

EARL RESOURCES LIMITED

- and -

ODYSSEY TRUST COMPANY

SUBSCRIPTION RECEIPT AGREEMENT

**Providing for the Issue of
Subscription Receipts**

Dated May 30, 2022

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SUBSCRIPTION RECEIPT AGREEMENT

THIS SUBSCRIPTION RECEIPT AGREEMENT made as of the 30th day of May, 2022.

BETWEEN:

EARL RESOURCES LIMITED, a body corporate incorporated under the laws of the Province of British Columbia (hereinafter referred to as the “**Corporation**”)

AND

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the Province of Alberta and registered to carry on business in the Provinces of Alberta and British Columbia (hereinafter referred to as the “**Subscription Receipt Agent**”)

WHEREAS the Corporation is proposing to issue and sell Subscription Receipts representing the right to receive, upon satisfaction of the Escrow Release Conditions (as defined herein) and for no additional consideration and with no further action by the holders thereof, Earl Shares (as defined herein) by way of a non-brokered private placement offering;

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

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

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

- (a) “**Agreement**” means this agreement, as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof;
- (b) “**Authenticated**” means (i) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Corporation and certified by the manual signature of an authorized officer of the Subscription Receipt Agent; and (ii) with respect to the issuance of an Uncertificated Subscription Receipt, an Uncertificated Subscription Receipt in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipt are entered in the register of holders of Subscription Receipts, and “**Authenticate**” and “**Authentication**” have the appropriate correlative meanings;
- (c) “**Business Day**” means a day which is not Saturday or Sunday or a holiday in Vancouver, British Columbia;
- (d) “**Change of Business**” means the Corporation’s proposed change of business and reactivation transaction under the policies of the TSXV to be completed pursuant to the Proposed Transactions, the details of which were announced by the Corporation by press release on November 26, 2021;
- (e) “**Corporation**” means Earl Resources Limited, a body corporate incorporated under the laws of the British Columbia;

- (f) **“Counsel”** means a barrister or solicitor or a firm of barristers or solicitors, who may be counsel for the Corporation, acceptable to the Subscription Receipt Agent, acting reasonably;
- (g) **“Court”** means the Supreme Court of British Columbia;
- (h) **“Deadline”** means 5:00 p.m. (Vancouver time) on the date that is 120 days after the Offering Closing Date or on such later date as may be extended by the Receiptholders by way of Extraordinary Resolution pursuant to the terms of this Agreement, provided that the Corporation also agrees to such extension in writing;
- (i) **“Designated Offices”** means the principal trust offices of the Subscription Receipt Agent from time to time in Calgary and Vancouver;
- (j) **“DRS Statement”** means an ownership statement issued under a direct registration system or other electronic book entry system evidencing ownership of Subscription Receipts issued hereunder;
- (k) **“Earl Shares”** means common shares in the capital of the Corporation, which will be the shares issued upon the conversion of the Subscription Receipts;
- (l) **“Earned Interest”** means the interest or other income actually earned on the investment of the Proceeds between the date hereof and the earlier of the Satisfaction Date and the Termination Date;
- (m) **“Escrow Release Conditions”** means the satisfaction of the following, collectively:
 - (i) the receipt of all required corporate, shareholder, third party and regulatory approvals (in each case, as applicable), in connection with the Change of Business including TSXV approval of the listing of the Earl Shares issuable upon conversion of the Subscription Receipts on the TSXV;
 - (ii) the completion or the satisfaction of all conditions precedent to the Proposed Transactions, other than the satisfaction of conditions precedent for which the release of the Escrowed Funds is required, substantially in accordance with the definitive agreements relating to the Proposed Transactions; and
 - (iii) the Corporation having delivered a notice to the Subscription Receipt Agent, confirming that the conditions set forth in (i) and (ii) above have been met or waived;
- (n) **“Escrowed Funds”** means, together, the Proceeds and the Earned Interest;
- (o) **“Extraordinary Resolution”** has the meaning set forth in Section 9.11(a) and includes an instrument in writing signed in accordance with Section 9.14;
- (p) **“Internal Procedures”** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including, without limitation, original issuance or registration of transfer of ownership), the 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;
- (q) **“Irrevocable Direction”** means the direction of the Corporation, substantially in the form attached as Schedule “B” hereto;
- (r) **“Offering”** means the non-brokered private placement of a minimum of 222,300 Subscription Receipts for aggregate gross proceeds of a minimum of \$100,035.00;
- (s) **“Offering Closing Date”** means February 2, 2022, or such other date as the Corporation may determine;

- (t) **“Person”** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;
- (u) **“Privacy Laws”** has the meaning set forth in Section 10.12;
- (v) **“Proceeds”** means the amount equal to the Subscription Price for each Subscription Receipt issued pursuant to the Offering;
- (w) **“Proposed Transactions”** means the proposed transactions whereby the Corporation shall: (i) acquire a minimum 60% interest in Pomeroon Trading (Holdings) Ltd.; (ii) acquire the assignment of a minimum 51% of Rewilding Maforki Ltd.’s rights and interests to develop and market carbon credits with respect to certain areas in Sierra Leone; and (iii) acquire an assignment of all of Compania Mexicana de Captacion de Carbono’s rights and interests to develop and market carbon credits with respect to certain areas in the State of Yucatan in Mexico conditional upon approval of the Government of the State of Yucatan, Mexico and the TSXV, such Proposed Transactions intended to constitute the Change of Business of the Corporation;
- (x) **“Receipholder”** or **“holder”** means a registered holder from time to time of Subscription Receipts;
- (y) **“Receipholders’ Request”** means an instrument signed in one or more counterparts by Receipholders holding in the aggregate not less than 25% of the then outstanding Subscription Receipts, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;
- (z) **“Released Amount”** has the meaning given to such term in Section 3.1(a);
- (aa) **“Satisfaction Date”** means the date on which the Escrow Conditions are satisfied;
- (bb) **“Shareholders”** means the registered holders from time to time of Earl Shares;
- (cc) **“Shortfall”** has the meaning set forth in Section 3.3(b);
- (dd) **“Subscription Price”** means the sum of \$0.45 per Subscription Receipt;
- (ee) **“Subscription Receipt”** means a subscription receipt of the Corporation issued and certified hereunder and from time to time outstanding, each Subscription Receipt evidencing the rights set out in Section 2.2(a);
- (ff) **“Subscription Receipt Agent”** means Odyssey Trust Company or its successors from time to time under this Agreement, in its capacity as registrar and transfer agent of the Subscription Receipts;
- (gg) **“Subscription Receipt Certificate”** means a certificate evidencing Subscription Receipts in the forms attached as Schedule “A” hereto;
- (hh) **“Termination Date”** means the date on which the Termination Time occurs;
- (ii) **“Termination Time”** has the meaning given to such term in Section 2.2(a);
- (jj) **“TSXV”** means the TSX Venture Exchange; and
- (kk) **“Uncertificated Subscription Receipt”** means any Subscription Receipt, which is not represented by a Subscription Receipt Certificate.

1.2 Headings

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

1.3 References

Unless otherwise specified in this Agreement:

- (a) references to Articles, Sections, and Schedules are to Articles, Sections, and Schedules in this Agreement; and
- (b) “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions, without reference to a particular provision, refer to this Agreement.

1.4 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

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

1.5 Day Not a Business Day

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

1.6 Applicable Law

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

1.7 Conflict

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

1.8 Currency

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

1.9 Severability

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

ARTICLE 2 ISSUE OF SUBSCRIPTION RECEIPTS

2.1 Payment Acknowledgement

The Subscription Receipt Agent hereby acknowledges receipt from Borden Ladner Gervais LLP, on behalf of the Corporation, of a wire transfer of funds in the amount of \$100,035.00, representing the Proceeds as at the date hereof and confirms that such funds have been deposited in a segregated account in the name of the Corporation designated

as “Odyssey Trust Company as subscription receipt agent for Earl Resources Limited”, or as otherwise directed by the Corporation, and the Subscription Receipt Agent will retain such amount in escrow in accordance with the terms of this Agreement pending payment of such amount in accordance with the terms of this Agreement.

2.2 Terms and Issue of Subscription Receipts and Earl Shares

- (a) Each Subscription Receipt shall evidence the right of each Receiptholder, without payment of additional consideration or further action (including the surrender of any Subscription Receipt Certificates): (i) if the Satisfaction Date occurs on or before the Deadline, to receive without payment of additional consideration or further action, one Earl Share for each Subscription Receipt held and such Receiptholder shall be deemed to have subscribed for the corresponding number of Earl Shares issuable pursuant to the Subscription Receipts held by such Receiptholder; or (ii) if: (A) the Satisfaction Date does not occur on or before the Deadline, or (B) at any time prior to the Deadline, the Corporation elects to not satisfy any one or more of the Escrow Release Conditions (the time of occurrence of any such event being the “**Termination Time**”), then Receiptholders shall be entitled to receive an amount per Subscription Receipt equal to the Subscription Price of the Subscription Receipts and their *pro rata* entitlement of Earned Interest thereon, less applicable withholding taxes.
- (b) An aggregate of 222,300 Subscription Receipts are hereby created and authorized to be issued.
- (c) The Subscription Receipt Certificates (including all replacements issued in accordance with this Agreement) shall be substantially in the applicable form attached hereto as Schedule “A”, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Subscription Receipt Agent, prescribe, and shall be issuable in any whole number denominations.
- (d) Upon the deemed issuance of the Earl Shares in accordance with 2.2(a)(i), the Corporation shall, in accordance with the provisions of its constituting documents, cause the Earl Shares to be issued.
- (e) If any of the Earl Shares are to be issued to a person or persons other than the Receiptholder, the Receiptholder shall comply with such reasonable requirements as the Corporation may prescribe and pay to the Corporation or the Subscription Receipt Agent on behalf of the Corporation, all applicable transfer or similar taxes or fees and the Corporation shall not be required to issue or deliver certificates evidencing the Earl Shares unless such Receiptholder shall have paid the amount of such tax or fee or shall have established to the satisfaction of the Corporation that such fee or tax has been paid or that no fee or tax is due.
- (f) Effective immediately after the Earl Shares have been, or have been deemed to be, issued as contemplated by Section 2.2(a)(i), the Subscription Receipts relating thereto shall be void and of no value or effect.

2.3 Fractional Subscription Receipts

No fractional Subscription Receipts shall be issued or otherwise provided for hereunder and no cash amount shall be payable in lieu thereof.

2.4 Register for Subscription Receipts

The Corporation hereby appoints the Subscription Receipt Agent as registrar of the Subscription Receipts, and the Corporation shall cause to be kept by the Subscription Receipt Agent at the Designated Offices, a securities register in which shall be entered the names and addresses of Receiptholders and the other particulars, prescribed by law, of the Subscription Receipts held by them. The Corporation shall also cause to be kept by the Subscription Receipt Agent at the Designated Offices the register of transfers, and may also cause to be kept by the Subscription Receipt Agent (with the approval of the Subscription Receipt Agent), branch registers of transfers in which shall be recorded the particulars of the transfers of Subscription Receipts registered in that branch register of transfers.

2.5 Registers Open for Inspection

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

2.6 Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt evidenced by a Subscription Receipt Certificate or otherwise, shall confer or be construed as conferring upon a Receiptholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend meetings of Shareholders, or the right to receive dividends or any continuous disclosure materials of the Corporation. Receiptholders are entitled to exercise the rights expressly provided for in the Subscription Receipts and this Agreement on the terms and conditions set forth herein.

2.7 Subscription Receipts to Rank *Pari Passu*

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

2.8 Form of Subscription Receipts, Certificated Subscription Receipts

The Subscription Receipts may be issued in both certificated and uncertificated form. All Subscription Receipts issued in certificated form shall be evidenced by a Subscription Receipt Certificate (including all replacements issued in accordance with this Agreement), substantially in the form set out in Schedule "A" hereto, which shall be dated as of the Offering Closing Date, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Subscription Receipt Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Subscription Receipts issued in uncertificated form shall be evidenced by a DRS Statement or other written notice, and shall be reflected in the register of the Subscription Receipt Agent. Notwithstanding the foregoing, all Subscription Receipts issued will bear the applicable legends as set forth herein.

2.9 Signing of Subscription Receipt Certificates

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

2.10 Authentication by the Subscription Receipt Agent

- (a) No Subscription Receipt shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof until it has been Authenticated by the Subscription Receipt Agent, and such Authentication by the Subscription Receipt Agent in respect of any Subscription Receipt shall be conclusive evidence as against the Corporation that the Subscription Receipt so Authenticated has been duly issued hereunder and that the holder is entitled to the benefits hereof. Each Subscription Receipt, upon receipt of a signed, written direction of the Corporation, will be Authenticated by the Subscription Receipt Agent.

- (b) The Authentication by the Subscription Receipt Agent of Subscription Receipts issued hereunder shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or the Subscription Receipt Certificates (except the due Authentication thereof) and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipt Certificates or of the consideration therefor except as otherwise specified herein. The Authentication by the Subscription Receipt Agent of Subscription Receipts shall constitute a representation and warranty by the Subscription Receipt Agent that the said Subscription Receipts have been duly Authenticated by the Subscription Receipt Agent pursuant to the provisions of this Agreement.
- (c) No Uncertificated Subscription Receipt shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Subscription Receipts. Such entry on the register of the particulars of an Uncertificated Subscription Receipt shall be conclusive evidence that such Uncertificated Subscription Receipt is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Agreement.

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

- (a) In case any Subscription Receipt Certificate shall become mutilated or be lost, destroyed or stolen, the Corporation, subject to applicable law and compliance with paragraph (b) below, shall issue and thereupon the Subscription Receipt Agent shall Authenticate and deliver, a new Subscription Receipt Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Subscription Receipt Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be in a form approved by the Subscription Receipt Agent and shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Subscription Receipt Certificates issued or to be issued hereunder.
- (b) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.11 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Subscription Receipt Agent in their sole discretion, and such applicant may also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Subscription Receipt Agent in their sole discretion and shall pay the reasonable charges of the Corporation and the Subscription Receipt Agent in connection therewith.

2.12 Exchange of Subscription Receipt Certificates

- (a) Subscription Receipt Certificates may, upon compliance with the reasonable requirements of the Subscription Receipt Agent, be exchanged for another Subscription Receipt Certificate or Subscription Receipt Certificates entitling the holder thereof to, in the aggregate, the same number of Subscription Receipts as represented by the Subscription Receipt Certificates so exchanged.
- (b) Subscription Receipt Certificates may be surrendered for exchange only at the Designated Offices during regular business hours of the Subscription Receipt Agent on Business Days.

2.13 Charges for Exchange

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

2.14 Transfer and Ownership of Subscription Receipts

- (a) Subject to Sections 2.14(d), there are no restrictions on the transfer of the Subscription Receipts. However, the Subscription Receipts may only be transferred in compliance with applicable securities laws (including as set out in Section 2.14(f)) and on the register kept at the Designated Offices by the holder or his legal representatives or his attorney duly appointed by an instrument in writing. Upon surrender for registration of transfer of Subscription Receipts at the Designated Offices, the Corporation shall issue and thereupon the Subscription Receipt Agent shall Authenticate and deliver a new Subscription Receipt Certificate or DRS Statement of like tenor in the name of the designated transferee. If less than all the Subscription Receipts evidenced by the Subscription Receipt Certificate(s) or DRS Statements are transferred, the transferor shall be entitled to receive, in the same manner, a new Subscription Receipt Certificate or DRS Statement registered in his name evidencing the Subscription Receipts not transferred. However, notwithstanding the foregoing, Subscription Receipts shall only be transferred upon:
- (i) payment to the Subscription Receipt Agent of a reasonable sum for each new Subscription Receipt Certificate or DRS Statement issued upon such transfer, and reimbursement of the Subscription Receipt Agent or the Corporation for any and all stamp taxes or governmental or other charges required to be paid in respect of such transfer; and
 - (ii) such reasonable requirements as the Subscription Receipt Agent may prescribe,
- and all such transfers shall be duly noted in such register by the Subscription Receipt Agent.
- (b) The Corporation and the Subscription Receipt Agent shall deem and treat the registered owner of any Subscription Receipt as the beneficial owner thereof for all purposes and neither the Corporation nor the Subscription Receipt Agent shall be affected by any notice to the contrary.
- (c) The transfer register in respect of Subscription Receipts shall be closed at the Designated Offices at 5:00 p.m. (Vancouver time), on the earlier to occur of the Satisfaction Date and the Termination Date (subject to settlement).
- (d) The Subscription Receipt Agent shall promptly advise the Corporation of any requested transfer of Subscription Receipts for their approval. The Corporation shall 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 Article 2, for any reason, including if such transfer would constitute a violation of the securities laws of any jurisdiction or the rules, regulations or policies of any regulatory authority having jurisdiction.
- (e) Subject to the provisions of this Agreement and applicable law, a Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts. The issue of Earl Shares, or the payment of the Subscription Price and the holder's *pro rata* entitlement of Earned Interest, less applicable withholding taxes, as provided in Section 3.3, all in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Corporation and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Corporation nor the Subscription Receipt Agent shall be bound to inquire into the title of a Receiptholder or a transferee of Subscription Receipts who surrenders a Subscription Receipt Certificate or DRS Statement.
- (f) All Subscription Receipts, and if required under applicable securities laws, the Earl Shares issuable upon conversion of the Subscription Receipts (collectively, the "**Securities**"), and all certificates issued in substitution of any certificates representing these Securities, as applicable, will bear or be deemed to bear the following legend, upon the original issuance of the Securities, if required under applicable securities laws, and until the legend is no longer required, under applicable securities requirements:

“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 MAY 30, 2022.”

2.15 Listing of Subscription Receipts

The Corporation confirms that the Subscription Receipts will not be listed for trading on any recognized stock exchange.

2.16 Reliance by Subscription Receipt Agent

The Subscription Receipt Agent shall have no obligation to ensure or verify compliance with any applicable laws or regulatory requirements on the issue, conversion or transfer of any Subscription Receipts or any Earl Shares issuable upon conversion thereof provided such issue, conversion or transfer, as the case may be, is effected in accordance with the terms of this Agreement. The Subscription Receipt Agent shall be entitled to assume that all transfers are legal and proper. The Subscription Receipt Agent may assume for the purposes of this Agreement that any address on the register is the holder’s actual address and is also determinative as to residency and that the address of any transferee to whom any Subscription Receipts or Earl Shares, as applicable, are to be registered, as shown on the transfer document, is the transferee’s residency.

ARTICLE 3 SATISFACTION OF ISSUANCE RIGHT OR TERMINATION PAYMENT RIGHT

3.1 Release of Funds

- (a) If the Satisfaction Date occurs on or before the Deadline, the Corporation shall execute and deliver the Irrevocable Direction to the Subscription Receipt Agent.
- (b) Upon the Satisfaction Date occurring on or before the Deadline and delivery of the Irrevocable Direction in accordance with Section 3.1(a):
 - (i) the Corporation shall be entitled to receive from the Subscription Receipt Agent the Escrowed Funds, less the amounts payable, if any, set forth in sections 3.1(c) (the “**Released Amount**”). The Subscription Receipt Agent shall deliver the Released Amount to the Corporation, or to such other party as the Corporation directs in writing, as soon as reasonably practicable after the delivery of the Irrevocable Direction; and
 - (ii) the Earl Shares issuable upon conversion of the Subscription Receipts shall be and shall be deemed to be issued to the Receiptholders on the Satisfaction Date in accordance with the right of such holder as described in Section 2.2(a)(i) hereof (which right shall be and shall be deemed to be exercised upon the delivery of the Irrevocable Direction) and the Receiptholders to whom such Earl Shares are to be issued in accordance with the provisions of this Agreement shall be deemed to have become the shareholders of record of the corresponding number of Earl Shares issuable pursuant to the Subscription Receipts held by such Receiptholder.
- (c) The Subscription Receipt Agent shall retain from the Escrowed Funds an amount equal to its outstanding fees and expenses.

3.2 Fractions

No fractional Earl Shares shall be issued or otherwise provided for hereunder and no cash amount shall be payable in lieu thereof.

3.3 Payment on Termination

- (a) If the Termination Time occurs, the Corporation shall forthwith notify the Subscription Receipt Agent thereof in writing.
- (b) If the Termination Time occurs, the subscription evidenced by each Subscription Receipt shall be automatically terminated and cancelled and each Receiptholder (or a transferee thereof if all applicable transfer requirements, other than registration, have been satisfied) shall be entitled (subject to Section 3.3(d)) from and after the Termination Time, to payment in the aggregate amount of: (i) the Subscription Price in respect of each of such holder's Subscription Receipts; and (ii) such holder's *pro rata* entitlement of the Earned Interest, less applicable withholding taxes. The amount paid to each Receiptholder under (i) shall be satisfied by the Escrowed Funds and the amount in (ii), if any, shall be satisfied by the Earned Interest. To the extent that the Escrowed Funds are insufficient to refund to each Receiptholder an amount equal to the aggregate Subscription Price for the Subscription Receipts held by them and such holder's *pro rata* share of the Earned Interest thereon less applicable withholding taxes, if any, (a "Shortfall"), the Corporation shall be responsible and liable to the Receiptholders for any Shortfall and shall contribute such amounts as are necessary to satisfy any Shortfall such that each Receiptholder will receive an amount equal to the aggregate Subscription Price for the Subscription Receipts held and such Receiptholder's *pro rata* share of the Earned Interest thereon less applicable withholding taxes, if any.
- (c) If the Satisfaction Date does not occur on or prior to the Deadline, registers shall be closed at the close of business on the Termination Date.
- (d) The obligation to make the payment of the amount specified in Section 3.3(b) shall be satisfied by mailing or delivering payment by cheque to the registered holder of the Subscription Receipt at its registered address by no later than the second Business Day following the Termination Date.
- (e) Upon the delivery of funds as provided in this Section 3.3, all rights evidenced by the Subscription Receipts relating thereto shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

3.4 Cancellation of Surrendered Subscription Receipt Certificates

All Subscription Receipt Certificates surrendered to the Subscription Receipt Agent pursuant to Sections 2.11, 2.12, 2.14 and 6.1 shall be returned to or received by the Subscription Receipt Agent for cancellation and, upon such circumstances all such Uncertificated Subscription Receipts shall be deemed cancelled and so noted on the register by the Subscription Receipt Agent if required by the Corporation, the Subscription Receipt Agent shall furnish the Corporation with a cancellation certificate identifying the Subscription Receipt Certificates or Uncertificated Subscription Receipts so cancelled and the number of Subscription Receipts evidenced thereby.

ARTICLE 4 ADJUSTMENT

4.1 Definitions

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

4.2 Adjustment

The rights attached to the Subscription Receipts are subject to adjustment from time to time in the events and in the manner provided.

- (a) Share Reorganization. If at any time after the issuance of the Subscription Receipts and before the Satisfaction Date, the Corporation:

- (i) subdivides or changes its outstanding Earl Shares into a greater number of Earl Shares;
- (ii) consolidates or changes its outstanding Earl Shares into a lesser number of Earl Shares; or
- (iii) issues to all or substantially all the holders of Earl Shares by way of a stock distribution, stock dividend or otherwise, Earl Shares,

(any of such events in Sections 4.2(a)(i), 4.2(a)(ii) and 4.2(a)(iii) being called a “**Share Reorganization**”), then the number of Earl Shares issuable on the exercise or deemed exercise of each Subscription Receipt will be adjusted as of the record date at which the holders of the Earl Shares are determined for the purpose of the Share Reorganization by multiplying the number of Earl Shares theretofore obtainable immediately prior to such record date by a fraction, the numerator of which will be the number of Earl Shares outstanding on the record date after giving effect to the Share Reorganization and the denominator of which will be the number of Earl Shares outstanding on the record date before giving effect to the Share Reorganization.

- (b) Capital Reorganization. If at any time after the issuance of the Subscription Receipts and before the Satisfaction Date there is a reclassification of Earl Shares or a change of the Earl Shares (other than a Share Reorganization) into other securities or property, or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding Earl Shares or a change of the Earl Shares into other securities or property), or a transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another entity, or a record date for any of the foregoing events occurs (any of such events being herein called a “**Capital Reorganization**”), any Receiptholder who is entitled to acquire Earl Shares upon conversion of such Receiptholder’s Subscription Receipts after the record date or effective date of such Capital Reorganization will be entitled to receive, and will accept for the same aggregate consideration, in lieu of the number of Earl Shares to which such Receiptholder was theretofore entitled, the aggregate number of securities or property which such Receiptholder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date of such Capital Reorganization, the Receiptholder had been the registered holder of the number of Earl Shares to which such Receiptholder was then entitled with respect to the Subscription Receipts, provided, however, that no such Capital Reorganization will be carried into effect unless all necessary steps have been taken to so entitle the Receiptholders. If determined appropriate by the Corporation, acting reasonably, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Article 4 with respect to the rights and interests thereafter of the Receiptholders to the extent that the provisions set forth in this Article 4 will thereafter correspondingly be made applicable as nearly as may be reasonable in relation to any securities or property thereafter deliverable upon the exercise of any Subscription Receipt. Any such adjustments will be made by and set forth in terms and conditions supplemental hereto approved by the Corporation, acting reasonably, and, absent manifest error, will for all purposes be conclusively deemed to be the appropriate adjustment.
- (c) Special Distributions. If at any time after the issuance of the Subscription Receipts and prior to the Satisfaction Date, the Corporation issues or distributes to the holders of all or substantially all of the outstanding Earl Shares, securities of the Corporation, including rights, options or warrants to acquire Earl Shares or securities convertible into or exchangeable for Earl Shares or property or assets, including evidences of indebtedness, other than dividends or distributions paid in the ordinary course and other than as a result of a Share Reorganization or a Capital Reorganization, or a record date for any of the foregoing events occurs, there will be an appropriate adjustment in the number of Earl Shares to be issued at the Satisfaction Date in accordance with this Article 4 or, at the option of the Corporation, such securities, property or assets may be issued to the Subscription Receipt Agent and delivered to the Receiptholders, for the same aggregate consideration payable, if any, in addition to the number of Earl Shares to which such Receiptholder was theretofore entitled, and the Receiptholder will be entitled to receive such securities, property or assets as if, on the record date at which holders of Earl Shares are determined for the purpose thereof, such Receiptholder had been the registered holder of the number of Earl Shares to which the Receiptholder was then entitled.

4.3 Adjustment Rules

The following rules and procedures shall be applicable to adjustments made pursuant to Section 4.2:

- (a) The adjustments provided for in this Article 4 are cumulative and shall apply (without duplication) to successive issues, subdivisions, combinations, consolidations, changes, distributions and any other events that require adjustment of the number of Earl Shares to be issued or the number or kind of securities that can be acquired hereunder.
- (b) No adjustment in the number of Earl Shares to be issued hereunder shall be required unless the adjustment would result in a change of at least 0.01% of the number of Earl Shares to be issued, provided, however, that any adjustments that, except for the provisions of this subsection would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.
- (c) No adjustment in the number of Earl Shares to be issued hereunder shall be made in respect of any events described in Article 4 if the holders of the Subscription Receipts 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.
- (d) If a dispute shall at any time arise with respect to adjustments of the number of Earl Shares to be issued hereunder the dispute shall be conclusively determined by the Corporation's external auditors or, if they are unable or unwilling to act, by such firm of independent chartered accountants as may be selected by the directors of the Corporation and any such determination shall, absent manifest error, be binding upon the Corporation, the Subscription Receipt Agent and all Receiptholders.
- (e) If the Corporation shall set a record date to determine the holders of Earl Shares for the purpose of entitling them to receive any distribution or any subscription or purchase rights in accordance with Article 4 and shall, thereafter, legally abandon its plans to pay or deliver the distribution or subscription or purchase rights, then no adjustment in the number of Earl Shares to be issued hereunder shall be required by reason of the setting of the record date.
- (f) In case the Corporation, after the date hereof, shall take any action affecting the Earl Shares, other than any action described in this Article 4, which, in the reasonable opinion of the directors of the Corporation, would materially affect the rights of the Receiptholders and/or the rights attached to the Subscription Receipts, then the number of Earl Shares which are to be received pursuant to the Subscription Receipts shall be adjusted in such manner, if any, and at such time as the directors of the Corporation may, in their direction, reasonably determine to be equitable to the Receiptholders in such circumstances.

4.4 Duties of the Subscription Receipt Agent

The Subscription Receipt Agent shall not:

- (a) at any time be under any duty or responsibility to any Receiptholder to determine whether any facts exist which may require any adjustment contemplated in Section 4.2, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making such adjustment;
- (b) be accountable with respect to the validity or value (or the kind or amount) of any Shares, or of any other securities or property which may at any time be issued or delivered upon the conversion of the rights attaching to any Subscription Receipt; or
- (c) be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Earl Shares or certificates, or to comply with any of the covenants contained in Article 5 of this Agreement; or

- (d) incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the agents of the Corporation.

4.5 Notice of Adjustment

- (a) Promptly upon the occurrence of the earlier of the effective date of or the record date for any event referred to in Section 4.2 of this Agreement that requires an adjustment of the rights attaching to the Subscription Receipts, the Corporation shall:
- (i) file with the Subscription Receipt Agent a certificate of the Corporation specifying the particulars of the event and, if determinable, the adjustment and computation of the adjustment and the Subscription Receipt Agent may act and rely absolutely on the certificate of the Corporation; and
 - (ii) give notice, or cause notice to be given, to the Receiptholders of the particulars of the event and, if determinable, the adjustment.
- (b) If notice has been given under Section 5.4(a) of this Agreement and the adjustment is not then determinable, the Corporation shall promptly, after the adjustment is determinable:
- (i) file with the Subscription Receipt Agent a computation of the adjustment; and
 - (ii) give notice, or cause notice to be given, to the Receiptholders of the adjustment.

ARTICLE 5 INVESTMENT OF PROCEEDS AND PAYMENT OF INTEREST

5.1 Investment of Proceeds

The Subscription Receipt Agent may hold cash balances constituting part or all of the funds in an interest bearing account, in a Government of Canada short-term debt obligation or such other short-term investment-grade debt obligations that the Subscription Receipt Agent may open as directed by written notice. The Subscription Receipt Agent may, but need not, invest in the deposit department of a Canadian chartered bank and its Affiliates but the Subscription Receipt Agent, its Affiliates or a Canadian chartered bank and its Affiliates shall not be liable to account for any profit to any parties to this Subscription Receipt Agreement or to any other person or entity other than at a rate, if any, established from time to time by the Subscription Receipt Agent, its Affiliates or a Canadian chartered bank and its Affiliates.

For purposes of this Agreement, the Subscription Receipt Agent will pay interest on such amount at a rate that it normally pays on similar funds held in trust.

Rates are subject to change without notice due to market conditions.

5.2 Segregation of Proceeds

The Escrowed Funds received by the Subscription Receipt Agent and any securities or other instruments received by the Subscription Receipt Agent upon the investment or reinvestment of such Escrowed Funds, shall be received as agent for, and shall be segregated and kept apart by the Subscription Receipt Agent as agent for the Receiptholders.

ARTICLE 6
RIGHTS OF THE CORPORATION AND COVENANTS

6.1 Optional Purchases by the Corporation

Subject to applicable law, the Corporation may from time to time purchase by private contract or otherwise any of the Subscription Receipts.

6.2 General Covenants

- (a) The Corporation covenants with the Subscription Receipt Agent that so long as any Subscription Receipts remain outstanding:
- (i) it will use its commercially reasonable efforts to maintain its existence;
 - (ii) it will perform and carry out all of the acts or things to be done by it as provided in this Agreement;
 - (iii) it will cause the Earl Shares to be duly issued pursuant to the conversion of the Subscription Receipts and the certificates representing such Earl Shares to be issued and delivered, or if uncertificated, for a deposit of uncertificated Earl Shares to be made or for the issuance to be recorded in the register of the Earl Shares, in accordance with the Subscription Receipts and the terms of this Agreement and all Earl Shares that are issued upon conversion of the Subscription Receipts will be fully paid and non-assessable securities;
 - (iv) it will reserve and keep available a sufficient number of Earl Shares for the purpose of enabling it to satisfy its obligations to issue Earl Shares pursuant to the Subscription Receipts;
 - (v) it will give notice to the Subscription Receipt Agent of a default under the terms of the Agreement.
- (b) In addition, the Corporation covenants with the Subscription Receipt Agent that, from the date hereof to the earlier of the Termination Date and the Satisfaction Date, it will not do any of the following:
- (i) make or pay, or establish a record date for, any dividend or other distribution on the Earl Shares;
 - (ii) subdivide or redivide the outstanding Earl Shares into a greater number of Earl Shares;
 - (iii) prior to the earlier of the Satisfaction Date and the Termination Date, it will not sell the properties or assets of the Corporation as, or substantially as, an entirety, to any other entity;
 - (iv) reduce, combine or consolidate the outstanding Earl Shares into a smaller number of Earl Shares;
 - (v) issue Earl Shares to holders of all or substantially all of the outstanding Earl Shares by way of a dividend or distribution; or
 - (vi) reclassify the Earl Shares or undertake a reorganization of the Corporation or a consolidation, amalgamation, arrangement, merger or similar transaction of the Corporation with any other Person or other entity or undertake a liquidation, dissolution or winding-up of the Corporation.

6.3 Subscription Receipt Agents' Remuneration, Expenses and Indemnification

- (a) The Corporation covenants that it will pay to the Subscription Receipt Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Subscription Receipt Agent upon its request by way of an invoice for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of this Agreement (including the

reasonable compensation and disbursements of its counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Subscription Receipt Agents' gross negligence, wilful misconduct, bad faith or fraud. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable on demand.

- (b) The Corporation will fully indemnify and hold the Subscription Receipt Agent and its officers, directors, employees and agents harmless from and against any and all actions and suits whether groundless or otherwise and from and against any and all losses, damages, costs, charges, counsel fees, payments, expenses and liabilities arising directly or indirectly out the performance of its duties and obligations under this Agreement, except for any liability arising out of the Subscription Receipt Agent's gross negligence, wilful misconduct, bad faith or fraud. In the absence of gross negligence, wilful misconduct, bad faith or fraud on its part, the Subscription Receipt Agent shall not be liable for any action taken, suffered, or omitted by it or for any error of judgement made by it in the performance of its duties under this Agreement. In no event will the Subscription Receipt Agent be liable for special, indirect, consequential or punitive loss or damages of any kind whatsoever (including but not limited to lost profits), even if the Subscription Receipt Agent has been advised of the possibility of such damages. Any liability of the Subscription Receipt Agent will be limited in the aggregate to an amount equal to the fees paid by the Corporation to the Subscription Receipt Agent under this Agreement. It is understood and agreed that this indemnification shall survive the termination or the discharge of this Agreement or the resignation or replacement of the Subscription Receipt Agent.

6.4 Performance of Covenants by Subscription Receipt Agent

If the Corporation shall fail to perform any of its covenants contained in this Agreement, the Subscription Receipt Agent may notify the Receipholders of such failure on the part of the Corporation or may itself perform any of the said covenants capable of being performed by it, but shall be under no obligation to perform said covenants or to notify the Receipholders of such performance by it. All sums expended or advanced by the Subscription Receipt Agent in so doing shall be repayable as provided in Section 6.3. No such performance, expenditure or advance by the Subscription Receipt Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants contained herein.

6.5 Accounting

The Subscription Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Subscription Receipt Agent hereunder and the receipt, investment, reinvestment and disbursement of the Escrowed Funds, and shall provide to the Corporation records and statements thereof periodically upon written request. The Corporation shall have the right to audit any such books, records, accounts and statements.

6.6 Payments by Subscription Receipt Agent

In the event that any funds to be disbursed by the Subscription Receipt Agent in accordance herewith are received by the Subscription Receipt Agent in the form of an uncertified cheque or cheques, the Subscription Receipt Agent shall be entitled to delay the time for disbursement of such funds hereunder until such uncertified cheque or cheques have cleared in the ordinary course the financial institution upon which the same are drawn. The Subscription Receipt Agent will disburse monies according to this Agreement only to the extent that monies have been deposited with it.

6.7 Regulatory Matters

The Corporation 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 Earl Shares, in the circumstances contemplated by Section 3.1(b)(ii), such that such issuance will comply with all requirements of applicable securities laws.

ARTICLE 7 ENFORCEMENT

7.1 Suits by Receiptholders

All or any of the rights conferred upon any Receiptholder by any of the terms of the Subscription Receipt Certificates or of this Agreement, or of both, may be enforced by the Receiptholder by appropriate proceedings, but without prejudice to the right which is hereby conferred upon the Subscription Receipt Agent to proceed in its own name to enforce each and all of the provisions contained herein for the benefit of the Receiptholders.

7.2 Immunity of Shareholders, etc.

The Subscription Receipt Agent and, by the acceptance of the Subscription Receipts, the Receiptholders, hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any settlor or any past, present or future Shareholder, director, officer, employee or agent of the Corporation or any successor entity, for the issue of Earl Shares pursuant to any Subscription Receipt or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Subscription Receipt Certificate(s).

7.3 Limitation of Liability

The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future Shareholders or of any successor entity or any of the past, present or future directors, officers, employees of the Corporation or of any successor entity, but only the property of the Corporation or any successor entity shall be bound in respect hereof.

ARTICLE 8 SUPPLEMENTAL AGREEMENTS

8.1 Provision for Supplemental Agreements for Certain Purposes

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

- (a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not, in the opinion of the Subscription Receipt Agent, relying on an opinion of Counsel, prejudicial to the interests of the Receiptholders;
- (b) 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 an opinion of Counsel, prejudicial to the interests of the Receiptholders;
- (c) adding to or altering the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipt Certificates, and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;
- (d) modifying any of the provisions of this Agreement, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Subscription Receipt Agent, relying on an opinion of Counsel, such modification or relief in no way prejudices any of the rights of the Receiptholders or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole

discretion decline to enter into any such supplemental agreement which in its opinion may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and

- (e) 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 an opinion of Counsel, the rights of the Subscription Receipt Agent and of the Receiptholders are in no way prejudiced thereby.

ARTICLE 9 MEETINGS OF RECEIPHOLDERS

9.1 Right to Convene Meetings

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

9.2 Notice

At least ten (10) days prior notice of any meeting of Receiptholders shall be given to the Receiptholders in the manner provided for in Section 11.2 and a copy of such notice shall be sent by mail to the Subscription Receipt Agent (unless the meeting has been called by the Subscription Receipt Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the date (which shall be a Business Day) and time when, and the place where the meeting, is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Receiptholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 9.

9.3 Chairman

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

9.4 Quorum

Subject to the provisions of Section 9.11, at any meeting of the Receiptholders a quorum shall consist of not less than two (2) Receiptholders present in person or by proxy and holding in aggregate 10% or more of the then outstanding Subscription Receipts. If a quorum of the Receiptholders shall not be present within thirty (30) minutes from the time fixed for holding any meeting, the meeting, if summoned by the Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not hold at least 10% of the then outstanding Subscription Receipts.

9.5 Power to Adjourn

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

9.6 Show of Hands

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

9.7 Poll and Voting

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

On a show of hands, every person who is present and entitled to vote, whether as a Receiptholder or as proxy for one or more absent Receiptholders, or both, shall have one vote. On a poll, each Receiptholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Earl Share he is entitled to receive pursuant to the Subscription Receipt(s) then held or represented by him. A proxy need not be a Receiptholder. In the case of joint holders, any of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them shall be present in person or by proxy, they shall vote together in respect of Subscription Receipts of which they are joint registered holders. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held or represented by him.

9.8 Regulations

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

- (a) the setting of the record date for a meeting of holders of Subscription Receipts for the purpose of determining Receiptholders entitled to receive notice of and vote at such meeting;
- (b) the issue of voting certificates by any bank, trust company or other depositary satisfactory to the Subscription Receipt Agent stating that the Subscription Receipt Certificates specified therein have been deposited with it by a named person and will remain on deposit until after the meeting, which voting certificate shall entitle the persons named therein to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof in the same manner and with the same effect as though the persons so named in such voting certificates were the actual holders of the Subscription Receipt Certificates specified therein;
- (c) the deposit of voting certificates and instruments appointing proxies at such place and time as the Subscription Receipt Agent, the Corporation or the Receiptholders, convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (d) the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing

proxies to be mailed, faxed or otherwise sent electronically before the meeting to the Corporation or to the Subscription Receipt Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;

- (e) the form of the instrument of proxy; and
- (f) generally for the calling of meetings of Receiptholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Receiptholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 9.9), shall be Receiptholders or their counsel, or duly appointed proxies of Receiptholders.

9.9 Corporation and Subscription Receipt Agent may be Represented

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

9.10 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred upon them by any other provisions of this Agreement or by law, the Receiptholders at a meeting shall, subject to the subject to all applicable laws and regulatory and exchange approvals and the provisions of Section 9.11, have the powers exercisable from time to time by Extraordinary Resolution:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Receiptholders or the Subscription Receipt Agent against the Corporation or against its undertaking, property and assets or any part thereof whether such rights arise under this Agreement or the Subscription Receipt Certificates or otherwise;
- (b) to extend the Deadline;
- (c) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Receiptholders;
- (d) to direct or to authorize the Subscription Receipt Agent to enforce any of the covenants on the part of the Corporation contained in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders in any manner specified in such Extraordinary Resolution or to refrain from enforcing any such covenant or right;
- (e) to waive, and to direct the Subscription Receipt Agent to waive, any default on the part of the Corporation in complying with any provisions of this Agreement or the Subscription Receipt Certificates either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- (f) to restrain any Receiptholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders;
- (g) to direct any Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Receiptholder in connection therewith;
- (h) to assent to any modification of, change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to

by the Corporation, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission;

- (i) with the consent of the Corporation (such consent not to be unreasonably withheld), to remove the Subscription Receipt Agent or its successor in office and to appoint a new Subscription Receipt Agent to take the place of the Subscription Receipt Agent so removed in accordance with Section 10.7; and
- (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 Earl Shares or other securities of the Corporation.

9.11 Meaning of Extraordinary Resolution

- (a) The expression “Extraordinary Resolution” when used in this Agreement means, subject as hereinafter provided in this Section 9.11 and in Section 9.14, a resolution proposed at a meeting of Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 9 at which there are present in person or by proxy at least two (2) Receiptholders holding in aggregate more than 25% of the then outstanding Subscription Receipts and passed by the affirmative votes of Receiptholders holding not less than 66 2/3% of the then outstanding Subscription Receipts represented at the meeting and voted on the poll upon such resolution.
- (b) If, at any meeting called for the purpose of passing an Extraordinary Resolution, at least two (2) Receiptholders holding in aggregate more than 25% of the then outstanding Subscription Receipts are not present in person or by proxy within thirty (30) minutes after the time appointed for the meeting, then the meeting, if convened by Receiptholders or on a Receiptholders’ Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than fourteen (14) or more than thirty (30) days later, and to such place and time as may be appointed by the chairman. Not less than seven (7) days prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 11.2. Such notice shall state that at the adjourned meeting the Receiptholders present in person or by proxy shall, subject to the provisions below, form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 9.11(a) hereof shall be an Extraordinary Resolution within the meaning of this Agreement, notwithstanding that the holders of not less than 25% of the Subscription Receipts then outstanding are not present in person or by proxy at such adjourned meeting.
- (c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

9.12 Powers Cumulative

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

9.13 Minutes

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

9.14 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Receiptholders at a meeting held as hereinbefore provided in this Article 9 may also be taken and exercised by the holders of a majority of the then outstanding Subscription Receipts, or in the case of an Extraordinary Resolution, holders of not less than 66 2/3%, of the then outstanding Subscription Receipts, by an instrument in writing signed in one or more counterparts, by such Receiptholders in person or by attorney duly appointed in writing, and the term “resolution” or the expression “Extraordinary Resolution”, as the case may be, when used in this Agreement shall include an instrument so signed.

9.15 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 9 at a meeting of Receiptholders shall be binding upon all the Receiptholders, whether present at or absent from such meeting, and every instrument in writing signed by Receiptholders in accordance with Section 9.14 shall be binding upon all the Receiptholders, whether signatories thereto or not, and each and every Receiptholder and the Subscription Receipt Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

ARTICLE 10 CONCERNING THE SUBSCRIPTION RECEIPT AGENT

10.1 Rights and Duties of Subscription Receipt Agent

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent shall exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. No provision of this Agreement shall be construed to relieve the Subscription Receipt Agent from liability for its own gross negligence, wilful misconduct, bad faith or fraud.
- (b) The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Subscription Receipt Agent or the Receiptholders hereunder shall be conditional upon the Receiptholders furnishing, when required by notice by the Subscription Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and to hold harmless the Subscription Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the Subscription Receipt Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipts held by them, for which Subscription Receipts the Subscription Receipt Agent shall issue receipts.
- (d) Every provision of this Agreement that by its terms relieves the Subscription Receipt Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of this Section 10.1 and of Section 10.2.
- (e) The Subscription Receipt Agent shall have no duties except those expressly set forth herein, and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of, this Agreement, unless received by it in writing and signed by the other parties hereto and, if its duties herein are affected, unless it shall have given its prior written consent thereto.

- (f) The Subscription Receipt Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement, which documentation does not require the exercise of any discretion or independent judgment.
- (g) The Subscription Receipt Agent shall incur no liability whatsoever with respect to the delivery or non-delivery of any certificates whether delivery by hand, mail or any other means.
- (h) The Subscription Receipt Agent shall not be responsible or liable in any manner whatsoever for the deficiency, correctness, genuineness or validity of any securities deposited with it.
- (i) The Subscription Receipt Agent shall not be bound to do or give any notice or take any act, action, proceeding for the enforcement of any of the obligations of the Corporation under this Agreement unless and until it shall have received a Receiptholders' Request specifying the act, action or proceeding which the Subscription Receipt Agent is requested to take, 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 herein.

10.2 Evidence, Experts and Advisers

- (a) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Corporation shall furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as the Subscription Receipt Agent may reasonably require by written notice to the Corporation.
- (b) In the exercise of its rights and duties hereunder, the Subscription Receipt Agent may act and rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Subscription Receipt Agent pursuant to any provision hereof or pursuant to a request of the Subscription Receipt Agent, provided that such evidence complies with applicable legislation and that the Subscription Receipt Agent complies with applicable legislation and that the Subscription Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.
- (c) Whenever it is provided in this Agreement that the Corporation shall deposit with the Subscription Receipt Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Subscription Receipt Agent take the action to be based thereon.
- (d) Whenever applicable legislation requires that evidence referred to in (c) above be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a certificate of the Corporation required by any provision hereof. Any such statutory declaration may be made by one or more of the directors of the Corporation. Proof of the execution of an instrument in writing, including a Receiptholders' Request, by any Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to the officer the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Subscription Receipt Agent may consider adequate. In respect of a corporate Receiptholder, shall include a certificate of incumbency of such Receiptholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.
- (e) The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs

of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Subscription Receipt Agent. The Corporation shall pay or reimburse the Subscription Receipt Agent for any reasonable fees, expenses and disbursements of such counsel or advisors.

- (f) The Subscription Receipt Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Corporation or by the Subscription Receipt Agent, in relation to any matter arising from matters hereunder.

10.3 Documents, Monies, etc. Held by Subscription Receipt Agent

Any securities, documents of title or other instruments that may at any time be held by the Subscription Receipt Agent pursuant to this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or of any Canadian chartered bank or deposited for safekeeping with any such bank. If the Subscription Receipt Agent has not received a direction under Section 5.1, any monies so held pending the application or withdrawal thereof under any provisions of this Agreement may be deposited in the name of the Subscription Receipt Agent in any Canadian chartered bank, or in the deposit department of the Subscription Receipt Agent or any other loan or trust company authorized to accept deposits under the laws of Canada or a province thereof, at the rate of interest (if any) then current on similar deposits.

10.4 Actions by Subscription Receipt Agent to Protect Interest

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

10.5 Subscription Receipt Agent not Required to Give Security

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

10.6 Protection of Subscription Receipt Agent

By way of supplement to the provisions of this Subscription Receipt Agreement or any law for the time being relating to trustees it is expressly declared and agreed as follows:

- (a) the Subscription Receipt Agent shall not be liable for or by reason of any statements of fact or recitals in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 10.8 or in the certificate of the Subscription Receipt Agent on the Subscription Receipt Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
- (b) nothing herein contained shall impose any obligation on the Subscription Receipt Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;
- (c) the Subscription Receipt Agent shall not be bound to give notice to any person or persons of the execution hereof;
- (d) the Subscription Receipt Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees or servants of the Corporation; and
- (e) 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, bad faith or fraud.

10.7 Replacement of Subscription Receipt Agent; Successor by Merger

- (a) The Subscription Receipt Agent may resign its appointment and be discharged from all other duties and liabilities hereunder, subject to this Section 10.7, by giving to the Corporation not less than thirty (30) days prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Receiptholders by Extraordinary Resolution shall have power at any time to remove the existing Subscription Receipt Agent and to appoint a new subscription receipt agent. In the event of the Subscription Receipt Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation, shall forthwith appoint a new subscription receipt agent, unless a new subscription receipt agent has already been appointed by the Receiptholders; failing such appointment by the Corporation, the retiring Subscription Receipt Agent or any Receiptholder may apply to a justice of the Court on such notice as such justice may direct, for the appointment of a new subscription receipt agent; but any new subscription receipt agent so appointed by the Corporation, or by the Court shall be subject to removal as aforesaid by the Receiptholders. Any new subscription receipt agent appointed under any provision of this Section 10.7 shall be a corporation authorized to carry on the business of a trust company in one or more of the provinces of Canada and, if required by the applicable legislation for any other provinces, in such other provinces. On any such appointment the new subscription receipt agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent hereunder. At the request of the Corporation or the new Subscription Receipt Agent, the retiring Subscription Receipt Agent, upon payment of the amounts, if any, due to it pursuant to Section 6.3, shall duly assign, transfer and deliver to the new Subscription Receipt Agent all property and money held and all records kept by the retiring Subscription Receipt Agent hereunder or in connection herewith.
- (b) Upon the appointment of a successor subscription receipt agent, the Corporation shall promptly notify the Receiptholders thereof in the manner provided for in Article 11.
- (c) Any corporation into which the Subscription Receipt Agent is amalgamated or with which it is consolidated or to which all or substantially all of its transfer agency business is sold or is otherwise transferred or any corporation resulting from any consolidation or amalgamation to which the Subscription Receipt Agent is a party shall become the successor Subscription Receipt Agent under this Agreement, without the execution of any document or any further act; provided that such corporation would be eligible for appointment as a successor subscription receipt agent under Section 10.7(a).
- (d) Any Subscription Receipt Certificate certified or otherwise Authenticated but not delivered by a predecessor subscription receipt agent may be delivered by the successor subscription receipt agent in the name of the predecessor or successor subscription receipt agent. In case at any time the name of the Subscription Receipt Agent is changed and at such time any of the Subscription Receipt Certificates have been countersigned but not delivered, the Subscription Receipt Agent may adopt the countersignature under its prior name and deliver Subscription Receipt Certificates so countersigned; and in case at that time any of the Subscription Receipt Certificates have not been countersigned, the Subscription Receipt Agent may countersign such Subscription Receipt Certificates either in its prior name or in its changed name; and in all such cases such Subscription Receipt Certificates will have the full force provided in the Subscription Receipt Certificates and in this Agreement.

10.8 Conflict of Interest

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

approved by the Corporation and meeting the requirements set forth in Section 10.7(a). Notwithstanding the foregoing provisions of this Section 10.8(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.

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

10.9 Acceptance of Appointment

The Subscription Receipt Agent hereby accepts the appointment as subscription receipt agent in this Agreement and agrees to perform its duties hereunder upon the terms and conditions herein set forth.

10.10 Subscription Receipt Agent Not to be Appointed Receiver

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

10.11 Anti-Money Laundering and Anti-Terrorist Legislation

The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist 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 or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten days' written notice to the Corporation, provided that (a) the Subscription Receipt Agents' written notice shall describe the circumstances of such non-compliance; and (b) if such circumstances are rectified to the Subscription Receipt Agents' satisfaction within such ten day period, then such resignation shall not be effective.

10.12 Privacy Laws

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

10.13 Force Majeure

The Subscription Receipt Agent shall not be personally liable to the other parties to this Agreement, 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.

10.14 Third Party Interests

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

ARTICLE 11 GENERAL

11.1 Notice to the Corporation and Subscription Receipt Agent

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Subscription Receipt Agent shall be deemed to be validly given if delivered by hand courier or if transmitted by email:

(i) if to the Corporation:

Earl Resources Limited
Suite 390, 1050 Homer Street
Vancouver, British Columbia V6B 2W9

Attention: Chris Colborne, Chief Executive Officer
E-mail: ccolborne@cutterresources.ca

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

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 – 3rd Avenue SW
Calgary, Alberta T2P 0R3

Attention: Ravi Latour
Email: rlatour@blg.com

(ii) if to the Subscription Receipt Agent:

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

Attention: VP, Corporate Trust
Email: dsander@odysseytrust.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if emailed on the day of transmission or, if such day is not a Business Day, on the first Business Day following the day of transmission.

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

11.2 Notice to Receipholders

- (a) Any notice to the Receipholders under the provisions of this Agreement shall be valid and effective if delivered or sent by letter or circular through the ordinary post addressed to such Receipholders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five (5) Business Days following actual posting of the notice.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Receipholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Receipholders or if delivered to the address for such Receipholders contained in the register of Subscription Receipts maintained by the Subscription Receipt Agent.

11.3 Ownership and Transfer of Subscription Receipts

The Corporation and the Subscription Receipt Agent may deem and treat the registered owner of any Subscription Receipt or, in the case of a transferee who has surrendered a Subscription Receipt Certificate in accordance with and as contemplated in Section 2.14, such transferee, as the absolute owner of the Subscription Receipt represented thereby for all purposes, and the Corporation and the Subscription Receipt Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Receipholder shall be entitled to the rights evidenced by such Subscription Receipt free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such Receipholder for the Earl Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Subscription Receipt Agent for the same and neither the Corporation nor the Subscription Receipt Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction.

11.4 Evidence of Ownership

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

signing acknowledged to him the execution thereof, or (iii) a statutory declaration of a witness of such execution.

11.5 Satisfaction and Discharge of Agreement

Upon the earliest of:

- (a) the issue of certificates representing the Earl Shares and the payment of all monies required as provided in Section 3.1(b)(i); or
- (b) the payment of all monies required upon the occurrence of the Termination Time;

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

11.6 Provisions of Agreement and Subscription Receipts for the Sole Benefit of Parties and Receiptholders

Nothing in this Agreement or in the Subscription Receipt Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto, the Receiptholders and the transferees of Subscription Receipts as contemplated in Section 2.14, as the case may be, any legal or equitable right, remedy or claim under this Agreement, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto, the Receiptholders and such transferees.

11.7 Effect of Execution

Notwithstanding any provision of this Agreement, should any Subscription Receipt Certificates be issued and certified in accordance with the terms hereof prior to the actual time of execution of this Agreement by the Corporation and the Subscription Receipt Agent, any such Subscription Receipt Certificates shall be void and of no value and effect until such actual execution.

11.8 Time of Essence

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

11.9 Counterparts

This Agreement may be executed and delivered in counterparts, each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. This Agreement may be executed by facsimile, pdf or other electronic means, and any signature contained hereon by facsimile, pdf or other electronic means shall be deemed to be equivalent to an original signature for all purposes.

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

EARL RESOURCES LIMITED

Per: (Signed) "Chris Colborne"
Name: Chris Colborne
Title: Interim Chief Executive Officer, Director

ODYSSEY TRUST COMPANY

Per: (Signed) "Dan Sander"
Name: Dan Sander
Title: President, Corporate Trust

Per: (Signed) "Amy Douglas"
Name: Amy Douglas
Title: Director, Corporate Trust

SCHEDULE "A"

FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER MAY 30, 2022.

EARL RESOURCES LIMITED

(a corporation organized pursuant to the laws of the Province of British Columbia)

Number: SR-___

THIS IS TO CERTIFY THAT [Name] (the "holder") is the registered holder of _____ Subscription Receipts represented hereby.

The Subscription Receipts represented by this Subscription Receipt certificate ("**Certificate**") are issued pursuant to a Subscription Receipt Agreement (the "**Agreement**") dated May 30, 2022 between Earl Resources Limited (the "**Corporation**") and Odyssey Trust Company (the "**Subscription Receipt Agent**").

Capitalized terms used in the Agreement have the same meaning herein as therein, unless otherwise defined.

Each Subscription Receipt entitles the holder, without payment of additional consideration or further action, if the Satisfaction Date occurs on or before the Deadline, to receive one Earl Share for each Subscription Receipt held. If the Termination Time occurs, the subscription for Earl Shares represented by each Subscription Receipt shall be automatically terminated and cancelled and the Subscription Receipts evidenced by this Certificate shall be null and void and the holder is entitled to receive an amount equal to the sum of the Subscription Price in respect of the holder's Subscription Receipts and the holder's *pro rata* entitlement of the Earned Interest, all in the manner and on the terms and conditions set out in the Agreement.

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

The holding of the Subscription Receipts evidenced by this Certificate shall not constitute the holder hereof a Shareholder or entitle such holder to any right or interest in respect thereof except as herein and in the Agreement expressly provided.

The Agreement contains provisions making binding upon all Receiptholders outstanding by instruments in writing signed by a specified majority of the Receiptholders.

The Subscription Receipts evidenced by this Certificate may be transferred on the register kept at the offices of the Subscription Receipt Agent by the registered holder hereof or his legal representatives or his attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent, only upon payment of the charges provided for in the Agreement and upon compliance with the Agreement and such reasonable requirements as the Subscription Receipt Agent may prescribe. The transfer register shall be closed at 5:00 p.m. (Calgary time) on the earlier to occur of the Satisfaction Date and the Termination Date (subject to settlement).

Certificates for the Earl Shares issuable pursuant to the Subscription Receipts evidenced by this Certificate and all certificates issued in exchange for or in substitution of such certificates may bear a legend restricting transfer under

applicable securities laws as set forth in the form above until the legend is no longer required under applicable securities laws.

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

This Certificate may be electronically signed by an authorized representative of the Company and will be deemed to be an original and will constitute one and the same instrument.

Time shall be of the essence hereof. This Certificate is governed by the laws of British Columbia and the laws of Canada applicable therein.

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized representative of Earl Resources Limited as of May ____, 2022.

EARL RESOURCES LIMITED

Per: _____

Countersigned by:

ODYSSEY TRUST COMPANY as Subscription
Receipt Agent

Per: _____

Dated: _____, 2022.

SCHEDULE "B"

IRREVOCABLE DIRECTION

TO: ODYSSEY TRUST COMPANY

This Irrevocable Direction is being provided pursuant to Section 3.1(a) of the Subscription Receipt Agreement (the "**Agreement**") dated May 30, 2022 between Earl Resources Limited (the "**Corporation**") and Odyssey Trust Company (the "**Subscription Receipt Agent**"). Capitalized terms used in the Agreement have the same meaning herein as therein, unless otherwise defined.

The Corporation hereby confirms that all conditions, undertakings and other matters to be satisfied, completed and otherwise met have been satisfied, completed, waived or otherwise met, other than the release of the Escrowed Funds.

Accordingly, the Subscription Receipt Agent is hereby irrevocably directed and authorized, in its capacity as registrar and transfer agent of the Earl Shares and in its capacity as subscription receipt agent under the Agreement:

- (a) to retain an amount equal to its outstanding fees and expenses;
- (b) to release to the Corporation, the Released Amount; and
- (c) to issue on behalf of the Corporation, [●] fully paid and non-assessable Earl Shares to the person or persons to whom such Earl Shares are to be issued in accordance with and pursuant to the terms of the Subscription Receipt Agreement and the Subscription Receipt Certificates. Such Earl Shares shall be deemed to be delivered to the Receiptholders in accordance with the terms of the Agreement.

The foregoing direction is irrevocable and shall constitute your good and sufficient authority for taking such actions as directed above.

DATED _____, 2022.

EARL RESOURCES LIMITED

Per: _____
Name:
Title: