

**ANTHONY CLARK INTERNATIONAL
INSURANCE BROKERS LTD.**

Special Warrant Indenture

Dated May 15, 2000

Gowling, Strathy & Henderson

SPECIAL WARRANT INDENTURE

THIS SPECIAL WARRANT INDENTURE made as of May 15, 2000

BETWEEN:

ANTHONY CLARK INTERNATIONAL INSURANCE BROKERS LTD., an Alberta corporation having an office at Suite 355, 10333 Southport Road S.W., Calgary, Alberta T2W 3X6;

(the "Company")

OF THE FIRST PART

AND:

CIBC MELLON TRUST COMPANY, a trust company incorporated pursuant to the laws of Canada and having an office at Suite 600, The Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1;

(the "Warrant Agent")

OF THE SECOND PART

WHEREAS the Company has created and proposes to issue Special Warrants to be constituted and issued in the manner herein set forth;

AND WHEREAS the Company, under the laws relating thereto, is authorized to issue the Special Warrants;

AND WHEREAS the Company represents to the Warrant Agent that all necessary resolutions of the directors of the Company have been or will be duly enacted, passed or confirmed and all other proceedings taken and conditions complied with to authorize the execution, issue and delivery of the Special Warrants and to make the same legal, valid and binding on the Company in accordance with the laws relating to the Company and to approve and confirm the terms and conditions of this Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Company and not by the Warrant Agent;

AND WHEREAS the Warrant Agent has agreed to act as agent on behalf of the Special Warranholders on the terms and conditions set forth herein.

NOW THEREFORE THIS INDENTURE WITNESSES THAT, in consideration of the premises and in further consideration of the mutual covenants herein set forth, the Company hereby appoints the Warrant Agent as agent for the Special Warranholders, to hold all rights, interests and benefits contained herein for and on behalf of those persons who become Special Warranholders from time to time issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Indenture and the Special Warrant Certificate (unless there is something in the subject matter or context inconsistent therewith):

- (a) **"Agency Agreement"** means the agreement to be entered into between the Company and the Agent;
- (b) **"Agent"** means Roche Securities Limited;
- (c) **"Applicable Legislation"** means the provisions, if any, for the time being, of any statute of Canada or a province thereof, and of the regulations under such statute, relating to trust indentures and to the rights, duties and obligations of corporations and trustees under trust indentures, and of corporations issuing their securities under trust indentures, to the extent that any such provisions are in force and applicable to this Indenture;
- (d) **"Business Day"** means a day which is not Saturday or Sunday or a legal holiday in the Province of Alberta;
- (e) **"Clearance Condition"** means the Clearance Date occurring on or before the Qualification Deadline;
- (f) **"Clearance Date"** means the day on which a receipt is issued for the final Prospectus by the last of the Commissions;
- (g) **"Closing Date"** means May 15, 2000, or such date as the Company and the Agent may agree in writing with notice of such agreement provided to the Warrant Agent;
- (h) **"Company"** means Anthony Clark International Insurance Brokers Ltd. and its legal successors from time to time;
- (i) **"Commissions"** means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission;
- (j) **"Common Share"** means a fully paid and non-assessable common share without par value in the capital of the Company as such capital is presently constituted;
- (k) **"Company's auditors"** means the firm of accountants appointed by the shareholders of the Company and serving as the auditors of the Company at the relevant time;
- (l) **"Current Market Price"** of a Common Share at any date means the price per share equal to the weighted average price at which the Common Shares have traded during any 30 consecutive Trading Days selected by the Company, commencing not more than 45 Trading Days and ending not less than five days before such date, on The Toronto Stock Exchange or, if the Common Shares are not listed thereon, on any stock exchange on which such shares are listed as may be selected for such purpose by the directors or, if such shares are not listed on any stock exchange, then on such over-the-counter market in Canada as may be selected for such purpose by the directors. The weighted average price per share shall be determined by dividing the aggregate sale price of all such shares sold on the aforementioned exchange or

market, as the case may be, during the aforementioned 30 consecutive Trading Days by the total number of such shares so sold;

- (m) "**Deemed Exercise Date**" means, with respect to any Special Warrant deemed to have been exercised by the holder thereof pursuant to section 5.3, the date on which the Special Warrant is deemed to have been exercised as provided in such subsection;
- (n) "**director**" means a director of the Company for the time being and reference to action by the directors means action by the directors of the Company as a board or, whenever duly empowered, action by a committee of the board;
- (o) "**Dividends paid in the Ordinary Course**" means such dividends payable in cash (or in securities, property or assets of equivalent value) declared payable on a Common Share in any fiscal year of the Company to the extent that such dividends in the aggregate do not exceed in amount or value the greater of:
 - (i) 200% of the aggregate amount or value of the dividends declared payable by the Company on the Common Shares in the period of 12 consecutive months ended immediately prior to the first day of such fiscal year; and
 - (ii) 100% of the consolidated net earnings of the Company, before extraordinary items and after dividends paid on any and all preferred shares of the Company (if any) for the period of 12 consecutive months ended immediately prior to the first day of such fiscal year (such consolidated net earnings to be as shown in the audited consolidated financial statements of the Company for such 12 month period or, if there are no audited financial statements in respect of such period, computed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the most recent audited consolidated financial statements of the Company);

and for such purposes the amount of any dividends paid in other than cash or shares shall be the fair market value of such dividends as determined by the directors;

- (p) "**Expiry Date**" means the earlier of:
 - (i) the date which is 12 months after the Closing Date; and
 - (ii) the fifth Business Day after the Clearance Date;
- (q) "**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;
- (r) "**Indenture**", "**herein**", "**hereto**", "**hereunder**", "**hereof**", "**hereby**" and similar expressions mean or refer to this Indenture and not to any particular Article, Section, Subsection, paragraph, clause, subdivision or portion hereof and include any indenture, deed or instrument supplemental or ancillary hereto; and the expressions "**Article**", "**Section**", "**Subsection**" and "**paragraph**" followed by a number mean and refer to the specified Article, Section, Subsection or paragraph of this Indenture;
- (s) "**Prospectus**" means a final prospectus of the Company filed with the Commissions by the Company which qualifies the issuance in the Qualifying Jurisdictions of the Units pursuant to the exercise of the Special Warrants;
- (t) "**Purchase Price**" means \$5.70 per Special Warrant;

- (u) **"Qualification Deadline"** means 5:00 p.m. (Toronto time) on the 120th day following the Closing Date or such later date as may be specified by the Agent to the Company and the Warrant Agent;
- (v) **"Qualifying Jurisdictions"** means the Provinces of British Columbia, Alberta and Ontario;
- (w) **"Share"** means a previously unissued Common Share comprised in a Unit, issued to a Special Warrantholder upon exercise of a Special Warrant;
- (x) **"Special Warrant"** means a Special Warrant created by the Company and issued for a purchase price of \$5.70 each, and entitling the holder to acquire, upon exercise, without further payment, a Unit consisting of one Share and one-half of one Warrant, subject to adjustment in accordance with this Indenture;
- (y) **"Special Warrant Certificate"** means a certificate evidencing one or more Special Warrants issuable hereunder, substantially in the form attached hereto as Schedule "A";
- (z) **"Special Warrantholder"** means the registered holder of an outstanding Special Warrant except where otherwise specified herein;
- (aa) **"Trading Days"** means any day on which the facilities of The Toronto Stock Exchange, or, if the Common Shares are not listed thereon, the facilities of any stock exchange on which the Common Shares are listed are open for trading;
- (bb) **"Unit"** means one Share and one-half of one Warrant, issued on exercise of each Special Warrant;
- (cc) **"U.S. Person" and "United States"** have the meanings ascribed thereto in Regulation "S" under the 1933 Act as set out on Schedule "B";
- (dd) **"Warrant"** means a share purchase warrant of the Company, each whole Warrant entitles the holder to purchase a Warrant Share at a price of \$6.70 per Warrant Share for a period of 18 months following the Closing Date and having the terms and conditions described in the Warrant Indenture and Warrant Certificate;
- (ee) **"Warrant Agent"** means the Company's registrar and transfer agent, CIBC Mellon Trust Company having an office at Suite 600, The Dome Tower, 333 - 7th Avenue, S.W., Calgary, Alberta T2P 2Z1;
- (ff) **"Warrant Certificate"** means a certificate evidencing one or more Warrants issuable on exercise of one or more Special Warrants, substantially in the form attached as Schedule "C";
- (gg) **"Warrant Indenture"** means that certain share purchase warrant indenture dated May 15, 2000 between the Company and the Warrant Agent pursuant to which the Warrants are to be issued;
- (hh) **"Warrant Share"** means a previously unissued Common Share issued pursuant to the exercise of a Warrant;
- (ii) **"written order of the Company"** means a written order, request, consent and certificate or other document signed in the name of the Company by any director or officer of the Company and may consist of one or more instruments so executed; and
- (jj) **"1933 Act"** means the United States Securities Act of 1933, as amended.

1.2 Headings

The division of this Indenture into Articles, Sections, Subsections or other subdivisions, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or the Special Warrants.

1.3 Gender

Words importing the singular number also include the plural and vice versa and words importing the masculine gender include the feminine gender.

1.4 Weekends and Holidays

If the date for the taking of any action under this Indenture expires on a Saturday, Sunday or a legal holiday in the Province of Alberta, such action may be taken on the next succeeding Business Day with the same force and effect as if taken within the period for the taking of such action.

1.5 Meaning of "Outstanding"

Every Special Warrant represented by a Special Warrant Certificate countersigned by the Warrant Agent and delivered to the holder is deemed to be outstanding until it is cancelled or delivered to the Warrant Agent for cancellation or until the Expiry Time. Where a new Special Warrant Certificate has been issued pursuant to Section 2.6 to replace one which has been mutilated, lost, stolen or destroyed, the Special Warrants represented by only one of such Special Warrant Certificates are counted for the purpose of determining the aggregate number of Special Warrants outstanding.

1.6 Time

Time is of the essence hereof and of the Special Warrant Certificate.

1.7 Applicable Law

This Indenture and the Special Warrant Certificate are subject to and construed in accordance with the laws of the Province of Alberta. The parties hereto shall submit to the jurisdiction of the Courts in the Province of Alberta. The parties agree that any litigation between the parties which arises pursuant to or in connection with this Indenture, or any of its provisions, shall be referred to the Courts in the Province of Alberta and shall not be referred to the Courts in any other jurisdiction.

1.8 Date of Issue

A receipt for a Prospectus shall be conclusively deemed to be issued and obtained by the Company on the date appearing on such receipt as the receipt's date.

1.9 Currency

A reference to currency means Canadian currency unless specifically indicated otherwise.

ARTICLE 2
ISSUE AND PURCHASE OF SPECIAL WARRANTS

2.1 Creation, Form and Terms of Special Warrants

- (a) The Company hereby creates and authorizes for issuance up to 1,580,000 Special Warrants at a price of \$5.70 per Special Warrant entitling Special Warrant holders to acquire one Unit, and, subject to adjustment, the one Share and one-half of one Warrant comprised therein, for each Special Warrant. The Special Warrant Certificates shall be certified and delivered by, or

on behalf of, the Warrant Agent to such persons as the Company may direct by written order of the Company without the Warrant Agent receiving consideration therefor.

- (b) Subject to the provisions hereof, the Special Warrants issued under this Indenture are limited in the aggregate to 1,580,000 Special Warrants and each Special Warrant entitles the holder thereof to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one Unit, consisting of one Share and one-half of one Warrant, provided that the number of Units receivable on exercise of a Special Warrant is subject to increase or decrease so as to give effect to the adjustments required by Article 4.
- (c) The Special Warrants are issued in registered form and the Special Warrant Certificates are substantially in the form set out or referred to in Schedule "A" hereto with, subject to the provisions of this Indenture, such additions, variations, or omissions as may from time to time be agreed upon between the Company and the Special Warranholders and are numbered in such manner and shall contain such legends as the Company may prescribe. All Special Warrants are, save as to denominations, of like tenor and effect. The Special Warrant Certificates may with the approval of the Warrant Agent be engraved, printed, lithographed, or partly in one form and partly in another, as the Company may determine. No change in the form of the Special Warrant Certificates is required by reason of any adjustment made pursuant to Article 4 hereof in the number of Units which may be acquired pursuant to the exercise of the Special Warrants.
- (d) All Special Warrant Certificates will have the following legends endorsed thereon, and until such time as the Company advises the Warrant Agent in writing that it is no longer required under the applicable requirements of the 1933 Act or applicable state laws, all certificates representing the Special Warrants and all certificates issued in exchange therefor or in substitution thereof, shall bear, on the face of such certificates, the following legends:

"THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE 1933 ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE 1933 ACT."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN BRITISH COLUMBIA UNTIL 12:00 a.m. (Midnight) MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (BRITISH COLUMBIA) AND REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THE CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN ALBERTA UNTIL MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (ALBERTA) AND THE REGULATIONS MADE THEREUNDER."

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD IN CERTAIN PROVINCES AND MAY NOT BE TRADED IN THOSE PROVINCES DURING THAT PERIOD EXCEPT AS PERMITTED BY THE APPLICABLE SECURITIES LAWS."

2.2 Transferability and Ownership of Special Warrants

- (a) The Company shall cause the Warrant Agent to keep at its Calgary office set forth in Section 1.1 a register in which the Warrant Agent shall enter the names and addresses of the Special Warranholders and particulars of the Special Warrants held by them. The Warrant Agent shall cause the register to be open at all reasonable times for inspection by the Company, the Agent and any Special Warranholder.

- (b) Except as otherwise set forth in this Section 2.2, the Special Warrants are transferable.
- (c) If the Special Warrant Certificate tendered for transfer bears the legend set forth in Section 2.1(d) hereof, the Warrant Agent shall not issue or register Special Warrant Certificate for the Special Warrants represented thereby in the name of or for the benefit of the transferee unless it receives direction from the Company indicating that it is satisfied that the conditions set forth in the legend on the certificate are met. Special Warrants may not be transferred to a person in the United States or a U.S. Person less an exemption from registration under the 1933 Act and the Company receives evidence satisfactory to the availability of the exemption. If the transferee is in the United States, the Special Warrant Certificate issued to such transferee shall be over printed with a legend as the Company may advise the Warrant Agent and the requirements of Section 5.9 and 5.10 hereof relating to the legending of the Common Shares and Warrants upon exercise of the Special Warrants shall also apply, unless the Company receive an opinion of counsel in form and substance satisfactory to it that no legend is required.
- (d) A person who furnishes evidence that he is, to the reasonable satisfaction of the Warrant Agent:
 - (i) the executor, administrator, heir or legal representative of the heirs of the estate of a deceased Special Warrantholder;
 - (ii) a guardian, committee, trustee, curator or tutor representing a Special Warrantholder who is an infant, an incompetent person or a missing person;
 - (iii) a liquidator or, or a trustee in bankruptcy for, a Special Warrantholder,may, as hereinafter stated, by surrendering such evidence together with the Special Warrant Certificate in question to the Warrant Agent (by delivery or mail as set forth in Section 10.1 hereof), and subject to such reasonable requirements as the Warrant Agent or the Company may prescribe and all applicable securities legislation and requirements of regulatory authorities, become noted upon the register of Special Warrantholders. After receiving the surrendered Special Warrant Certificate and upon the person surrendering the Special Warrant Certificate, meeting the requirements as hereinbefore set forth, the Warrant Agent shall as soon as practicable give written notice thereof together with confirmation as to the identity of the person entitled to become the holder to the Company. Forthwith after receiving written notice from the Warrant Agent as aforesaid the Company shall, in accordance with the provisions of Section 2.6 hereof, cause a new Special Warrant Certificate to be issued and sent to the new holder and the Warrant Agent shall alter its register of holders accordingly.
- (e) The Company and the Warrant Agent shall deem and treat the registered holder of any Special Warrant as the absolute legal and beneficial owner thereof for all purposes and neither the Company nor the Warrant Agent is affected by any notice to the contrary. The Company and the Warrant Agent shall be protected in deeming and treating the registered holder as the absolute holder hereunder.
- (f) Subject to the provisions of this Indenture and applicable law, the registered Special Warrantholder is entitled to the rights and privileges attaching to the Special Warrants, and the issue of Units by the Company on exercise of Special Warrants by any Special Warrantholder thereof in accordance with the terms and conditions herein contained discharges all responsibilities of the Company and the Warrant Agent with respect to such Special Warrants and neither the Company nor the Warrant Agent is bound to inquire into the title of any such registered holder.

- (g) The Special Warrants may not be offered, sold or transferred in the United States or to or for the account or benefit of a person in the United States or person or a U.S. Person unless an exemption from registration under the 1933 Act and applicable state securities laws is available and the Special Warrantholder has presented to the Company evidence of the availability of the exemptions satisfactory to the Company.
- (h) Notwithstanding the provisions of this subsection 2.2, an Agent shall be entitled to be entered on any one of the registers as the holder of Special Warrants evidenced by a particular Special Warrant Certificate upon delivery by that Agent and the Company to the Warrant Agent of:
 - (i) the particular Special Warrant Certificate; and
 - (ii) a certificate of that Agent to the effect that the purchaser of the Special Warrants evidenced by the particular Special Warrant Certificate has declined or refused to accept delivery of, and make payment for, the Special Warrants evidenced by the particular Special Warrant Certificate in accordance with the subscription or purchase agreement between such purchaser and the Company and a director of the Company outlining the changes in registration to be made.

2.3 Special Warrantholders Not Shareholders

A Special Warrantholder is not deemed or regarded as a shareholder of the Company nor is such Special Warrantholder entitled to any right or interest except as is expressly provided in this Indenture and in the Special Warrant Certificates.

2.4 Signing of Special Warrants

Any one director or officer of the Company shall sign the Special Warrant Certificates either manually or by facsimile signature. A facsimile signature upon any Special Warrant Certificate is for all purposes hereof, deemed to be the signature of the person whose signature it purports to be and to have been signed at the time such facsimile signature is reproduced. If a person whose signature, either manually or in facsimile, appears on a Special Warrant Certificate is not a director or officer of the Company at the date of this Indenture or at the date of the countersigning and delivery of such Special Warrant Certificate, such fact does not, subject to Section 2.5, affect in any way the validity of the Special Warrants or the entitlement of the Special Warrantholder to the benefits of this Indenture or of the Special Warrant Certificate.

2.5 Countersigning

No Special Warrant Certificate shall be issued, or if issued, is valid or exercisable or entitles the holder thereof to the benefits of this Indenture until the Special Warrant Certificate has been manually countersigned by the Warrant Agent. The countersignature by or on behalf of the Warrant Agent on any Special Warrant Certificate is not construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of the Special Warrants, except the due certification thereof, or as to the performance by the Company of its obligations under this Indenture and the Warrant Agent is in no way liable or answerable for the use made of the Special Warrants or proceeds therefrom except as specified by this Indenture. The countersignature of the Warrant Agent is, however, a representation and warranty of the Warrant Agent that the Special Warrant Certificate has been duly countersigned by or on behalf of the Warrant Agent pursuant to the provisions of this Indenture.

2.6 Loss, Mutilation, Destruction or Theft of Special Warrants

- (a) In case any of the Special Warrant Certificates issued and countersigned hereunder is mutilated or lost, destroyed or stolen, the Company, in its discretion, may issue and deliver a new Special Warrant Certificate of like date and tenor in exchange for and in place of the one

mutilated, lost, destroyed or stolen and upon surrender and cancellation of such mutilated Special Warrant Certificate or in lieu of and in substitution for such lost, destroyed or stolen Special Warrant Certificate and the substituted Special Warrant Certificate entitles the holder thereof to the benefits hereof and ranks equally in accordance with its terms with all other Special Warrants issued hereunder.

- (b) The Special Warrantholder applying for the issue of a new Special Warrant Certificate pursuant to this Section shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company and Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Special Warrant Certificate so lost, destroyed or stolen as is satisfactory to the Company and the Warrant Agent such evidence in their discretion. The Company and the Warrant Agent shall require such applicant to furnish an indemnity and surety bond in amount and form satisfactory to the Company and the Warrant Agent in their discretion, and the applicant shall pay the reasonable charges of the Company and the Warrant Agent in connection therewith.

2.7 Exchange of Special Warrants

A Special Warrantholder may at any time prior to the Expiry Time, by written instruction delivered to the Warrant Agent at the office set forth in Section 1.1, exchange his Special Warrant Certificates for Special Warrant Certificates evidencing Special Warrants in other denominations entitling the Special Warrantholder to acquire in the aggregate the same number of Units as it was entitled under the Special Warrant Certificates so surrendered, in which case the Warrant Agent may make a charge sufficient to reimburse it for any government fees or charges required to be paid and an additional reasonable charge for every Special Warrant Certificate issued upon exchange. The Special Warrantholder surrendering such Special Warrant Certificate shall bear such fee and charge. Payment of the charges is a condition precedent to the exchange of the Special Warrant Certificate. The Company shall sign and the Warrant Agent shall countersign all Special Warrant Certificates necessary to carry out exchanges as aforesaid.

2.8 Purchase of Special Warrants for Cancellation

Subject to applicable law, the Company may, at any time or from time to time, purchase all or any of the Special Warrants in the market, by private contract or otherwise on such terms as the Company may determine.

2.9 Recognition of Registered Holder

The Company and the Warrant Agent may deem and treat the registered holder of any Special Warrant Certificate as the absolute owner of the Special Warrants represented thereby for all purposes, and the Company and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Company or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Special Warrantholder shall be entitled to the rights evidenced by such Special Warrant free from all equities or rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Special Warrantholder of Shares upon the exercise thereof shall be a good discharge to the Company and the Warrant Agent for the same and neither the Company nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Company or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

2.10 Cancellation of Surrendered Special Warrants

All Special Warrant Certificates rendered pursuant to Sections 2.2, 2.6, 2.7 and 2.8 shall be returned to the Warrant Agent for cancellation and, after the expiry of any period of retention prescribed by law, and in accordance with the Warrant Agent's ordinary business practices destroyed by the Warrant Agent. Upon request by the Company, the Warrant Agent furnish to the Company a destruction certificate

identifying in the Special Warrant Certificates so destroyed, the number of Special Warrants evidenced thereby, the number of Shares, if any, issued pursuant to such Special Warrants and details of any Special Warrant Certificates issued in substitution or exchange for such Special Warrant Certificates destroyed.

2.11 Assumption by Transferee and Release of Transferor

Upon becoming a Special Warrantholder in accordance with provisions of this Indenture, the transferee thereof shall be deemed to have acknowledged and agreed to be bound by this Indenture. Upon registration of such transferee as the Special Warrantholder of a Special Warrant, the transferor shall cease to have any further rights under this Indenture with respect to such Special Warrant or the Shares and Warrants issuable in respect thereof.

2.12 Special Warrants to Rank *Pari Passu*

All Special Warrants shall rank equally and without preference over each other, whatever may be the actual date of issuance thereof.

2.13 Expiration of Special Warrants

At the Expiry Time all rights under the Special Warrants that for any reason have not been exercised will wholly cease and terminate and the Special Warrant Certificate therefor will be void and of no value.

ARTICLE 3
COVENANTS OF THE COMPANY

The Company represents, warrants, covenants and agrees with the Special Warrantholders and the Warrant Agent as follows:

3.1 To Issue Special Warrants and Reserve Shares and Warrant Shares

That it is duly authorized to create and issue the Special Warrants and that the Special Warrants, when issued and countersigned by the Warrant Agent will be valid and enforceable against the Company and that, subject to the provisions of this Indenture, the Company shall cause the Units from time to time acquired pursuant to the exercise of Special Warrants and the certificates representing the securities which constitute such Units, to be duly issued and delivered in accordance with the Special Warrant Certificates and the terms hereof without payment of additional consideration to the Special Warrantholders. The Company also represents and warrants that it is duly authorized to create and issue the Warrants and that the Warrants when issued and countersigned by the Warrant Agent will be valid and enforceable against the Company, subject to and in accordance with the terms and conditions governing the Warrants as contained in the Warrant Indenture. At all times while any of the Special Warrants are outstanding, the Company shall reserve and allot out of its authorized capital a number of Common Shares sufficient to enable the Company to meet its obligation to issue Shares in respect of the exercise of all Special Warrants and Warrant Shares in respect of the exercise of Warrants outstanding from time to time. All Shares acquired pursuant to the exercise of the Special Warrants and all Warrant Shares acquired pursuant to the exercise of the Warrants shall be fully paid and non-assessable.

3.2 To Execute Further Assurances

That it shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as may reasonably be required for the better accomplishing and effecting of the intentions and provisions of this Indenture.

3.3 To Carry On Business

That subject to the express provisions hereof, it shall carry on and conduct and shall cause to be carried on and conducted its business in the same manner as heretofore carried on and conducted, provided, however, that the Company may cease to operate or may dispose of any business, premises, property, assets or operation if in the opinion of the directors or officers of the Company, it would be advisable and in the best interests of the Company to do so; and subject to the express provisions hereof, it shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence or the corporate existence of any successor Company, provided, however, that (subject to Article 4 hereof) nothing herein contained shall prevent the amalgamation, consolidation, merger, sale, winding-up or liquidation of the Company or the abandonment of any rights and franchises of the Company if, in the opinion of the directors or officers of the Company, it is advisable and in the best interest of the Company to do so.

3.4 Reporting Issuer

That the Company is presently a reporting issuer in British Columbia, Ontario and Alberta and the Company is not in default of any requirements of the Applicable Legislation in those Provinces.

3.5 Filing Prospectus

That following the issuance of Special Warrants to Special Warrantheolders hereunder, the Company shall file a preliminary prospectus in the Qualifying Jurisdictions and the Company shall:

- (a) incorporate the qualification of the Units, and the Shares and Warrants comprised therein, to be issued on the exercise of the Special Warrants into such preliminary prospectus;
- (b) file such preliminary prospectus with the Commissions as expeditiously as reasonably practicable after the Closing Date; and
- (c) resolve as soon as reasonably practicable any regulatory deficiencies in respect of such preliminary prospectus on a basis acceptable to the Agent, acting reasonably, and as soon as reasonably practicable after such deficiencies have been resolved or satisfied, prepare and file the Prospectus and use its best efforts to obtain a receipt for the Prospectus from the Commissions in the Qualifying Jurisdictions on or before the Qualification Deadline and take all other reasonable steps and proceedings that may be necessary;

in order to qualify the issuance in the Qualifying Jurisdictions of the Units, and the Shares and Warrants comprised therein, to the Special Warrantheolders so that the resale of the Shares and Warrants issuable upon exercise of the Special Warrants and the Warrant Shares issuable upon exercise of the Warrants will not be subject to the prospectus requirements nor any "hold period" under applicable securities legislation in the Qualifying Jurisdictions, as soon as possible and, in no event, later than the Qualification Deadline.

If the Clearance Date does not occur on or before the Qualification Deadline, the Company shall use its reasonable best effort to qualify the issuance in the Qualifying Jurisdictions of the Units, and the Shares and Warrants comprised therein, to the Special Warrantheolders as soon as practicable thereafter.

3.6 Notice of Prospectus to Warrant Agent and Agent

That upon the issuance of a final receipt for the Prospectus by the Commissions as contemplated in Section 3.5, on or before the Expiry Date, the Company shall forthwith, and in any event not later than the second Business Day thereafter:

- (a) give written notice to the Warrant Agent, to each holder of Special Warrants and to the Agent of the issuance of the receipts referred to in Section 3.5(c) specifying the date on which the Special Warrants will be deemed exercised;
- (b) deliver copies of all such receipts to the Warrant Agent, each holder of the Special Warrants and the Agent, together with a copy of the Prospectus; and
- (c) provide written confirmation to the Warrant Agent of any adjustment that has been made pursuant to Article 4.

3.7 Notice of Default

If the Company fails to obtain a final receipt for the Prospectus by the Commission on or before the Qualification Deadline the Company shall forthwith give written notice to the Warrant Agent and the Agent.

3.8 Securities Qualification Requirements

That if any instrument is required to be filed with or any permission is required to be obtained from any securities regulatory authority or any other step is required under any federal or provincial law of British Columbia, Alberta or Ontario before any securities or property which a Special Warrant holder is entitled to receive pursuant to the exercise of a Special Warrant may properly and legally be delivered upon the due exercise of a Special Warrant, the Company covenants that it shall use its best efforts to take all such action, at its expense, as is required or appropriate in the circumstances.

3.9 Maintain the Listing of Common Shares

That the Company will use its best efforts to maintain the listing of the Common Shares which are outstanding on The Toronto Stock Exchange and to ensure that the Shares and Warrant Shares will be listed and posted for trading on such exchange simultaneously with or as soon as possible following their issue.

3.10 Financial Statements

That the Company will send to each Special Warrant holder copies of all financial statements and other materials furnished to holders of Common Shares after the date of this Indenture.

3.11 No Commission

That the Company will not, directly or indirectly, pay or give any commission or other remuneration to any person in connection with the exchange or deemed exchange of any Special Warrants.

3.12 Requisite Filings

The Company will make all requisite filings under applicable securities laws in the Qualifying Jurisdictions and stock exchange rules, including those necessary to remain a reporting issuer not in default in each of the Qualifying Jurisdictions until at least November 15, 2001 and those necessary to report the exercise of the right to acquire Shares and Warrants pursuant to the Special Warrants.

3.13 Compliance under Agency Agreement

That the Company will comply with all covenants and satisfy all terms and conditions on its part to be performed and satisfied under the Agency Agreement.

3.14 Dividends or Any Distribution

That, if during the period commencing on a date after the Closing Date and prior to the exercise or deemed exercise of the Special Warrants, the Company shall pay any dividend or make any distribution to all or substantially all of the holders of Common Shares or if the Company declares any dividend, or provides for any distribution, payable to all or substantially all of the holders of the Common Shares of record during that period, the Company agrees that Special Warrantholders who have not exercised or have not been deemed to have exercised their Special Warrants shall be entitled to participate in the dividend or distribution on the same terms, *mutatis mutandis*, as if they exercised their Special Warrants immediately prior to the effective date or record date of the dividend or distribution provided that this entitlement shall not extend to stock dividends or other distributions in respect of which an adjustment is made in the number of Units pursuant to Article 4 herein or to distributions in respect of which any adjustment is made in the number of Units pursuant to Article 4 herein. On the payment date of the dividend, all amounts which would be payable to the Special Warrantholders will be provided to the Agent for distribution. The Company will give written notice to the Warrant Agent and each Special Warrantholder specifying the particulars of each payment for distribution made in accordance with subsection 3.14 hereof, three Business Days prior to such payment or distribution.

3.15 Warrant Agent's Remuneration

That the Company will pay the Warrant Agent such reasonable remuneration for its services hereunder as the Company and the Warrant Agent agree to from time to time and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses and disbursements of the Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable compensation and disbursements of its counsel and all other advisers and assistants not regularly in its employ) until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense or disbursement in connection with or related to or required to be made as a result of the gross negligence or fraud of the Warrant Agent.

3.16 Notice of Clearance Condition

That upon satisfaction of the Clearance Condition, the Company shall forthwith, and in any event not later than the second Business Day thereafter give written notice to the Warrant Agent and the Agent.

3.17 Documentation to be provided to Special Warrantholders

The Company will provide to Special Warrantholders copies of all documentation required to be provided by applicable law to registered holders of Common Shares, as if such Special Warrantholders were registered shareholders of the Company.

3.18 Company to Perform Acts

The Company will well and truly perform and carry out all the acts or things to be done by it as provided in this Indenture.

3.19 Securities Requirements

The Company or, if required by the Company, the Warrant Agent will give written notice of the issue of the Shares and the Warrants pursuant to the exercise of Special Warrants in the manner contemplated by Section 110 of the *Securities Act* (Alberta) and comparable provisions in the other Qualifying Jurisdictions, in which there is legislation or regulation permitting or requiring giving of any such notice in order that such issuance of Shares and Warrants and the subsequent disposition of the Shares and Warrants and Warrant Shares issuable upon exercise of the Warrants so issued will not be subject to the Prospectus qualification requirements of such legislation or regulation.

ARTICLE 4
ADJUSTMENT OF NUMBER OF UNITS

4.1 Adjustment of Number of Units

The rights to acquire Units in effect at any date attaching to the Special Warrants are subject to adjustment from time to time as follows:

- (a) if and whenever at any time from the date hereof and prior to the Expiry Time, the Company:
 - (i) subdivides its outstanding Common Shares into a greater number of shares;
 - (ii) consolidates its outstanding Common Shares into a smaller number of shares; or
 - (iii) issues Common Shares or securities exchangeable or convertible to Common Shares ("convertible securities") to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than the issue of Common Shares or convertible securities to such holders as Dividends paid in the Ordinary Course),

any of such events in these clauses (i), (ii) and (iii) having caused a "Common Share Reorganization", the number of Units obtainable under each Special Warrant is adjusted immediately after the effective date of the subdivision or consolidation or on the record date for the issue of Common Shares or convertible securities by way of stock dividend, by multiplying the number of Units previously obtainable on the exercise of a Special Warrant by the fraction of which:

- (A) the numerator is the total number of Common Shares outstanding immediately after such effective or record date, or, in the case of the issuance of exchangeable or convertible securities, the total number of Common Shares outstanding immediately after such date plus the total number of Common Shares issuable upon conversion or exchange of such convertible securities; and
- (B) the denominator is the total number of Common Shares outstanding immediately prior to the applicable effective or record date;

and the Company and Warrant Agent, upon receipt of notice pursuant to Section 4.3, shall make such adjustment successively whenever any event referred to in this Subsection 4.1(a) occurs and any such issue of Common Shares or convertible securities by way of a stock dividend is deemed to have occurred on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares under this Subsection 4.1(a). To the extent that any convertible securities are not converted into or exchanged for Common Shares, the number of Units obtainable under each Special Warrant shall be readjusted to the number of Units that is then obtainable based upon the number of Common Shares actually issued on conversion or exchange of such convertible securities;

- (b) if and whenever at any time from the date hereof and prior to the Expiry Time the Company shall fix a record date for the issue of rights, options or warrants to all or substantially all of the holders of Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue ("Rights Period"), to subscribe for or acquire Common Shares at a price per share to the holder of less than 95% of the Current Market Price for the Common Shares on such record date (any of such events being called a "Rights Offering"), then the number of Units obtainable upon the exercise of each Special Warrant shall be adjusted effective immediately after the end of the Rights Period to a number determined by multiplying the number of Units obtainable upon the exercise thereof immediately prior to the end of the Rights Period by a fraction:

- (i) the numerator of which shall be the number of Common Shares outstanding after giving effect to the Rights Offering and including the number of Common Shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering; and
 - (ii) the denominator of which shall be the aggregate of:
 - (A) the number of Common Shares outstanding as of the record date for the Rights Offering, and
 - (B) a number determined by dividing (1) the product of the number of Common Shares issued or subscribed for during the Rights Period upon the exercise of the rights, warrants, or options under the Rights Offering and the price at which such Common Shares are offered by (2) the Current Market Price of the Common Shares as of the record date for the Rights Offering;
- (c) if and whenever at any time from the date hereof and prior to the Expiry Time the Company shall issue or distribute to all or to substantially all the holders of the Common Shares:
- (i) securities of the Company including rights, options or warrants to acquire shares of any class or securities exchangeable for or convertible into or exchangeable into any such shares or property or assets and including evidences of its indebtedness, or
 - (ii) any property or other assets,

and if such issuance or distribution does not constitute Dividends Paid in the Ordinary Course, a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "Special Distribution"), the number of Units obtainable upon the exercise of each Special Warrant shall be adjusted effective immediately after the record date at which the holders of affected Common Shares are determined for purposes of the Special Distribution to a number determined by multiplying the number of Units obtainable upon the exercise thereof in effect on such record date by a fraction:

- (iii) the numerator of which shall be the number of Common Shares outstanding on such record date multiplied by the Current Market Price of the Common Shares on such record date; and
 - (iv) the denominator of which shall be:
 - (A) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date; less
 - (B) the excess, if any, of (1) the fair market value on such record date, as determined by action by the directors (whose determination shall be conclusive), to the holders of the Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution over (2) the fair market value of the consideration received therefor by the Company from the holders of the Common Shares, as determined by action by the directors (whose determination shall be conclusive);
- (d) if and whenever at any time from the date hereof and prior to the Expiry Time, there is a reclassification of the Common Shares or a capital reorganization of the Company other than as described in Subsection 4.1(a) or the triggering of a shareholders' rights plan or a consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and

assets of the Company as an entirety or substantially as an entirety, every Special Warrantholder is entitled to receive upon exercise in accordance with the terms and conditions hereof and shall accept, in lieu of the number of Units obtainable under the Special Warrants to which it was previously entitled, the kind and number of Units or other securities or property of the Company that the Special Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, arrangement, amalgamation, merger, sale or conveyance, if, on the record date or the effective date thereof, as the case may be, the Special Warrantholder had been the registered holder of the number of Units obtainable upon the exercise of Special Warrants then held, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Section 4.1. The Company shall not carry into effect any action requiring an adjustment pursuant to this Subsection 4.1(d) unless all necessary steps have been taken so that the Special Warrantholders are thereafter entitled to receive such kind and number of Units, other securities or property. The Company, its successor, or the purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which provides, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Special Warrantholders to the end that the provisions set forth in this Indenture are correspondingly made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Special Warrantholder is entitled on the exercise of his acquisition rights thereafter. An indenture entered into by the Company pursuant to the provisions of this Subsection 4.1(d) is deemed a supplemental indenture entered into pursuant to the provisions of Article 7. An indenture entered into between the Company, any successor to the Company or any purchasing body corporate, partnership, trust or other entity and the Warrant Agent must provide for adjustments which are as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which apply to successive reclassification, reorganizations, amalgamation, consolidations, mergers, sales or conveyances;

- (e) where this Section 4.1 requires that an adjustment becomes effective immediately after a record date or effective date, as the case may be for an event referred to herein, the Company may defer, until the occurrence of that event, issuing to the Special Warrantholder exercising his acquisition rights after the record date or effective date, as the case may be and before the occurrence of that event the adjusted number of Units, other securities or property issuable upon the exercise of the Special Warrants by reason of the adjustment required by that event. If the Company relies on this Subsection 4.1(e) to defer issuing an adjusted number of Units, other securities or property to a Special Warrantholder, the Special Warrantholder has the right to receive any distributions made on the adjusted number of Units, other securities or property declared in favour of holders of record on and after the date of exercise or such later date as the Special Warrantholder would but for the provisions of this Subsection 4.1(e), have become the holder of record of the adjusted number of Units, other securities or property pursuant to Section 5.2 or 5.3;
- (f) the adjustments provided for in this Section 4.1 are cumulative. After any adjustment pursuant to this Section 4.1, the term "Units" where used in this Indenture is interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section, the Special Warrantholder is entitled to receive upon the exercise of his Special Warrant, and the number of Units obtainable in any exercise made pursuant to a Special Warrant is interpreted to mean the number of Units or other property or securities a Special Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Special Warrant;
- (g) all shares of any class, share purchase warrants, or other securities which a Special Warrantholder is at the time in question entitled to receive on the full exercise of his Special Warrant, whether or not as a result of adjustments made pursuant to this Section 4.1 are, for

the purposes of the interpretation of this Indenture, deemed to be securities which that Special Warrantholder is entitled to acquire pursuant to the exercise of a Special Warrant;

- (h) in the event of a question arising with respect to the adjustments provided for in this Section 4.1, that question shall be conclusively determined by the Company's auditors who shall have access to all necessary records of the Company, and a determination by the Company's auditors is binding upon the Company, the Warrant Agent, all Special Warrantholders and all other persons interested therein;
- (i) no adjustment in the number of Units obtainable upon exercise of Special Warrants shall be made in respect of any event described in Section 4.1, other than the events referred to in clauses (i) and (ii) of subsection (a) thereof, if the Special Warrantholders are entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Special Warrantholders had exercised their Special Warrants prior to or on the effective date or record date of such event;
- (j) in the event that the Company after the date of issue of the Special Warrants shall take any action affecting the Units other than action described in Section 4.1, which in the opinion of the directors of the Company would materially affect the rights of Special Warrantholders, the number of Units obtainable upon exercise shall be adjusted in such manner, if any, and at such time, by action by the directors, in their sole discretion as they may determine to be equitable in the circumstances, but subject in all cases to any necessary regulatory approval. Failure of the taking of action by the directors so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Units shall be conclusive evidence that the board of directors of the Company has determined that it is equitable to make no adjustment in the circumstances;
- (k) if the Company shall set a record date to determine the holders of the Units for the purpose of entitling them to receive any dividend or distribution or any subscription or exercise rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution or subscription or exercise rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or exercise rights, then no adjustment in the number of Units obtainable upon exercise of any Special Warrant shall be required by reason of the setting of such record date; and
- (l) in the absence of a resolution of the directors fixing a record date for a Special Distribution or Rights Offering, the Company shall be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.

4.2 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which requires an adjustment in any of the acquisition rights pursuant to the Special Warrants, including the number of Units obtainable upon the exercise thereof, the Company shall take any corporate action which may in its opinion be necessary in order that the Company or any successor to the Company has unissued and reserved Common Shares in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Shares and Warrant Shares and may validly and legally deliver all other securities or property which the Special Warrantholders are entitled to receive on the full exercise of the Special Warrants in accordance with the provisions hereof.

4.3 Notice of Special Matters

The Company covenants with the Warrant Agent that, so long as any Special Warrants remains outstanding, it will give notice to the Warrant Agent and to the Special Warrantholders of its intention to fix a record date that is prior to the expiry date for the issuance of rights, options or warrants (other than the

Special Warrants) to all or substantially all the holders of its outstanding Common Shares. Such notice shall specify the particulars of such event and the record date for such event, provided that the Company shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the day on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date.

4.4 Certificate of Adjustment

The Company shall from time to time immediately after the occurrence of any event which requires an adjustment as provided in Section 4.1, deliver a notice to the Special Warrantheolders and the Warrant Agent specifying the nature of the event requiring the adjustment, the amount of the adjustment necessitated thereby, and setting forth in reasonable detail the method of calculation and the facts upon which the calculation is based.

4.5 No Action After Notice

The Company covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the holder of a Special Warrant of the opportunity of exercising rights of acquisition pursuant thereto during the period of 14 days after giving of the notice set forth in Section 4.4 hereof.

4.6 Protection of Warrant Agent

The Warrant Agent:

- (a) is not at any time under any duty or responsibility to a Special Warrantheolder to determine whether any facts exist which require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (b) is not accountable with respect to the validity or value (or the kind or amount) of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Special Warrant;
- (c) is not responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver Units or certificates for the same upon the surrender of any Special Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article 4; and
- (d) shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Company of any of the representations, warranties or covenants herein contained or of any acts of the agents or servants of the Company.

ARTICLE 5
EXERCISE AND CANCELLATION OF SPECIAL WARRANTS

5.1 Notice of Prospectus to Special Warrantheolders

Upon receipt of a written notice pursuant to Section 3.6, the Warrant Agent shall forthwith give notice to the Special Warrantheolders in the form to be provided by the Company, which notice will include a statement that any Special Warrants not exercised prior to the Expiry Date will be exercised pursuant to Section 5.3.

5.2 Voluntary Exercise of Special Warrants

- (a) A Special Warrantholder may, at any time before the Expiry Time, exercise all or any number of the Special Warrants which remain outstanding and are then held by the Special Warrantholder, by surrendering to the Warrant Agent the Special Warrant Certificate or certificates representing the number of Special Warrants to be exercised, together with a duly completed and executed exercise form(s) in the form attached to the Special Warrant Certificate(s). Voluntary exercise, at a time when the Company has not received a final receipt for the Prospectus from the applicable securities regulatory authorities in the Qualifying Jurisdictions; or where the Company has received a final receipt for the Prospectus from the applicable securities regulatory authorities in the Qualifying Jurisdictions but the Prospectus has not been delivered to the Special Warrantholder, is subject to compliance with and may be restricted by the securities laws of the Qualifying Jurisdictions and is further subject to the Special Warrantholders providing such assurances and executing such documents as may, in the reasonable opinion of the Company, be required to ensure compliance with applicable securities legislation. If, at the time of the voluntary exercise of the Special Warrants pursuant to this Section 5.2, there remain restrictions on resale under applicable securities legislation on the Shares, Warrants and Warrant Shares, if any, so acquired, the Company, may, if required on the advice of counsel, endorse the certificates representing the Shares, Warrants (and Warrant Shares, if any) with a legend with respect to those restrictions. Upon the voluntary exercise of Special Warrants pursuant to this Section 5.2, the Warrant Agent shall within three Business Days thereafter mail or deliver certificates for the Shares and Warrants comprised in the Units issued upon the voluntary exercise of the Special Warrants, registered in the name of the Special Warrantholder so exercising, to the address of the Special Warrantholder specified in the register for Special Warrants. If any of the Shares and Warrants subscribed for are to be issued to a person or persons other than the Special Warrantholder, the Special Warrantholder shall pay to the Company, or the Warrant Agent on behalf of the Company, all applicable transfer or similar taxes and the Company shall not be required to issue or deliver certificates evidencing Shares and Warrants unless or until such Special Warrantholder shall have paid to the Company, or the Warrant Agent on behalf of the Company, the amount of such tax or shall have been established to the satisfaction of the Company that such tax has been paid or that no taxes is due.
- (b) The Special Warrants, Units, Shares and Warrants issuable upon exercise thereof have not been registered under the 1933 Act or the Securities laws of any state of the United States, and the Special Warrants may not be exercised within the United States or by or on behalf of any U.S. person unless the Units, Shares and Warrants are registered under the 1933 Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available. Any person who voluntarily exercises a Special Warrant shall provide to the Warrant Agent either:
- (i) written certification that it is not a U.S. Person and that such Special Warrant is not being exercised within the United States or on behalf of, or for the account or benefit of, a U.S. Person; or
 - (ii) a written opinion of counsel or other evidence satisfactory to the Company to the effect that the Special Warrants, Units, Shares and Warrants have been registered under the U.S. Securities Act and applicable state securities laws or are exempt from registration thereunder; or
 - (iii) written certification that it was an original subscriber for Special Warrants who was a U.S. Person at the time of acquisition of such Special Warrants and the representations and warranties made by such person in connection with the acquisition of such Special Warrants remain true and correct on the date of exercise.

5.3 Exercise of Special Warrants

- (a) Any Special Warrants not exercised by the Special Warrantholder pursuant to Section 5.2 prior to the Expiry Time will be exercised by the Warrant Agent on behalf of the Special Warrantholders immediately prior to the Expiry Time and will be deemed surrendered by the Special Warrantholders without any further action on the part of the Special Warrantholder. In that event, the Warrant Agent shall within three Business Days thereafter mail or deliver certificates for the Shares and Warrants comprised in the Units issued upon deemed exercise of the Special Warrants, registered in the name of the Special Warrantholders, to the addresses of the Special Warrantholders as specified in the register for the Special Warrants.
- (b) The Warrant Agent shall not issue or register Shares and Warrants or the certificates representing such Shares or Warrants on the deemed exercise of Special Warrants to or in the name of any person who is in the United States or is a U.S. Person or the agent of a U.S. Person, unless the Company and the Warrant Agent have received a written opinion of counsel or other evidence satisfactory to them that the acquisition of the Shares, Warrants or Warrant Shares by such person is in compliance with applicable United States federal and state securities laws and the Company has provided a written direction to the Warrant Agent to proceed with such issue or registration, subject to such terms and conditions, including legending the Share and Warrant Certificates, as may be required by law.

5.4 Effect of Exercise of Special Warrants

Upon the exercise or deemed exercise of the Special Warrants as provided in either Section 5.2 or 5.3, each Special Warrantholder is, at that time, deemed to have become the holder or holders of record of the Units, the Shares and Warrants, in respect of which the Special Warrants are exercised or are deemed to have been exercised.

5.5 Partial Exercise of Special Warrants

A Special Warrantholder may exercise less than all of the Special Warrants held by such Special Warrantholder. In the event of any exercise of a number of Special Warrants less than the number which the holder is entitled to receive, the Special Warrantholder upon such exercise shall, in addition, be entitled to receive without charge therefor, a new Special Warrant Certificate(s) in respect of the balance of the Special Warrants represented by the surrendered Special Warrant Certificate and which are not then exercised.

5.6 Special Warrants Void After Exercise Time

After the exercise of a Special Warrant as provided in either Section 5.2 or 5.3 the holder of a Special Warrant Certificate representing the Special Warrant so exercised no longer has any rights either under this Indenture or the Special Warrant Certificate, other than, in the case of exercise under Section 5.2 or 5.3, the right to receive certificates representing its Shares or Warrants comprised in the Units and the Special Warrant is void and of no value or effect.

5.7 Fractions of Units, Shares or Warrants

- (a) Where a Special Warrantholder is entitled to receive, as a result of the adjustments provided for in Section 4.1 or otherwise, on the exercise or partial exercise of its Special Warrants a fraction of a Unit, or a fraction of a Share or Warrant comprised therein, such right may only be exercised in respect of such fraction in combination with another Special Warrant or other Special Warrants which in the aggregate entitle the Special Warrantholder to receive a whole number of Units, Shares and Warrants;

- (b) If a Special Warrantholder is not able to, or elects not to, combine Special Warrants so as to be entitled to acquire a whole number of Units, the Special Warrantholder may not exercise the right to acquire a fractional Unit or a fractional Share or Warrant and, as a result, has the right to acquire only that number of Units, Shares, and Warrants equal to the next lowest whole number of Units, Shares and Warrants.

5.8 Accounting and Recording

The Warrant Agent shall promptly notify the Company with respect to Special Warrants exercised. The Warrant Agent shall record the particulars of the Special Warrants exercised which include the name or names and addresses of the persons who become holders of Units on exercise pursuant to this Article 5 and the number of Units issued. Within three Business Days of the exercise of each Special Warrant pursuant to either Section 5.2 or 5.3, the Warrant Agent shall provide those particulars in writing to the Company.

5.9 Issuance of Shares

- (a) All Share Certificates issued to U.S. Persons exercising the Special Warrants in the United States or on behalf or for the account of a U.S. Person on the exercise of the rights represented by the Special Warrant Certificate will bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (a) TO THE COMPANY, (b) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE 1933 ACT, (c) PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (d) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA; A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE COMPANY UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE COMPANY AND ITS REGISTRAR AND TRANSFER AGENT, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE 1933 ACT."

- (b) All certificates for Shares and Warrant Shares issued prior to the Clearance Date will have the following legends endorsed thereon:

"THE SECURITIES PRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN BRITISH COLUMBIA UNTIL 12:00 a.m. (Midnight) MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (BRITISH COLUMBIA) AND REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THE CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN ALBERTA UNTIL MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (ALBERTA) AND THE REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE; HOWEVER, THE SAID SECURITIES CAN NOT BE TRADED THROUGH THE FACILITIES OF SUCH EXCHANGE SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TORONTO STOCK EXCHANGE."

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD IN CERTAIN PROVINCES AND MAY NOT BE TRADED IN THOSE PROVINCES DURING THAT PERIOD EXCEPT AS PERMITTED BY THE APPLICABLE SECURITIES LAWS."

5.10 Issuance of Warrants

- (a) All certificates for Warrants issued to U.S. Persons exercising the Special Warrants in the United States or on behalf of or for the account of a U.S. Person will bear the following legend:

"THIS WARRANT AND THE SHARES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE 1933 ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE 1933 ACT."

- (b) All certificates for Warrants issued prior to the Clearance Date will have the following additional legends endorsed thereon:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN BRITISH COLUMBIA UNTIL 12:00 a.m. (Midnight) MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (BRITISH COLUMBIA) AND REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THE CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN ALBERTA UNTIL MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (ALBERTA) AND THE REGULATIONS MADE THEREUNDER."

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD IN CERTAIN PROVINCES AND MAY NOT BE TRADED IN THOSE PROVINCES DURING THAT PERIOD EXCEPT AS PERMITTED BY THE APPLICABLE SECURITIES LAWS."

5.11 Securities Restrictions

Notwithstanding anything herein contained, Shares and Warrants will only be issued upon exercise of any Special Warrants in compliance with the securities laws of any applicable jurisdiction, and without limiting the generality of the foregoing, in the event that the Special Warrants are exercised pursuant to and in accordance with the provisions of Section 5.2 prior to the issuance of a receipt for the Prospectus by the Commissions in the Qualifying Jurisdictions or the Company has received a receipt for the Prospectus from the applicable securities authorities in the Qualifying Jurisdictions but the Prospectus has not been delivered to the Special Warrantholders, the certificates representing the Shares and Warrants thereby issued will bear such legend as may, in the opinion of counsel to the Company, acting reasonably, be necessary in order to avoid a violation of any securities laws of any province in Canada or to comply with the requirements of any stock exchange on which the Shares and Warrants are listed, provided that if, at any time, in the opinion of counsel to the Company, such legends are no longer necessary in order to avoid violation of any such laws, or the holder of any such legended Share Certificate or Warrant Certificate, at

the holders' expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of counsel satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Shares or Warrants in a transaction in which such legends are not required, such legended Share Certificate or Warrant Certificate may thereafter be surrendered to the Warrant Agent in exchange for a certificate which does not bear such legend.

5.12 Suits by Special Warrantholders

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

5.13 Immunity of Shareholders, etc.

The Warrant Agent and, by the acceptance of the Special Warrant Certificates and as part of the consideration for the issue of the Special Warrants, the Special Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, officer, employee or agent of the Company on any covenant, agreement, representation or warranty by the Company contained herein or in the Special Warrant Certificates.

5.14 Limitation of Liability

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

5.15 U.S. Person Determination

In determining whether any person is a U.S. Person hereunder the Company and the Warrant Agent shall be entitled to rely upon the address of each holder as it appears in the register kept by the Warrant Agent.

ARTICLE 6
MEETINGS OF SPECIAL WARRANTHOLDERS

6.1 Definitions

In this Article 6 or otherwise in this Indenture:

- (a) "Adjourned Meeting" means a meeting adjourned in accordance with Section 6.8;
- (b) "Extraordinary Resolution" means a resolution proposed to be passed as an extraordinary resolution at a Meeting duly convened for that purpose and held in accordance with the provisions of this Article 6, and carried by not less than 2/3 of the votes cast on such resolution; and
- (c) "Meeting" means a meeting of the Special Warrantholders.

6.2 Convening Meetings

The Warrant Agent or the Company may convene a Meeting at any time at the expense of the Company. Upon receipt of a written requisition signed in one or more counterparts by Special Warranholders holding not less than 25% of the Special Warrants outstanding, the Warrant Agent or the Company shall convene a Meeting, provided that adequate provision has been made by the Company or the Special Warranholders for the costs of convening and holding a Meeting including providing the Warrant Agent with adequate funding and an indemnity in satisfactory form and amount to the Warrant Agent. If the Warrant Agent or the Company fails to convene the Meeting within 15 Business Days after being duly requisitioned to do so and receiving adequate funding and indemnity, the Special Warranholders holding not less than 10% of the Special Warrants outstanding may themselves convene a Meeting the notice for which must be signed by a person that those Special Warranholders specify, provided that the Warrant Agent and Company receive notice of the Meeting in accordance with Section 6.4. A written requisition must state, generally, the reason for the Meeting and business to be transacted at the Meeting.

6.3 Place of Meeting

Every meeting must be held in Calgary Alberta or at such other place that the Warrant Agent and Company approve.

6.4 Notice

The Warrant Agent or the Company, as the case may be, shall give written notice of each Meeting to each Special Warranholder, the Warrant Agent (unless the meeting has been called by the Warrant Agent) and the Company (unless the meeting has been called by the Company) in the manner specified in Article 10 at least 25 days before the date of the Meeting. The Warrant Agent shall give written notice of each Adjourned Meeting to each Special Warranholder in the manner specified in Article 10 at least 7 days before the date of the Adjourned Meeting. The notice for a Meeting must state the time and place of the Meeting and, generally, the reason for the Meeting and the business to be transacted at the Meeting and shall contain such information as is reasonably necessary to enable the Special Warranholder to make a reasoned decision on the business to be transacted. The notice for an Adjourned Meeting must state the time and place of the Adjourned Meeting but need not specify the business to be transacted at an Adjourned Meeting. The accidental omission by the Warrant Agent to give notice of a Meeting or an Adjourned Meeting to a Special Warranholder does not invalidate a resolution passed at a Meeting or Adjourned Meeting.

6.5 Persons Entitled to Attend

The Company may and the Warrant Agent shall, each by its authorized representatives, attend every Meeting and Adjourned Meeting but neither the Company nor the Warrant Agent has the right to vote. The legal advisors of the Company, Warrant Agent, and any Special Warranholders, respectively, may also attend a Meeting or Adjourned Meeting but do not have the right to vote, unless they have the right to vote as a Special Warranholder.

6.6 Quorum

A quorum for a Meeting of the Special Warranholders consists of two or more persons present in person and owning or representing by proxy not less than 25% of the Special Warrants then outstanding.

6.7 Chairman

The Warrant Agent shall nominate a natural person as the chairman of a Meeting or Adjourned Meeting. If the person so nominated is not present within 25 minutes after the time set for holding the Meeting or Adjourned Meeting, the Special Warranholders and proxies for Special Warranholders present shall choose one of their number to be chairman.

6.8 Adjourned Meeting

If a quorum of the Special Warranholders is not present within 30 minutes after the time fixed for holding a Meeting, the Meeting stands adjourned to a date not less than 10 calendar days and not more than 30 calendar days later, at a place determined in accordance with Section 6.3, and at a time specified by the chairman. The Warrant Agent shall promptly and in accordance with Section 6.4 send a notice of the Adjourned Meeting to each Special Warranholder. At an Adjourned Meeting, two or more Special Warranholders or persons representing Special Warranholders by proxy constitutes a quorum for the transaction of business for which the Meeting was convened.

6.9 Show of Hands

Subject to a poll and except as otherwise required herein, every question submitted to a Meeting or Adjourned Meeting is decided, in the first instance, by the majority of votes in a show of hands. If the vote is tied, the chairman does not have a casting vote and the motion is not carried. Each Special Warranholder or person representing a Special Warranholder by proxy will be entitled to one vote for every Special Warrant then outstanding of which such Special Warranholder is the registered owner.

6.10 Poll

When requested by a Special Warranholder acting in person or by the proxy representing the Special Warranholder, the chairman of a Meeting or Adjourned Meeting shall request a poll on a question submitted to the meeting. Except as otherwise required herein, if a question has been put to a poll, that question is decided by the affirmative vote of not less than a majority of the votes given on the poll. If the vote is tied, the motion is not carried. On a poll, each Special Warranholder is entitled to one vote for every Special Warrant then outstanding and of which he is the registered holder. A declaration made by the chairman that a resolution has been carried or lost is conclusive evidence thereof. In the case of joint registered Special Warranholders, any one of them present in person or represented by proxy may vote in the absence of the other or others but when more than one of them is present in person or by proxy, they may only vote together in respect of the Special Warrants of which they are joint registered holders.

6.11 Regulations

The Warrant Agent, or the Company with the approval of the Warrant Agent, may from time to time make and, thereafter, vary regulations not contrary to the provisions of this Indenture as it deems fit providing for and governing the following:

- (a) setting a record date for a Meeting for determining Special Warranholders entitled to receive notice of and vote at a Meeting;
- (b) voting by proxy, the form of instrument appointing a proxy, the manner in which a proxy instrument must be executed, and the production of the authority of any person signing an instrument of a proxy on behalf of a Special Warranholder;
- (c) lodging and the means of forwarding the instruments appointing proxies, and the time before a Meeting or Adjourned Meeting by which an instrument appointing a proxy must be deposited; and
- (d) any other matter relating to the conduct of a meeting of Special Warranholders.

A regulation so made is binding and effective and votes given in accordance with such a regulation are valid. The Warrant Agent may permit Special Warranholders to make proof of ownership in the manner the Warrant Agent approves.

6.12 Company and Warrant Agent May be Represented

The Company, the Warrant Agent and the Agent, by their respective directors and officers or employees, counsel to the Company, counsel(s) to the Agent and counsel to the Warrant Agent may attend any meeting of Special Warranholders, but shall not be entitled to vote as such.

6.13 Powers of Special Warranholders

- (a) By extraordinary resolution passed pursuant to this Article 6 by not less than a 2/3 majority of the votes cast in respect thereof (an "Extraordinary Resolution"), the Special Warranholders may:
- (i) agree to any modification, abrogation, alteration, compromise, or arrangement of the rights of the Special Warranholders whether arising under this Indenture, or otherwise at law, including the rights of the Warrant Agent in its capacity as agent hereunder or on behalf of the Special Warranholders against the Company, which has been agreed to by the Company, except that in respect of a change in the Expiry Date, Expiry Time or Purchase Price the amendment shall not be binding on a Special Warranholder who does not consent thereto;
 - (ii) direct and authorize the Warrant Agent to exercise any discretion, power, right, remedy or authority given to it by or under this Indenture in the manner specified in such resolution or to refrain from exercising any such discretion, power, right, remedy, or authority;
 - (iii) direct the Warrant Agent to enforce any covenant on the part of the Company contained in this Indenture or to waive any default by the Company in compliance with any provisions of this Indenture either unconditionally or upon any conditions specified in such resolution;
 - (iv) assent to any change in or omission from the provisions contained in this Indenture or the Special Warrant Certificates or any ancillary or supplemental instrument which is agreed to by the Company, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
 - (v) without limiting the generality of Subsections 6.13(a)(i) and (ii), assent to an extension of time thereunder;
 - (vi) remove the Warrant Agent or its successor in office and to appoint a new registrar and agent to take the place of the Warrant Agent so removed;
 - (vii) upon the Warrant Agent being furnished with an indemnity that is, in its discretion, sufficient, require the Warrant Agent to enforce any covenant of the Company contained in this Indenture or the Special Warrant Certificates, or to enforce any right of the Special Warranholders in any manner specified in such Extraordinary Resolution, or to refrain from enforcing any such covenant or right;
 - (viii) restrain any Special Warranholder from instituting or continuing any suit or proceeding against the Company for the enforcement of a covenant on the part of the Company contained in this Indenture or any of the rights conferred upon the Special Warranholders as set out in this Indenture or the Special Warrant Certificates;
 - (ix) direct a Special Warranholder who, as such, has brought a suit, action or proceeding to stay or discontinue or otherwise deal with the same upon payment of the costs,

charges, and expenses reasonably and properly incurred by such Special Warrantholder in connection therewith;

- (x) waive and direct the Warrant Agent to waive a default by the Company in complying with any of the provisions of this Indenture or the Special Warrant Certificate either unconditionally or upon any conditions specified in such Extraordinary Resolution;
 - (xi) assent to a compromise or arrangement with a creditor or creditors or a class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company; and
 - (xii) amend, alter, or repeal any resolution previously passed pursuant to this Section 6.13.
- (b) An Extraordinary Resolution of the Special Warrantholders is binding upon all the Special Warrantholders whether present or not present at the Meeting or Adjourned Meeting at which the Extraordinary Resolution was passed or whether or not assented to in writing, and each Special Warrantholder, the Warrant Agent and the Company shall give effect to the Extraordinary Resolution to the extent that the Extraordinary Resolution applies to such party.

6.14 Powers Cumulative

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercised by the Special Warrantholders 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 Special Warrantholder to exercise such power or combination of powers then or thereafter from time to time.

6.15 Minutes of Meetings

The Warrant Agent shall make and maintain minutes and records of all resolutions and proceedings at a Meeting or Adjourned Meeting at the expense of the Company and shall make available those minutes and records at the office of the Warrant Agent for inspection by a Special Warrantholder or his authorized representative at reasonable times. If signed by the chairman of the Meeting or by the chairman of the next succeeding Meeting of the Special Warrantholders, such minutes shall be prima facie evidence of the matters therein stated, and until the contrary is proved, every such Meeting in respect 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.

6.16 Written Resolutions

Notwithstanding the foregoing, a written resolution or instrument signed in one or more counterparts by the Special Warrantholders holding not less than a majority of the Special Warrants outstanding in the case of a resolution, or not less than 2/3 of the Special Warrants outstanding in the case of a Extraordinary Resolution, is deemed to be the same as, and to have the same force and effect as, a resolution or Extraordinary Resolution, as the case may be, duly passed at a Meeting or Adjourned Meeting.

6.17 Binding Effect

A resolution of the Special Warrantholders passed pursuant to this Article 6 is binding upon all Special Warrantholders. Upon the passing of a Special Warrantholder's resolution at a meeting of the Special Warrantholders, or upon the signing of a written resolution or instrument pursuant to Section 6.16 and delivery by the Company to the Warrant Agent of an original, certified or notarial copy, or copies, of such resolution as executed or passed by the Special Warrantholders, the Warrant Agent is entitled to and shall give effect thereto.

ARTICLE 7
SUPPLEMENTAL INDENTURES, MERGER, SUCCESSORS

7.1 Provision for Supplemental Indentures for Certain Purposes

From time to time the Company shall, when authorized by the directors of the Company, and the Warrant Agent may, subject to the provisions of this Indenture, execute and deliver by their proper officers, deeds, indentures or instruments supplemental hereto, which thereafter form part hereof for any one or more or all of the following purposes:

- (a) adding to the provisions hereof such additional covenants, enforcement provisions, and release provisions (if any) which, based on the opinion of counsel acceptable to the Company and the Warrant Agent, are necessary or advisable, provided the same are not, based on the opinion of the counsel for the Warrant Agent, prejudicial to the interests of the Special Warrantheolders;
- (b) adding to the covenants of the Company in this Indenture for the protection of the Special Warrantheolders;
- (c) evidencing any succession, (or successive successions), of other companies to the Company and the covenants of, and obligations assumed by, such successor (or successors) in accordance with the provisions of this Indenture;
- (d) making such provisions not inconsistent with this Indenture as may be deemed necessary or desirable with respect to matters or questions arising hereunder;
- (e) giving effect to an Extraordinary Resolution;
- (f) to rectify any ambiguity, defective provision, clerical omission or mistake or manifest or other error contained herein or in any deed or indenture supplemental or ancillary hereto provided that, in the opinion of the counsel for the Warrant Agent, the rights of the Special Warrantheolder are not prejudiced thereby;
- (g) adding to or altering the provisions hereof in respect of the transfer of Special Warrants, making provision for the exchange of Special Warrant Certificates of different denominations, and making any modification in the form of the Special Warrant Certificate which does not affect the substance thereof; or
- (h) for any other purpose not inconsistent with the provisions of this Indenture.

7.2 Company May Consolidate, etc. on Certain Terms

Subject to Subsection 4.1(a), nothing in this Indenture prevents any consolidation, amalgamation, arrangement or merger of the Company with or into any other body corporate or bodies corporate, or a conveyance or transfer of all or substantially all the properties and assets of the Company as an entirety to any body corporate lawfully entitled to acquire and operate the same, provided, however, that the body corporate formed by such consolidation, amalgamation, arrangement or into which such merger has been made, or which has acquired by conveyance or transfer all or substantially all the properties and assets of the Company as an entirety in circumstances resulting in the Special Warrantheolders being entitled to receive property from or securities of such body corporate, shall execute prior to or contemporaneously with such consolidation, amalgamation, arrangement, merger, conveyance or transfer, an indenture supplemental hereto wherein the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed or observed by the Company are assumed by the successor body corporate. The Warrant Agent is entitled to receive and is fully protected in relying upon an opinion of counsel that any such consolidation, amalgamation, arrangement, merger, conveyance or transfer, and a supplemental indenture executed in connection therewith, complies with the provisions of this Section.

7.3 Successor Body Corporate Substituted

Where the Company, pursuant to Section 7.2 hereof, is consolidated, amalgamated, arranged or merged with or into any other body corporate or bodies corporate or conveys or transfers all or substantially all of the properties and assets of the Company as an entirety to another body corporate, the successor body corporate formed by such consolidation, amalgamation, arrangement or into which the Company has been merged or which has received a conveyance or transfer as aforesaid succeeds to and is substituted for the Company hereunder with the same effect as nearly as may be possible as if it had been named herein. Such changes may be made in the Special Warrants as may be appropriate in view of such consolidation, amalgamation, arrangement, merger, conveyance or transfer.

ARTICLE 8
DIVIDEND FUND

8.1 Dividend Funds

The Company hereby appoints the Warrant Agent, as custodian, to receive, hold and deal with any and all dividends or other distribution of cash, as described in Section 3.14 hereof, (the "Dividend Funds") and any and all property (the "Property") distributed to holders of Common Shares in accordance with the terms of this Indenture and the Warrant Agent hereby accepts such appointment and agrees to be bound by the terms of this Indenture in respect thereof.

8.2 Conditions to Release of Dividend Funds and Property

- (a) If any Special Warrantholder, at any time prior to the Expiry Time elects to exercise the entitlement to acquire Shares and Warrants pursuant to Section 5.2 hereof, the Warrant Agent shall within five Business Days:
 - (i) pay to such Special Warrantholder from Dividend Funds an amount equal to the product obtained by multiplying the sum of the amount of Dividend Funds held by the Warrant Agent on the date of such exercise and interest earned by the Warrant Agent thereon to the date immediately preceding the date of payment (less interest thereon paid out by the Warrant Agent pursuant to this Indenture prior to the date of payment) by a fraction of which the numerator is the number of Special Warrants tendered to the Warrant Agent by such Special Warrantholder and the denominator is the number of Special Warrants outstanding on the date of payment (such number to be the number of Special Warrants outstanding immediately prior to the deemed exercise pursuant to Section 5.3 if such date of payment is the Expiry Date); and
 - (ii) deliver to such Special Warrantholder its *pro rata* share of the Property determined on the same basis as the calculation set forth in 8.2(a)(i) above.
- (b) The Warrant Agent shall within five Business Days after the Expiry Time:
 - (i) pay to each Special Warrantholder, in respect of Special Warrants then held by it deemed to be exercised, from Dividend Funds an amount equal to the product obtained by multiplying the sum of the amount of Dividend Funds held by the Warrant Agent on the date of such exercise and interest earned by the Warrant Agent thereon to the date immediately preceding the date of payment (less any interest thereon paid out by the Warrant Agent pursuant to this Indenture prior to the date of payment) by a fraction of which the numerator is the number of Special Warrants deemed to have been exercised held by the Special Warrantholder and the denominator is the aggregate number of Special Warrants deemed to be exercised; and

- (ii) deliver to such Special Warrantholder its *pro rata* share of the Property determined on the same basis as the calculation set forth in 8.2(b)(i) above.
- (c) Provided that the Warrant Agent shall have paid and delivered, or set aside for payment and delivery, all Dividend Funds, interest earned thereon and Property required to be paid or delivered to Special Warrantholders pursuant to subsections 8.2(a) and 8.2(b), the Warrant Agent shall pay to the Company all remaining Dividend Funds together with all interest accrued thereon to the date of payment and shall deliver to the Company all remaining Property held by the Warrant Agent.

8.3 Administration of Dividend Funds and Property

All Dividend Funds and Property shall be held at or administered through the principal office of the Warrant Agent at the City of Calgary, in the Province of Alberta. The Warrant Agent shall not be entitled to deal with the Dividend Funds and Property except in accordance with the terms of this Indenture. The Warrant Agent is hereby specifically authorized, and granted such powers as are necessary, to deal with the Property as it shall determine in its sole discretion to be in the best interests of the Special Warrantholders. In the event that the Warrant Agent determines the necessity for the approval by the Special Warrantholders of any matter, an extraordinary resolution of the Special Warrantholders shall provide sufficient authority upon which the Warrant Agent may act and the Warrant Agent shall not be responsible for any loss occasioned by so doing.

ARTICLE 9 **CONCERNING THE WARRANT AGENT**

9.1 Duties of Warrant Agent

By way of supplement to the provisions of any statute for the time being relating to agents, and notwithstanding any other provision of this Indenture, in the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill that a reasonably prudent agent would exercise in comparable circumstances. In the absence of wilful neglect, gross negligence or fraud, the Company shall indemnify and save harmless the Warrant Agent from all loss, costs or damages it may suffer in administering the trusts of this Indenture. The Warrant Agent is not responsible for the application of funds advanced by the Special Warrantholders to the Company.

9.2 Action by Warrant Agent

The Warrant Agent is not obligated to do any act or thing except where required to do so by this Indenture and, in the case of a default, only when it has actual notice thereof. The Warrant Agent shall not be required to undertake any action pursuant to this Indenture unless it receives a written request executed by holders of at least 10% of the issued and outstanding Special Warrants authorizing an action they wish to have the Warrant Agent take and such funding and indemnity from such holders as the Warrant Agent reasonably requires to hold it harmless for any action so undertaken.

9.3 Certificate of the Company

If in the administration of the trusts of this Indenture, the Warrant Agent deems it necessary or desirable that any matter be proved or established by the Company, prior to taking or suffering any action hereunder, the Warrant Agent may accept and rely on a certificate of the Company as conclusive evidence of the truth of any fact relating to the Company or its assets therein stated and proof of the regularity of any proceedings or actions associated therewith, but the Warrant Agent may in its discretion require further evidence or information before acting or relying on any such certificate.

9.4 Warrant Agent May Employ Experts or Agent

The Warrant Agent may, at the Company's expense, employ or retain such lawyers, accountants, engineers, appraisers or other experts, advisers or agents as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for such services rendered to it but it is not responsible for any misconduct, mistake or error of judgment on the part of any of them. The Company shall reimburse the Warrant Agent for all disbursements, costs and expenses made or incurred by the Warrant Agent in the discharge of its duties and in the management of the trusts hereunder. The Warrant Agent may rely upon the and act upon the opinion or advice of, or information obtained from, any such lawyer, accountant, engineer, appraiser or other expert, adviser or agent in relation to any matter arising in the administration of the trusts hereof. The Warrant Agent shall not incur any liability for the acts or omissions of such lawyers, accountants, engineers, appraisers or other experts, advisers or agents employed by the Warrant Agent in good faith.

9.5 Resignation and Replacement of Warrant Agent

- (a) The Warrant Agent may resign its trust and be discharged from all further obligations hereunder by giving to the Company and the Special Warranholders written notice at least 60 days before the effective date of the resignation. If the Warrant Agent resigns, or becomes incapable of acting hereunder, the Company shall forthwith appoint in writing a new agent at the Company's expense. Failing such appointment by the Company or by the Special Warranholders by Extraordinary Resolution, the retiring Warrant Agent or any Special Warranholder may apply to a Justice of the Supreme Court of Alberta on such notice as such Justice may direct, for the appointment of a new agent. The Special Warranholders may, by Extraordinary Resolution, remove the Warrant Agent (including an agent appointed by the Company or by a Justice as aforesaid) and appoint a new agent. On any new appointment, the new agent is vested with the same powers, rights, duties and obligations as if it had been originally named as Warrant Agent without any further assurance, conveyance, act or deed. If for any reason it becomes necessary or expedient to execute any further deed or assurance, the former Warrant Agent shall execute the same in favour of the new agent.
- (b) Any company resulting from a merger, consolidation, arrangement or amalgamation to which the Warrant Agent for the time being is a party shall be the successor Warrant Agent under this Indenture without any further act.

9.6 Indenture Legislation

The Company and the Warrant Agent agree that each shall at all times in relating to this indenture and to any action to be taken hereunder, observe and comply with and be entitled to the benefits of all Applicable Legislation. If and to the extent that any provision of this indenture limits, qualifies or conflicts with any mandatory requirement of Applicable Legislation, such mandatory requirement prevails.

9.7 Notice

The Warrant Agent is not required to give notice to third parties, including the Special Warranholders, of the execution of this Indenture.

9.8 Use of Proceeds

The Warrant Agent is in no way responsible for the use by the Company of the proceeds of the issue hereunder.

9.9 No Inquiries

Prior to the countersignature and delivery of any Special Warrant Certificates under any provisions of this Indenture, the Warrant Agent is not bound to make any inquiry or investigation as to the correctness of the matters set out in any of the resolutions, opinions, certificates or other documents required by the provisions of this Indenture, but is entitled to accept and act upon the resolutions, opinions, certificates or other documents. The Warrant Agent may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The Warrant Agent is not bound to make any inquiry or investigation as to the performance by the Company of the Company's covenants hereunder.

9.10 Warrant Agent Not Required to Give Security

The Warrant Agent is not required to give any bonds or security with respect to the execution or administration of the trusts and powers of this Indenture.

9.11 No Conflict of Interest

The Warrant Agent represents to the Company that, at the date of execution and delivery by it of this Indenture, there exists no material conflict of interest in the role of the Warrant Agent as a fiduciary hereunder but if, notwithstanding the provisions of this Section 9.11, such a material conflict of interest exists, the validity and enforceability of this Indenture and the instruments issued hereunder is not affected in any manner whatsoever by reason only that such material conflict of interest exists or arises. The Warrant Agent shall, within 90 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 9.5.

9.12 Warrant Agent Not Ordinarily Bound

The Warrant Agent is not obligated to spend its own funds in connection with the commencement or continued exercise of its duties hereunder. The obligation of the Warrant Agent to exercise its duties hereunder is conditional upon Special Warrantholders furnishing, when required in writing so to do by the Warrant Agent, an indemnity reasonably satisfactory to the Warrant Agent, and funds sufficient for commencing or continuing any act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and hold harmless the Warrant Agent against any loss, damage or liability by reason thereof.

9.13 Warrant Agent May Deal in Instruments

The Warrant Agent may in its personal or other capacity, buy, sell, lend upon and deal in and hold securities of the Company and generally contract and enter into financial transactions with the Company or otherwise, without being liable to account for any profits made thereby.

9.14 Recitals or Statements of Fact Made by Company

Subject to the provisions hereof, the Warrant Agent is not liable for or by reason of any of the statements of fact or recitals contained in this Indenture or in the Special Warrant Certificates and is not required to verify the same but all such statements and recitals are and are deemed to have been made by the Company only.

9.15 Warrant Agent's Discretion Absolute

The Warrant Agent, except as herein otherwise provided, has, as regards all the trusts, powers, authorities and discretions vested in it, absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof.

9.16 No Representations as to Validity

The Warrant Agent is not:

- (a) under any responsibility in respect of the validity of this Indenture or the execution and delivery thereof or in respect of the validity or the execution of any Special Warrant issued hereunder;
- (b) responsible for any breach by the Company of any covenant or condition contained in this Indenture or in any such Special Warrant Certificate; or
- (c) by any act hereunder, deemed to make any representation or warranty as to the authorization or reservation of any Common Shares to be issued as provided in this Indenture or in any Special Warrant Certificate or as to whether any shares will when issued be duly authorized or be validly issued and fully paid and non-assessable. The duty and responsibility as to all the matters and things referred to in this Section 9.16 rests upon the Company and not upon the Warrant Agent and the failure of the Company to discharge any such duty and responsibility does not in any way render the Warrant Agent liable or place upon it any duty or responsibility for breach of which it would be liable.

9.17 Acceptance of Trusts

The Warrant Agent hereby accepts the trusts of this Indenture and agrees to perform the same upon the terms and conditions herein set forth or referred to unless and until discharged therefrom by resignation or in some other lawful way.

9.18 Warrant Agent's Authority to Carry on Business

The Warrant Agent represents to the Company that at the date hereof it is authorized to carry on business of a trust company in Alberta. If, notwithstanding the provisions of this Section 9.19, it ceases to be authorized to carry on such business in Alberta, the validity and enforceability of this Indenture and of the Special Warrants issued hereunder are not affected in any manner whatsoever by reason only of such event, provided that the Warrant Agent shall, within 30 days after ceasing to be authorized to carry on such business in Alberta, either becomes so authorized or resigns in the manner and with the effects specified in Section 9.5.

9.19 Warrant Agent Entitled to Rely

The Warrant Agent shall be entitled to act and rely, both with respect to the accuracy of the content and the authority of the party to execute, on all notices, directions, orders and other documents without any duty to inquire, delivered in connection with this Indenture.

9.20 Indemnification of Warrant Agent

Without limiting any protection or indemnity of the Warrant Agent and its officers and employees under any other provision hereof, or otherwise at law, the Company hereby agrees to indemnify and hold harmless the Warrant Agent from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal or advisor fees and disbursements, of whatever kind and nature which may at any time be imposed on, incurred by or asserted against the Warrant Agent in connection with the performance of its duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and other disbursements arising by reason of the negligence or fraud of the Warrant Agent. This provision shall survive the resignation or removal of the Warrant Agent, or the termination of this Indenture. The Warrant Agent shall not be under any obligation to prosecute or to defend any action or suit in respect of the relationship which, in the opinion of its counsel, may involve it in expense or liability, unless the Company

shall, so often as required, furnish the Warrant Agent with satisfactory indemnity and funding against such expense or liability.

ARTICLE 10
NOTICES

10.1 Notice to Company, Warrant Agent and Agent

Any notice to the Company, Warrant Agent or Agent under the provisions of this Indenture is valid and effective if in writing delivered or sent by telecopier:

- (a) to the Company at:

Anthony Clark International Insurance Brokers Ltd.
Suite 355, 10333 Southport Road S.W.
Calgary, Alberta
T2W 3X6

Attention: Primo Podorieszach
Telecopier: (403) 225-5745

- (b) to the Warrant Agent at:

CIBC Mellon Trust Company
600 The Dome Tower
333 - 7th Avenue S.W.
Calgary, Alberta
T2P 2Z1

Attention: Corporate Trust Department
Telecopier: (403) 264-2100

- (c) to the Agent as follows:

Roche Securities Limited
Suite 1202, 10235 - 101 Street
Edmonton, Alberta
T5J 3G1

Attention: Trevor Conway
Telecopier: (403) 429-1874

with a copy to:

Armstrong Perkins Hudson
1600 Canada Place
407 - 2nd Street S.W.
Calgary, Alberta
T2P 2Y3

Attention: Roy Hudson
Telecopier: (403) 262-7896

and is deemed to have been effectively given on the date of delivery if delivered and on the first Business Day following the date of transmission if sent by telecopier.

10.2 Notice to Special Warranholders

- (a) Any notice to the Special Warranholders under the provisions of this Indenture is valid and effective if mailed, or sent by telecopier to each Special Warranholder at its address appearing on the register of Special Warrants kept by the Warrant Agent or, in the case of joint holders, to the first such address, and is deemed to have been effectively given on the second Business Day following the date of mailing if mailed and on the first Business Day following the date of transmission if sent by telecopier.
- (b) A copy of any notice provided to the Special Warranholders shall be concurrently provided to the Agent in the manner specified in Section 10.1.

ARTICLE 11
POWER OF BOARD OF DIRECTORS

11.1 Board of Directors

In this Indenture, where the Company is required or empowered to exercise any acts, all such acts may be exercised by the directors of the Company, by any duly appointed committee of the directors of the Company or by those officers of the Company authorized to exercise such acts.

ARTICLE 12
MISCELLANEOUS PROVISIONS

12.1 Further Assurances

The parties covenant and agree from time to time, as may be reasonably required by any party hereto, to execute and deliver such further and other documents and do all matters and things which are convenient or necessary to carry out the intention of this Indenture more effectively and completely.

12.2 Unenforceable Terms

If any term, covenant or condition of this Indenture or the application thereof to any party or circumstance is invalid or unenforceable to any extent, the remainder of this Indenture or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable is not affected thereby and each remaining term, covenant or condition of this Indenture is valid and enforceable to the fullest extent permitted by law.

12.3 No Waiver

No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance by the other party of its obligations hereunder is deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, does not constitute a waiver by such party of its rights hereunder.

12.4 Suits By Special Warranholders

- (a) No Special Warranholder has any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the Bankruptcy and Insolvency Act (Canada) or to have the Company wound up or to file or prove a claim in any liquidation or bankruptcy proceedings or for any other remedy hereunder unless the Special Warranholders by Extraordinary Resolution have made a request to the Warrant Agent and the Warrant Agent has been afforded reasonable opportunity to proceed or complete any action or suit for any such purpose whether or not in its own name and the Special Warranholders or any or them have furnished to the Warrant Agent, when so requested by the Warrant Agent sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby and the Warrant Agent has failed to act within a reasonable time or the Warrant Agent has failed to actively pursue any such act or proceeding.
- (b) Subject to the provisions of this Section and otherwise in this Indenture, all of any of the rights conferred upon a Special Warranholder by the terms of a Special Warrant may be enforced by such Special Warranholder by appropriate legal proceedings without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Special Warranholders from time to time.

12.5 Enurement

This Indenture enures to the benefit of and is binding upon the parties hereto and their respective successors and assigns.

12.6 Formal Date and Effective Date

For the purpose of convenience this Indenture is referred to as bearing the formal date of May 15, 2000 however notwithstanding such formal date, this Indenture becomes effective as between the Company and any particular Special Warranholder upon the date of issuance of a Special Warrant Certificate to such Special Warranholder.

**ANTHONY CLARK INTERNATIONAL INSURANCE
BROKERS LTD.**

Per: "Signed"

c/s

CIBC MELLON TRUST COMPANY

Per: "Signed"

c/s

Per: "Signed"

c/s

SCHEDULE "A"

FORM OF SPECIAL WARRANT CERTIFICATE

"THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE WARRANT AND THE UNDERLYING SECURITIES HAVE BEEN REGISTERED UNDER THE 1933 ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE 1933 ACT."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN BRITISH COLUMBIA UNTIL 12:00 A.M. (MIDNIGHT) May 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (BRITISH COLUMBIA) AND REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THE CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN ALBERTA UNTIL MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (ALBERTA) AND THE REGULATIONS MADE THEREUNDER."

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD IN CERTAIN PROVINCES AND MAY NOT BE TRADED IN THOSE PROVINCES DURING THAT PERIOD EXCEPT AS PERMITTED BY THE APPLICABLE SECURITIES LAWS."

THE SPECIAL WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AFTER THE EXPIRY TIME (AS DEFINED BELOW).

SPECIAL WARRANT CERTIFICATE

ANTHONY CLARK INTERNATIONAL INSURANCE BROKERS LTD.
(Amalgamated under the Business Corporations Act (Alberta))

No. !

! SPECIAL WARRANTS each entitling the holder to acquire one Share and one-half Warrant for each Special Warrant subject to adjustment as set out below

THIS IS TO CERTIFY that, for value received, ! , of ! (the "Special Warrantholder") is the registered holder of the number of special warrants (the "Special Warrants") stated above and is entitled to acquire in the manner and at the time, and subject to the restrictions contained in the Indenture hereinafter referred to, the number of Units of **ANTHONY CLARK INTERNATIONAL INSURANCE BROKERS LTD.** (the "Company") as is equal to the number of Special Warrants represented hereby (subject to adjustment as set out in the Indenture), all without payment of any consideration in addition to that paid for the Special Warrants represented hereby. Each Unit is comprised of one common share in the capital of the Company ("Share") and one-half of a share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to purchase a common share ("Warrant Share") at a price of \$6.70 per Share at any time during the 18 months following the Closing Date.

The Special Warrants represented by this certificate are issued under and pursuant to a certain indenture (the "Indenture") made as of May 15, 2000 between the Company and CIBC Mellon Trust Company (which expression includes any successor agent appointed under the Indenture), to which Indenture and any instruments supplemental thereto reference is hereby made for a full description of the rights of the holders of the Special Warrants and the terms and conditions upon which such Special Warrants are, or are to be, issued and held, all to the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth, to all of which provisions the holder of these Special Warrants by acceptance hereof assents. All terms defined in the Indenture are used herein as so defined. In the event of any conflict or inconsistency between the provisions of the Indenture and the provisions of this Special Warrant

Certificate, except those that are necessary by context, the provisions of the Indenture shall prevail. The Company will furnish to the holder of this Special Warrant Certificate, upon request and without charge, a copy of the Indenture.

The Company has covenanted under the Indenture that, among other things, it will use its best efforts to obtain a receipt for a (final) prospectus from the applicable securities regulatory authorities in the Qualifying Jurisdictions for the purpose of qualifying the distribution of the Shares and Warrants comprised in the Units issuable upon exercise or deemed exercise of the Special Warrants.

The Special Warrants represented by this Special Warrant Certificate will be void after the earlier of:

(a) 5:00 p.m. (Toronto time) on the fifth Business Day after the date on which the receipt has been issued by the securities regulatory authorities in the Qualifying Jurisdictions for a Prospectus of the Company qualifying the issuance of the Units to the Special Warrantheolders; and

(b) 5:00 p.m. (Toronto time) May 15, 2001.

(the "Expiry Time").

The holder of this Special Warrant Certificate may, at any time before the Expiry Time, exercise all or any number of the Special Warrants represented hereby, by surrendering to the Warrant Agent a certificate or certificates representing the number of Special Warrants to be exercised, together with the duly completed and executed exercise form attached as Appendix A-I. If any Special Warrants have not been voluntarily exercised by the holders thereof pursuant to Section 5.2 of the Indenture, prior to the Expiry Time, then such Special Warrants will be exercised by the Warrant Agent on behalf of the holder thereof immediately prior to the Expiry Time without any further action on the part of the holder.

Any such exercise, at a time when the Company has not received a final receipt for the Prospectus from the applicable regulatory authorities in the Qualifying Jurisdictions or the Company has received a final receipt for the Prospectus from the applicable securities regulatory authorities in the Qualifying Jurisdictions but the Prospectus has not been delivered to the Special Warrantheolder, is subject to compliance with, and may be restricted by, the securities laws of the Qualifying Jurisdictions and is further subject to the holder providing such assurances and executing such documents as may, in the reasonable opinion of the Company or the Warrant Agent, be required to ensure compliance with applicable securities legislation. If, at the time of the exercise of the Special Warrants, there remain restrictions on resale under applicable securities legislation on the Shares and Warrants acquired, the Company may, if required on the advice of counsel, endorse the certificates representing the Shares and Warrants acquired with respect to such resale restrictions including the following:

"THIS WARRANT AND THE SHARES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE 1933 ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE 1933 ACT."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN BRITISH COLUMBIA UNTIL 12:00 a.m. (Midnight) MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (BRITISH COLUMBIA) AND REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THE CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN ALBERTA UNTIL MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (ALBERTA) AND THE REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE; HOWEVER, THE SAID SECURITIES CAN NOT BE TRADED THROUGH THE FACILITIES OF SUCH EXCHANGE SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON THE TORONTO STOCK EXCHANGE."

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD IN CERTAIN PROVINCES AND MAY NOT BE TRADED IN THOSE PROVINCES DURING THAT PERIOD EXCEPT AS PERMITTED BY THE APPLICABLE SECURITIES LAWS."

The Units and the Shares and Warrants comprised therein, in respect of which the Special Warrants are exercised will be deemed to have been issued on the date of such exercise pursuant to either Section 5.2 or 5.3 of the Indenture, at which time each Special Warrantholder will be deemed to have become the holder of record of such Shares and Warrants.

After the exercise of Special Warrants pursuant to either Section 5.2 or 5.3 of the Indenture, the Warrant Agent shall, subject to the provisions of Section 5.5 of the Indenture, forthwith cause to be mailed or delivered to each Special Warrantholder at its address specified in the register for the Special Warrants maintained by the Warrant Agent, certificates for the appropriate number of Shares and Warrants comprised in the Units issuable in respect of such Special Warrants, not exceeding those which such Special Warrantholder is entitled to acquire pursuant to the Special Warrants so exercised.

The holder of this Special Warrant Certificate may at any time up to the Expiry Time, upon written instruction delivered to the Warrant Agent and payment of the charges provided for in the Indenture and otherwise in accordance with the provisions of the Indenture, exchange this Special Warrant Certificate for other Special Warrant Certificates evidencing Special Warrants entitling the holder to acquire in the aggregate the same number of Units as may be acquired under this Special Warrant Certificate.

The number of Units and the Shares and Warrants comprised therein, which may be acquired by a Special Warrantholder upon exercise of Special Warrants, are also subject to and governed by Article 4 of the Indenture with respect to anti-dilution provisions, including provisions for the appropriate adjustment of the class, number and price of the securities issuable hereunder upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the shares, payment of stock dividends, or amalgamation of the Company.

The holding of the Special Warrants evidenced by this Special Warrant Certificate does not constitute the Special Warrantholder a shareholder of the Company or entitle such holder to any right or interest in respect thereof except as herein and in the Indenture expressly provided.

This Special Warrant evidenced by the Special Warrant Certificate may be transferred on the register kept at the offices of the Warrant Agent by the registered holder thereof or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, only upon compliance with conditions prescribed in the Special Warrant Indenture and upon compliance with such reasonable requirements as the Warrant Agent may prescribe.

In connection with the transfer of a Special Warrant, the Warrant Agent must have received from the holder of the Special Warrant transferring such Special Warrant a duly completed and executed transfer form, in the form attached as Appendix A-I to this Special Warrant Certificate and also must surrender the Special Warrant.

A person who furnishes evidence that he is, to the reasonable satisfaction of the Warrant Agent:

- (a) the executor, administrator, heir or legal representative of the heirs of the estate of a deceased Special Warrantholder;
- (b) a guardian, committee, trustee, curator or tutor representing a Special Warrantholder who is an infant, an incompetent person or a missing person;

(c) a liquidator or, or a trustee in bankruptcy for, a Special Warrantholder,

may, as hereinafter stated, by surrendering such evidence together with the Special Warrant Certificate in question to the Warrant Agent (by delivery or mail as set forth in Section 10.1 of the Special Warrant Indenture), and subject to such reasonable requirements as the Warrant Agent may prescribe and all applicable securities legislation and requirements of regulatory authorities, become noted upon the register of Special Warrantholders.

In connection with the voluntary exercise of a Special Warrant, the Warrant Agent must have received from the holder of the Special Warrant exercising such Special Warrant a duly completed and executed exercise form, in the form attached as Appendix A-II to this Special Warrant Certificate and also must surrender the Special Warrant.

The Special Warrants represented hereby and the Units, Shares and Warrants issuable upon exercise or deemed exercise of such Special Warrants have not been registered under the U.S. Securities Act or the securities laws of any state of the United States. As a result, the Special Warrants represented hereby may not be exercised within the United States or to or for the account or benefit of a U.S. person, and the securities issuable upon exercise of such Special Warrants may not be offered or sold within the United States, unless such securities are registered under the U.S. Securities Act and the securities laws of any state in which the holder is resident or unless an exemption from such registration requirements is available and its availability is satisfactorily evidenced to the Company and the Warrant Agent.

In connection with the exercise of Special Warrants hereunder by a U.S. Person, the Company may, in its sole discretion, require that Special Warrantholder deliver in connection with such exercise an opinion of counsel addressed to the Company, in form and substance satisfactory to the Company, that no violation of the registration provisions of the U.S. Securities Act or the securities laws of any State would result in the exercise of Special Warrants by such U.S. Person.

Shares and Warrant Shares issued to persons in the United States or to U.S. Persons or persons who are acting as the agent of a U.S. Person pursuant to the exercise of Special Warrants hereunder, shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, IF APPLICABLE, OR (C) INSIDE THE UNITED STATES (1) PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF APPLICABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR (2) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA; A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE COMPANY UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE COMPANY AND ITS REGISTRAR AND TRANSFER AGENT, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT."

All Warrants will bear a legend in substantially the following form:

"THIS WARRANT AND THE SHARES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED

UNDER THE 1933 ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE 1933 ACT."

This Special Warrant Certificate is construed in accordance with the laws of the Qualifying Jurisdictions and of Canada applicable therein and shall be treated in all respects as an Alberta contract.

This Special Warrant Certificate is not valid for any purpose whatever unless and until it has been countersigned by or on behalf of the Warrant Agent.

Time shall of the essence hereof.

After the exercise or deemed exercise of any of the Special Warrants represented by this Special Warrant Certificate, the Special Warranholder shall no longer have any rights under either the Indenture or this Special Warrant Certificate with respect to such Special Warrants, other than the right to receive certificates representing the Shares and Warrant Shares issuable on the exercise of those Special Warrants, and those Special Warrants shall be void and of no further value or effect.

IN WITNESS WHEREOF the Company has caused this Special Warrant Certificate to be executed and the Warrant Agent has caused this Special Warrant Certificate to be countersigned by its duly authorized officers as of this 15th day of May, 2000.

**ANTHONY CLARK INTERNATIONAL INSURANCE
BROKERS LTD.**

Per: _____

Countersigned by:
CIBC MELLON TRUST COMPANY

Per: _____

APPENDIX A-I
FORM OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (name) _____ (the "Transferee"), of (residential address) _____ Special Warrants of Anthony Clark International Insurance Brokers Ltd. registered in the name of the undersigned on the records of CIBC Mellon Trust Company represented by the within certificate, and irrevocably appoints _____ as the attorney of the undersigned to transfer the said securities on the books or register of transfer, with full power of substitution.

DATED the ____ day of _____, 2000.

Signature Guaranteed
(See instructions to Special Warrantholders)

Signature of Special Warrantholder (to be the same as appears on the face of this Special Warrant Certificate)

Note to Special Warrantholder: In order to transfer the Special Warrants represented by this certificate, this transfer form must be delivered to the Warrant Agent, together with such certificates of the transferor and transferee as the Company may require to evidence compliance with applicable securities legislation in Canada and the United States.

APPENDIX A-II
EXERCISE FORM

TO: ANTHONY CLARK INTERNATIONAL INSURANCE BROKERS LTD.

The undersigned hereby exercises the right to acquire _____ Units consisting of one common share and one-half of a share purchase warrant of **Anthony Clark International Insurance Brokers Ltd.** as constituted on May 15, 2000 (or such number of other securities or property to which such Special Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the Indenture referenced in the within Special Warrant Certificate) according to the terms of the Indenture referenced in the within Special Warrant Certificate.

The undersigned hereby represents and warrants to the Company as follows (check one):

- _____ (a) the undersigned is not a U.S. person and the Warrant is not being exercised within the United States or for the account of a U.S. person; or
- _____ (b) the undersigned was a U.S. person at the time of acquisition of the Special Warrants and each of the representations and warranties made by the undersigned in the Subscription Agreement between the undersigned and the Company, pursuant to which the undersigned acquired the Warrants, are true and correct as of the date hereof; or
- _____ (c) the undersigned has delivered herewith to the Company a written opinion of counsel to the effect that the exercise of the Warrant by the undersigned is not subject to registration under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States.

"United States" and U.S. person" are as defined by Regulation S under the United States Securities Act of 1933. Other defined terms used herein without definition have the meaning given to such terms in the Indenture.

Number of Units: _____

DATED at _____, this _____ day of _____, 200_____.

Signature Witnessed
(See instructions to Special Warrantholders)

Signature of Special Warrantholder (to be the same as appears on the face of this Special Warrant Certificate)

Name of Special Warrantholder:
Address (**Please print**) :

INSTRUCTIONS TO SPECIAL WARRANTHOLDERS

TO EXERCISE:

If the Special Warrantholder voluntarily exercises Special Warrants prior to the Expiry Date pursuant to section 5.2 of the Indenture, it must complete, sign and deliver:

- (a) the Exercise Form, attached as Appendix A-I; and
- (b) the Special Warrant Certificates,

to the Warrant Agent indicating the number of Shares to be acquired. In such case, the signature of such registered holder on the Exercise Form must be witnessed.

TO TRANSFER:

If the Special Warrantholder wishes to transfer Special Warrants, then the Special Warrantholder must complete, sign and deliver:

- (a) the Transfer Form attached as Appendix 1;
- (b) the Special Warrant Certificates; and
- (c) such certificates as the Company may require to evidence compliance with applicable securities legislation in Canada and the United States,

to the Warrant Agent.

If the Special Warrant Certificate is transferred, the Special Warrantholder's signature on the Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

GENERAL:

If the Exercise Form or the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Special Warrant Certificate must also be accompanied by evidence of authority to sign satisfactory to the Warrant Agent.

SCHEDULE "B"

DEFINITION OF "U.S. PERSON" AND "UNITED STATES"

"(o) "U.S. Person"

(1) U.S. person means:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. person;
- (iv) any trust of which any trustee is a U.S. person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (viii) any partnership or corporation if:
 - A. organized or incorporated under the laws of any foreign jurisdiction; and
 - B. formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the 1933 Act who are not natural persons, estates or trusts.

(2) Notwithstanding paragraph (o)(1) of this section, any discretionary account or similar account (other than an estate or trust) held for the benefit of or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or (if an individual) resident in the United States shall not be deemed to be a U.S. person;

(3) Notwithstanding paragraph (o)(1) of this section, any estate of which any professional fiduciary acting as executor or administrator is a U.S. person shall not be deemed a U.S. person if:

- (i) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
- (ii) the estate is governed by foreign law.

(4) Notwithstanding paragraph (o)(1) of this section, any trust of which any professional fiduciary acting as trustee is a U.S. person shall not be deemed a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (an no settlor if the trust is revocable) is a U.S. person.

(5) Notwithstanding paragraph (o)(1) of this section, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. person.

(6) Notwithstanding paragraph (o)(1) of this section, any agency or branch of a U.S. person located outside the United States shall not be deemed a "U.S. person" if:

- (i) the agency or branch operates for valid business reasons; and
- (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

- (7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed "U.S. persons."
- (p) *United States*. "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

SCHEDULE "C"

FORM OF WARRANT CERTIFICATE

"THIS WARRANT AND THE SHARES DELIVERABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE 1933 ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE 1933 ACT."

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN BRITISH COLUMBIA UNTIL 12:00 a.m. (Midnight) May 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (BRITISH COLUMBIA) AND REGULATIONS MADE THEREUNDER."

"THE SECURITIES REPRESENTED BY THE CERTIFICATE ARE SUBJECT TO A HOLD PERIOD AND MAY NOT BE TRADED IN ALBERTA UNTIL MAY 15, 2001 EXCEPT AS PERMITTED BY THE SECURITIES ACT (ALBERTA) AND THE REGULATIONS MADE THEREUNDER."

"IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A HOLD PERIOD IN CERTAIN PROVINCES AND MAY NOT BE TRADED IN THOSE PROVINCES DURING THAT PERIOD EXCEPT AS PERMITTED BY THE APPLICABLE SECURITIES LAWS."

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE UNLESS EXERCISED WITHIN THE TIME LIMITED HEREIN PROVIDED.

SHARE PURCHASE WARRANTS

ANTHONY CLARK INTERNATIONAL INSURANCE BROKERS LTD.
(Amalgamated under the Business Corporations Act (Alberta))

No. !

Warrants representing
the Right to Purchase
! Shares

WARRANTS FOR PURCHASE OF SHARES

THIS IS TO CERTIFY THAT, for value received ! (the "holder") of ! is entitled to subscribe for and purchase ! fully paid and non-assessable common shares (the "Shares") in the capital of **Anthony Clark International Insurance Brokers Ltd.** (the "Company") at any time prior to 5:00 p.m. (Toronto time) (the "Expiry Time") on November 15, 2001 being a date which is 18 months from the Closing Date (subject to adjustment pursuant to the terms set out in the Warrant Indenture) at a price of \$6.70 per share (the "Exercise Price"), subject, however, to the provisions and upon the terms and conditions hereinafter set forth.

The Warrants represented by this certificate are issued under and pursuant to a Warrant Indenture (the "Warrant Indenture") made as of May 15, 2000 between the Company and the Warrant Agent (which expression shall include any successor agent appointed under the Warrant Indenture), to which Warrant Indenture (and any amendments thereto and instruments supplemental thereto) reference is hereby made for a full description of the rights of the holders of the Warrants and the terms and conditions upon which such Warrants are or are to be, issued and held, all to the same effect as if the provisions of the Warrant Indenture and all amendments thereto and instruments supplemental thereto were herein set forth and to all of which provisions the holder of these Warrants by acceptance hereof assents. All capitalized terms not otherwise defined herein shall have the meanings ascribed to thereto in the Warrant Indenture.

In the event of any conflict or inconsistency between the provisions of the Warrant Indenture (and any amendments thereto and instruments supplemental thereto) and the provisions of this Warrant Certificate ("Warrant Certificate"), except those that are necessary by context, the provisions of the Warrant Indenture (and any amendments thereto and instruments supplemental thereto) shall prevail. The terms and

provisions of the Warrant Indenture (and any amendments thereto and instruments supplemental thereto) are incorporated herein by reference.

The rights to acquire Shares of the Company granted by this Warrant Certificate may be exercised subject to the terms and conditions set out in the Warrant Indenture, in whole or in part (but not as to a fractional Share), by surrender of this Warrant Certificate and the duly completed and executed Exercise Form attached as Appendix 1 hereto, at the offices of the Company's registrar and transfer agent, CIBC Mellon Trust Company, 600 The Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1 (the "Warrant Agent") accompanied by a certified cheque or bank draft payable to or to the order of the Company in payment of the purchase price of the number of Shares for which Warrants are then exercised.

In the event of any exercise of the rights represented by this Warrant Certificate, certificates for the Shares so purchased (the "Share Certificates") shall be promptly mailed or delivered to the holder and, unless the Warrants have expired, a new Warrant Certificate (the "New Warrant Certificate") granting the right to acquire that number of Shares, if any, with respect to which the Warrants have not then been exercised shall also be issued to the holder within such time.

In the event that the Company is unable to obtain a receipt for the Prospectus in the Qualifying Jurisdictions, the Warrants represented hereby and the Common Shares underlying them may be subject to statutory hold periods during which these securities may not be resold in such jurisdiction. In addition, any Warrants that are exercised or Common Shares received on such exercise prior to the issuance of receipt for the Prospectus by the Commission may be subject to statutory restrictions and may also be subject to restrictions on resale imposed by The Toronto Stock Exchange. Holders are advised to consult their own legal advisers in this regard.

All Share Certificates issued to U.S. Persons or persons exercising this Warrant in the United States or on behalf or for the account of a U.S. Person on the exercise of the rights represented by this Warrant Certificate will bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (a) TO THE COMPANY, (b) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (c) PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (d) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA; A NEW CERTIFICATE, BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE COMPANY UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE COMPANY AND ITS REGISTRAR AND TRANSFER AGENT, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT."

This Warrant and the Shares issuable upon exercise hereof have not been registered under the 1933 Act and the securities laws of any state of the United States and such securities may not be offered or resold within the United States unless registered under the 1933 Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available.

The Company covenants and agrees that all Shares issued upon the exercise of the rights represented by this Warrant Certificate shall, upon issuance, be fully paid and non-assessable and free of all liens, charges and encumbrances. The Company further covenants and agrees that during the period within which the rights represented by this Warrant Certificate may be exercised, the Company shall at all times have

authorized and reserved a sufficient number of Shares to provide for the exercise of the rights represented by this Warrant Certificate.

The Warrants evidenced by this Warrant Certificate may be transferred on the register kept at the offices of the Warrant Agent by the registered holder hereof or its legal representatives or its attorney duly appointed upon the execution and delivery to the Warrant Agent of a Transfer Form attached as Appendix 2 hereto, upon compliance with the conditions prescribed in the Warrant Indenture and upon compliance with such reasonable requirements as the Warrant Agent may prescribe.

The holding of the Warrants evidenced by this Warrant Certificate shall not constitute the holder hereof a shareholder of the Company or entitled the holder to any right or interest in respect thereof except as expressly provided in the Warrant Indenture and in this Warrant Certificate.

The holder of this Warrant Certificate may, at any time prior to the Expiry time, and at no cost to the holder, upon surrender hereof to the Warrant Agent at its principal office in the City of Calgary, exchange this Warrant Certificate for other warrant certificates entitling the holder to acquire, in the aggregate, the same number of Shares as may be acquired under this Warrant Certificate.

The holder of these Warrants may acquire at no cost to the holder, any lesser number of Shares than the number of Shares which may be acquired for the Warrants represented by this Warrant Certificate. In such event, the holder shall be entitled to receive, at no cost to the holder, a new Warrant Certificate for the balance of the shares which may be acquired.

A person who furnishes evidence that he is, to the reasonable satisfaction of the Warrant Agent:

- (a) the executor, administrator, heir or legal representative of the heirs of the estate of a deceased Warranholder;
- (b) a guardian, committee, trustee, curator or tutor representing a Warranholder who is an infant, an incompetent person or a missing person;
- (c) a liquidator or, or a trustee in bankruptcy for, a Warranholder;

may, as hereinafter stated, by surrendering such evidence together with the Warrant Certificate in question to the Warrant Agent (by delivery or mail as set forth in Section 9.1 of the Warrant Indenture), and subject to such reasonable requirements as the Warrant Agent may prescribe and all applicable securities legislation and requirements of regulatory authorities, become noted upon the register of Warranholders.

The exercise of the rights represented by this Warrant Certificate by the holder is deemed to constitute the entering into of a subscription agreement between the holder and the Company on the same terms, *mutatis mutandis*, as the special warrant subscription agreement between the holder and the Company pursuant to which the Special Warrants were originally acquired by the holder, which Special Warrants were exercised by the holder to acquire the rights represented by this Warrant Certificate.

The number of Warrant Shares which may be acquired by a Warranholder upon exercise of Warrants, are also subject to and governed by Article 4 of the Indenture with respect to anti-dilution provisions, including provisions for the appropriate adjustment of the class, number and price of the securities issuable hereunder upon the occurrence of certain events including any subdivision, consolidation, or reclassification of the shares, payment of stock dividends, or amalgamation of the Company.

Time shall be of the essence hereof. The Warrants and the Warrant Indenture (and any amendments thereto and instruments supplemental thereto) shall be governed by, performed, construed and enforced in accordance with the laws of the Qualifying Jurisdictions and the laws of Canada applicable therein and shall be treated in all respects as Alberta contracts.

This Warrant Certificate is not valid for any purpose whatever until it has been countersigned by or on behalf of the Warrant Agent.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be executed and the Warrant Agent has caused this Warrant Certificate to be countersigned by its duly authorized officers as of this ! day of ! ,

**ANTHONY CLARK INTERNATIONAL INSURANCE
BROKERS LTD.**

Per: _____

COUNTERSIGNED BY:

CIBC MELLON TRUST COMPANY

Per: _____

**APPENDIX I
EXERCISE FORM**

TO: ANTHONY CLARK INTERNATIONAL INSURANCE BROKERS LTD.

The undersigned hereby exercises the right to acquire _____ common shares of Anthony Clark International Insurance Brokers Ltd. as constituted on May 15, 2000 (or such number of other securities or property to which such Warrants entitle the undersigned in lieu thereof or in addition thereto.)

The undersigned hereby represents and warrants to the Company as follows (check one):

- _____ (i) the undersigned is not a U.S. person and the Warrant is not being exercised within the United States or for the account of a U.S. person; or
- _____ (ii) the undersigned was a U.S. person at the time of acquisition of the Special Warrants and each of the representations and warranties made by the undersigned in the Subscription Agreement between the undersigned and the Company, pursuant to which the undersigned acquired the Warrants, are true and correct as of the date hereof; or
- _____ (iii) the undersigned has delivered herewith to the Company a written opinion of counsel to the effect that the exercise of the Warrant by the undersigned is not subject to registration under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States.

"United States" and U.S. person" are as defined by Regulation S under the United States Securities Act of 1933. Other defined terms used herein without definition have the meaning given to such terms in the Indenture.

Number of common shares: _____

DATED at _____, _____, this _____ day of _____, 200__.

Signature Witnessed
(See instructions to Warrantholders)

(Signature of Warrantholder, to be the same as
appears on the face of this Warrant Certificate)

Name of Warrantholder:
Address (**Please print**) :

APPENDIX 2

FORM OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (name) _____ (the "Transferee"), of (residential address) _____ Warrants of Anthony Clark International Insurance Brokers Ltd. registered in the name of the undersigned on the records of CIBC Mellon Trust Company represented by the within certificate, and irrevocably appoints _____ as the attorney of the undersigned to transfer the said securities on the books or register of transfer, with full power of substitution.

DATED the ____ day of _____, 2000.

Signature Guaranteed
(See instructions to Warranholders)

Signature of Warranholder (to be the same as
appears on the face of this Warrant Certificate)

Note to Warranholder: In order to transfer the Warrants represented by this certificate, this transfer form must be delivered to the Warrant Agent, together with such certificates of the transferor and transferee as the Company may require to evidence compliance with applicable securities legislation in Canada and the United States.

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