so given by mail or so delivered will be deemed to have been given on the third Business Day after it has been mailed or on the day on which it has been delivered, as the case may be, and a notice so given by publication will be deemed to have been given on the day on which it has been published as required. In determining under any provision hereof the date when notice of a meeting or other event must be given, the date of giving notice will be included and the date of the meeting or other event will be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any Subscription Receiptholder will not invalidate any action or proceeding founded thereon.

### **13.3 Satisfaction and Discharge of Agreement**

Upon the earlier of: (i) the issuance of the Unit Shares and Warrants required to be issued on the Release Date in compliance with the provisions hereof, and delivery by the Subscription Receipt Agent of the Escrowed Funds as provided for in Section 7.3, upon satisfaction of the Escrow Release Conditions (at or before the Escrow Release Deadline); and (ii) the payment of all applicable payments to the Subscription Receiptholders as provided for in Section 7.4 upon the Subscription Receiptholders becoming entitled to the amounts set forth in Section 7.4(a) pursuant to Section 7.4(a), this Agreement shall cease to be of further effect and, on demand of and at the cost and expense of the Company and on 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 and on payment to the Subscription Receipt Agent of any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 6.2, the Subscription Receipt Agent shall execute proper instruments acknowledging the satisfaction of and discharging of this Agreement.

#### **13.4 Sole Benefit of Parties and Subscription Receiptholders**

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

#### **13.5 Discretion of Directors**

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

#### **13.6 Force Majeure**

No party hereto shall be liable to the others, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, 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 13.6.

#### **13.7 Privacy Consent**

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

- (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 are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website, <https://odysseytrust.com/> or upon request, including revisions thereto. The Subscription Receipt Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

Further, each party agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.



**13.8 Electronic Copies**

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

**13.9 Counterparts and Formal Date**

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

*[Remainder of page left intentionally blank.]*

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

**VEJII HOLDINGS LTD.**

By: "Darren Gill"  
Name: Darren Gill  
Title: Authorized Signatory

**ODYSSEY TRUST COMPANY**

By: "Dan Sander"  
Name: Dan Sander  
Title: Authorized Signatory

By: "Amy Douglas"  
Name: Amy Douglas  
Title: Authorized Signatory

**EIGHT CAPITAL**

By: "Elizabeth Staltari"  
Name: Elizabeth Staltari  
Title: Authorized Signatory

## Schedule "A"

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### 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 FOUR MONTHS AND A DAY AFTER THE LATER OF (I) JULY 6, 2021; AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

For all Subscription Receipts registered in the name of the CDS, the following additional legend:

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

For all Subscription Receipts issued to U.S. Subscription Receiptholders, also include the following legend:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE IN EXCHANGE THEREFOR HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

**VEJII HOLDINGS LTD.**  
**(a corporation existing under the laws of the Province of British Columbia)**

THIS IS TO CERTIFY THAT, for value received, ● (the “**holder**”) is the registered holder of the number of subscription receipts (“**Subscription Receipts**”) specified above of Vejii Holdings Ltd. (the “**Company**”) and is thereby entitled, without payment of any additional consideration, to be issued, on the Release Date (as defined in the Subscription Receipt Agreement hereinafter referred to) one Unit of the Company in respect of each Subscription Receipt held.

This Subscription Receipt Certificate represents Subscription Receipts of the Company issued under the provisions of a subscription receipt agreement (which agreement, together with all amendments and instruments supplemental or ancillary thereto, is herein referred to as the “**Subscription Receipt Agreement**”) dated as of July 6, 2021 among the Company, Odyssey Trust Company (the “**Subscription Receipt Agent**”) and Eight Capital, as lead agent of a syndicate of Agents (as defined in the Subscription Receipt Agreement) (collectively, the “**Agents**”). Reference is hereby made for particulars of the rights of the holders of the Subscription Receipts, the Company, the Agents and the Subscription Receipt Agent in respect thereof and of the terms and conditions upon which the Subscription Receipts are issued and held, all to the same effect as if the provisions of the Subscription Receipt Agreement were herein set forth in full, and to all of which the holder, by acceptance hereof, assents. In the event of a conflict between the provisions of this Subscription Receipt Certificate and the Subscription Receipt Agreement, the terms of the Subscription Receipt Agreement shall govern. The Company will furnish to the holder, on request, a copy of the Subscription Receipt Agreement.

All capitalized terms used but not defined in this Subscription Receipt Certificate shall have the meaning ascribed thereto in the Subscription Receipt Agreement.

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

Upon receipt of the Escrow Release Notice, the Subscription Receipt Agent will release the Escrowed Funds in accordance with the terms of Subscription Receipt Agreement.

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

**THE HOLDER OF THIS SUBSCRIPTION RECEIPT CERTIFICATE IS CAUTIONED THAT IN THE EVENT THAT THE SUBSCRIPTION RECEIPTS ARE DEEMED TO BE CANCELLED, A CHEQUE WILL BE MAILED OR DELIVERED TO THE LATEST ADDRESS OF RECORD OF THE REGISTERED HOLDER.**

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

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

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

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

The Subscription Receipts represented by this Subscription Receipt Certificate are transferrable, subject to compliance with the applicable laws and the terms of the Subscription Receipt Agent.

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

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

Time is of the essence hereof.

*[Remainder of page left intentionally blank]*

IN WITNESS WHEREOF the Company has caused this Subscription Receipt Certificate to be signed by its officers or other individuals duly authorized in that behalf as of the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**VEJII HOLDINGS LTD.**

By: \_\_\_\_\_  
Authorized Signatory

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

Countersigned this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**ODYSSEY TRUST COMPANY**

By: \_\_\_\_\_  
Authorized Signatory

**FORM OF TRANSFER**

TO: Odyssey Trust Company  
Attn: Corporate Trust

AND TO: Vejii Holdings Ltd.

**FOR VALUE RECEIVED**, the undersigned transferor hereby sells, assigns and transfers unto

---

(Transferee)

---

(Address)

\_\_\_\_\_ of the Subscription Receipts registered in the name of the undersigned transferor represented by the Subscription Receipt Certificate and hereby irrevocably constitutes and appoints \_\_\_\_\_ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Subscription Receipts.

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

- (A) the transfer is being made only to Vejii Holdings Ltd. (the “**Company**”);
- (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and in compliance with any applicable local securities laws and regulations and the holder has provided herewith a declaration in substantially the form attached as Schedule "C" to the Subscription Receipt Agreement or in such form as the Company may reasonably prescribe from time to time, and if required, an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Subscription Receipt Agent to such effect; or
- (C) the transfer is being made within the United States or to, or for the account or benefit of, a U.S. person or a person in the United States, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and the undersigned has furnished to the Company and the Subscription Receipt Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Subscription Receipt Agent to such effect.

In the case of a Subscription Receipt Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of, a U.S. person or a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Subscription Receipts is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Company and the Subscription Receipt Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company and the Subscription Receipt Agent to such effect.

If transfer is to, or for the account or benefit of, a U.S. person or a person in the United States, check this box.

In the event this transfer of the Subscription Receipts represented by this Subscription Receipt Certificate is to, or for the account or benefit of, a U.S. person or a person in the United States, the undersigned acknowledges and agrees that the Subscription Receipt Certificate(s) representing such Subscription Receipts issued in the name of the transferee will be endorsed with the legend required by Section 2.10(a) of the Subscription Receipt Agreement, to the extent required therein.

“United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.

Subscription Receipts shall only be transferable in accordance with the Subscription Receipt Agreement and all applicable laws.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_  
Signature of Subscription Receipt Holder  
(Transferor)

\_\_\_\_\_  
Signature Guarantee

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Address

**REASON FOR TRANSFER – FOR US RESIDENTS ONLY (WHERE THE INDIVIDUAL(S) OR CORPORATION RECEIVING THE SECURITIES IS A US RESIDENT). PLEASE SELECT ONLY ONE (SEE INSTRUCTIONS BELOW).**

GIFT  ESTATE  PRIVATE SALE  OTHER (OR NO CHANGE IN OWNERSHIP)

**Date of Event** (Date of gift, death or sale):

|  |   |  |   |  |  |  |
|--|---|--|---|--|--|--|
|  | / |  | / |  |  |  |
|--|---|--|---|--|--|--|

**Value per Subscription Receipt** on the date of event:

|    |  |  |   |  |  |
|----|--|--|---|--|--|
| \$ |  |  | . |  |  |
|----|--|--|---|--|--|

CAD **OR**  USD

**NOTES:**

1. Subject to applicable law, the securities may be required to contain a legend which restricts trading in such securities.
2. The signature to this transfer must correspond with the name as recorded on the Subscription Receipts in every particular without alteration or enlargement or any change whatsoever. The signature of the person executing this transfer must be guaranteed by a participating Schedule I Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.
2. Subscription Receipts shall only be transferable in accordance with the Subscription Receipt Agreement among Vejii Holdings Ltd., Odyssey Trust Company and Eight Capital, as lead agent of a syndicate of



Agents (as defined in the Subscription Receipt Agreement) dated as of July 6, 2021, Applicable Legislation and the rules and policies of any applicable stock exchange.

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

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

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words “Medallion Guaranteed”, with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words “Signature Guaranteed”, sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a “Signature & Authority to Sign Guarantee” Stamp affixed to the transfer (as opposed to a “Signature Guaranteed” Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.
- **Outside North America:** For holders located outside North America, present the certificates(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

### **OR**

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

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

**REASON FOR TRANSFER – FOR US RESIDENTS ONLY**

Consistent with US IRS regulations, Odyssey is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

## Schedule “B”

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### ESCROW RELEASE NOTICE

**TO: ODYSSEY TRUST COMPANY**

Reference is made to the subscription receipt agreement dated as of July 6, 2021 (the “**Subscription Receipt Agreement**”) between Vejii Holdings Ltd. (the “**Company**”), Odyssey Trust Company (the “**Subscription Receipt Agent**”) and Eight Capital (the “**Lead Agent**”), as lead agent of a syndicate of Agents (as defined in the Subscription Receipt Agreement) (collectively, the “**Agents**”). Unless otherwise defined herein, words and terms with the letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement.

The Subscription Receipt Agent is hereby notified that the Escrow Release Conditions have been satisfied in full in accordance with the Subscription Receipt Agreement, and, accordingly, the Subscription Receipt Agent is hereby irrevocably directed and authorized to, in accordance with Section 7.3 of the Subscription Receipt Agreement, release on the Release Date to:

- (i) the Lead Agent (on behalf of the Agents) \$[●], representing the unpaid Agents’ Expenses and the remaining 50% of the Agents’ Compensation, by means of a wire transfer of immediately available funds to the bank account[s] indicated in the attached schedule; and
- (ii) the Company \$[●], representing the balance of the Escrowed Funds less \$[●], being the remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 6.2 of the Subscription Receipt Agreement, by means of a wire transfer of immediately available funds to the bank account[s] indicated in the attached schedule.

*[Remainder of page left intentionally blank. Signature page follows.]*

This Escrow Release Notice may be delivered by PDF via e-mail, is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 2021.

**VEJII HOLDINGS LTD.**

By: \_\_\_\_\_

Name:

Title:

**EIGHT CAPITAL**

By: \_\_\_\_\_

Name:

Title:

## Schedule "C"

### Form of Declaration for Removal of Legend

TO: Odyssey Trust Company as Subscription Receipt Agent/Registrar and transfer agent for the shares of Vejii Holdings Ltd. (the "Corporation")

The undersigned (A) acknowledges that the sale of the \_\_\_\_\_ [Subscription Receipts/common shares in the capital] of the Corporation represented by certificate number \_\_\_\_\_ or held in Direct Registration System (DRS) account number \_\_\_\_\_, 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" (as defined in Rule 405 under the U.S. Securities Act) of the Corporation (except solely by virtue of being an officer or director of the Corporation) or a "distributor", as defined in Regulation S, or an affiliate of a "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 believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market within the meaning of Rule 902(b) 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 in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under 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, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of individual (if Seller is an individual)

\_\_\_\_\_  
Authorized signatory (if Seller is **not** an individual)

\_\_\_\_\_  
Name of Seller (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**Affirmation by Seller's Broker-Dealer**  
**(Required for sales pursuant to Section (B)(2)(b) above)**

We have read the representations of our customer \_\_\_\_\_ (the "Seller") contained in the foregoing Declaration for Removal of Legend, dated \_\_\_\_\_, 20\_\_, with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "Securities") of the Corporation represented by certificate number \_\_\_\_\_ or held in Direct Registration System (DRS) account number \_\_\_\_\_. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Corporation shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

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

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

By: \_\_\_\_\_  
Authorized Signatory

## Schedule "D"

### QUALIFIED INSTITUTIONAL BUYER LETTER

U.S. Receiptholders that are Qualified Institutional Buyers must review and complete the following Qualified Institutional Buyer Letter:

TO: Vejii Holdings Ltd. (the “**Company**”)

AND TO: Odyssey Trust Company (the “**Subscription Receipt Agent**”) and Eight Capital (the “**Lead Agent**”)

In connection with its agreement to purchase subscription receipts of the Company (the “**Subscription Receipts**”, and collectively with the Unit Shares, Warrants and Warrant Shares, the “**Securities**”), the undersigned acknowledges, represents to and agrees with the Company and the Agents as follows. Capitalized terms used herein and not defined herein will have the meanings ascribed thereto in the accompanying subscription agreement between the Company and the undersigned dated as of the date thereof and executed and delivered by the undersigned concurrently herewith (the “**Subscription Agreement**”).

- (a) It is a Qualified Institutional Buyer and is authorized to consummate the purchase of the Subscription Receipts.
- (b) It is aware that the Securities have not been and will not be registered under the U.S. Securities Act or any state securities or “Blue Sky” laws, and that the offer and sale of the Subscription Receipts to it is being made in reliance on the exemption from registration provided by Rule 506(b) of Regulation D and similar registration exemptions under applicable state securities or “Blue Sky” laws.
- (c) It is acquiring the Securities for its own account or for the account of one or more Qualified Institutional Buyer(s) with respect to which it exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Securities in violation of United States federal or state securities laws.
- (d) It acknowledges that it has not purchased the Subscription Receipts as a result of any “directed selling efforts” (as defined in Regulation S) or any “general solicitation” or “general advertising” (as those terms are used in Regulation D), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or on the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
- (e) It understands and acknowledges that the Subscription Receipts, the Underlying Shares, the Underlying Warrants and the Underlying Warrant Shares acquired by it in the United States will be considered “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act (“**Restricted Securities**”). To induce the Company to issue the Subscription Receipts to the Subscriber without a U.S. Securities Act restrictive legend, the Subscriber represents, warrants and covenants to the Company as follows (collectively, the “**Restricted Security Agreements**”): (i) if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the Securities it will do so only: (A) to the Company (though the Company is under no obligation to purchase any such securities) or (B) outside the United States

to a Person that is not a U.S. Person and in compliance with applicable local laws or regulations; (ii) the Securities will not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons; (iii) it will cause any Clearing and Depository Services Inc. participant holding the Securities on its behalf and the beneficial purchaser of the Securities to comply with the Restricted Security Agreements; and (iv) for so long as the Securities constitute Restricted Securities, it will not deposit any of the Securities into the facilities of the Depository Trust Company, or a successor depository within the United States, or arrange for the registration of any of the Securities with Cede & Co. or any successor thereto.

- (f) It understands and acknowledges that the Underlying Shares and Underlying Warrant Shares acquired by it in the United States will be considered Restricted Securities. To induce the Company to issue the Underlying Shares and the Underlying Warrant Shares to the Subscriber without a U.S. Securities Act restrictive legend, the Subscriber represents, warrants and covenants to the Company as follows (collectively, the “**Restricted Security Agreements**”): (i) if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the Underlying Shares or Underlying Warrant Shares it will do so only: (A) to the Company (though the Company is under no obligation to purchase any such securities) or (B) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws or regulations; (ii) the Underlying Shares and Underlying Warrant Shares will not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons; (iii) it will cause any CDS participant holding the Underlying Shares and Underlying Warrant Shares on its behalf and the beneficial purchaser of the Underlying Shares or Underlying Warrant Shares to comply with the Restricted Security Agreements; and (iv) for so long as the Underlying Shares and Underlying Warrant Shares constitute Restricted Securities, it will not deposit any of the Underlying Shares and Underlying Warrant Shares into the facilities of the Depository Trust Company, or a successor depository within the United States, or arrange for the registration of any of the Underlying Shares and Underlying Warrant Shares with Cede & Co. or any successor thereto.
- (g) It consents to the Company making a notation on their records or giving instruction to the registrar and transfer agent of the Company in order to implement the restrictions on transfer and exercise with respect to the Securities set forth and described herein.
- (h) It acknowledges that the Securities will not be represented by certificates that bear a U.S. restricted legend or identified by a restricted CUSIP number in reliance on the acknowledgments, representations and agreements of the undersigned contained herein, including the Restricted Security Agreements set forth above.
- (i) It acknowledges that the Securities may only be held in an account at CDS or a successor depository in Canada, and shall not be held in an account at the Depository Trust Company, or a successor depository within the United States.
- (j) It has implemented, or shall immediately implement, appropriate internal controls and procedures to ensure that the Securities shall be properly identified in its records as “Restricted Securities” that are subject to the transfer restrictions set forth herein notwithstanding the absence of a U.S. restrictive legend. The representative of the undersigned whose signature appears below confirms that he or she has informed the appropriate legal or compliance personnel within their organization regarding the matters set forth in this paragraph.
- (k) It understands and acknowledges that the Company is not obligated to file, and have no present intention of filing with the U.S. Securities and Exchange Commission or with any state securities regulatory authority any registration statement in respect of resales of the Securities.



- (l) It understands and acknowledges that the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies.
- (m) It acknowledges that it has been independently advised as to, or acknowledges that it is aware, and understands that the acquisition, holding and disposition of the Securities may have tax consequences under the laws of both the United States and Canada, confirms that no representation has been made to it by or on behalf of the Company with respect thereto, and acknowledges and understands that it is its sole responsibility to determine and assess such tax consequences as may apply to its particular circumstances.
- (n) The undersigned represents and warrants that (a) the funds representing the subscription price for the Subscription Receipts which will be advanced by it to the Company will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act (the “**PATRIOT Act**”), and it acknowledges that the Company may in the future be required by law to disclose its name and other information relating to the Offering and the its subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and (b) no portion of the subscription price to be provided by it (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity that has not been identified to or by it, and it shall promptly notify the Company if it discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith.
- (o) The undersigned is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Company is organized under the laws of British Columbia; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Company and such persons may be located outside the United States.
- (p) The Company has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and it has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities and that any answers to questions and any request for information have been complied with to the undersigned’s satisfaction. The undersigned has such knowledge and experience in financial and business matters as to be capable of evaluating independently the merits and risks of its investment and it, and any account for which it is acting, is able to bear the economic risk of loss of its investment in the Securities.
- (q) The office or other address of the undersigned at which the undersigned received and accepted the offer to purchase the Subscription Receipts is the address listed as the “Subscriber’s Address” in the Subscription Agreement.

The provisions of this Qualified Institutional Buyer Letter will be true and correct as of the date undertakes to notify the Company and the Agents immediately of any change in any representation, warranty or other information relating to the undersigned that takes place prior to the Closing Date and the date of the Transaction.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
Type of Entity

**X** \_\_\_\_\_  
Signature of Person Signing

\_\_\_\_\_  
Print or Type Name and Title of Person Signing