

WARRANT INDENTURE

between

SEAIR INC.

- and -

CST TRUST COMPANY

Providing for the Issue of
Share Purchase Warrants

Dated as of December 2, 2014

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THIS WARRANT INDENTURE is made as of the 2nd day of December, 2014.

BETWEEN:

SEAIR INC., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as the "**Corporation**")

AND

CST TRUST COMPANY, a trust company existing under the laws of Canada (hereinafter referred to as the "**Warrant Agent**")

WHEREAS:

- A. the Corporation proposes to issue and sell up to 11,111,111 units ("**Units**") in the capital of the Corporation at a price of \$0.18 per Unit (the "**Subscription Price**"), each Unit consisting of one common share in the capital of the Corporation ("**Common Share**") and one half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**");
- B. one (1) whole Warrant shall, subject to adjustment, entitle the holder thereof to purchase one (1) Common Share at a price of \$0.23 per Common Share at any time at or before 5:00 p.m. (Calgary time) on the Expiry Date (as defined below);
- C. all things necessary have been done and performed to make the Warrant Certificates, when certified by the Warrant Agent and issued and delivered as herein provided, legal, valid and binding on the Corporation with the benefits of and subject to the terms of this Indenture; and
- D. the Warrant Agent has agreed to enter into this Indenture and to hold all rights, interests and benefits contained herein for and on behalf of those Persons who from time to time become holders of Warrants issued pursuant to this Indenture;

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as Warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those Persons who from time to time become the holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

- (a) "**Act**" means the *Income Tax Act* (Canada), and any and all rules and regulations made pursuant thereto, as amended from time to time;
- (b) "**Applicable Legislation**" means the provisions of the *Business Corporations Act* (Alberta) as from time to time amended, and any statute of Canada or a province thereof and the regulations under those statutes, relating to trust indentures or to the rights, duties and obligations of warrant agents and of corporations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

- (c) **"Authenticated"** means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized officer of the Warrant Agent, (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.9 are entered in the register of holders of Warrants, *"Authenticate"*, *"Authenticating"* and *"Authentication"* have the appropriate correlative meanings;
- (d) **"Beneficial Owner"** means a Person that has a beneficial interest in the Warrant that is represented by a Global Certificate;
- (e) **"Book-Entry Only System"** means the book-based securities transfer system administered by CDS in accordance with its operating rules and procedures in force from time to time;
- (f) **"Book-Entry Only Warrants"** means Warrants that are to be held only by or on behalf of the Depositary pursuant to the Book-Entry Only System;
- (g) **"Business Day"** means a day which is not Saturday or Sunday or a statutory holiday on which major Canadian chartered banks are open for business in Calgary, Alberta;
- (h) **"CDS"** or the **"Depositary"** means CDS Clearing and Depositary Services Inc. and its successors in interest;
- (i) **"Closing"** means a closing of the Offering;
- (j) **"Closing Date"** means the day on which a Closing occurs;
- (k) **"Confirmation"** means a confirmation sent by CDS to the Warrant Agent in connection with the exercise of a Warrant by a Beneficial Owner through a Participant;
- (l) **"Common Shares"** means fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;
- (m) **"Corporation's Auditors"** means a firm of chartered accountants duly appointed as auditors of the Corporation;
- (n) **"Counsel"** means a barrister or solicitor or a firm of barristers or solicitors, who may be counsel for the Corporation, acceptable to the Warrant Agent, acting reasonably;
- (o) **"director"** means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;
- (p) **"Exercise Date"** means, with respect to any Warrant, the date on which the Warrant Certificate representing such Warrant is surrendered for exercise together with full payment of the Exercise Price, in accordance with Article 3;
- (q) **"Exercise Form"** means the Exercise Form forming part of the Warrant Certificate to be completed by the Warrantholder in order to exercise the Warrants for the purchase of Common Shares;

- (r) **"Exercise Price"** means the price at which a Common Share may be purchased upon the exercise of one whole Warrant, being \$0.23 per Common Share on or before the Expiry Date, subject to adjustment in accordance with the terms of this Indenture;
- (s) **"Expiry Date"** means the twenty-four (24) months from and after a Closing Date;
- (t) **"extraordinary resolution"** has the meaning set forth in Section 7.11;
- (u) **"Global Certificate"** means any Warrant certificate that may be issued to and registered in the name of CDS or its nominee pursuant to Section 2.2 hereof, for the purposes of being held by or on behalf of CDS as custodian for Participants;
- (v) **"Internal Procedures"** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;
- (w) **"Issue Date"** means the date upon which the Warrants are issued;
- (x) **"Offering"** means the offering and sale by the Corporation pursuant to a private placement financing exempt from the prospectus requirements of applicable securities laws of up to 11,111,111 Units for aggregate gross proceeds of up to \$2,000,000, which offering may close on one or more dates and pursuant to one or more Closings;
- (y) **"Participants"** means a Person recognized by CDS as a participant in the Book-Entry Only System;
- (z) **"Person"** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;
- (aa) **"Registered Warrantholders"** means the persons who are registered owners of Warrants as such names appear on the register, and for greater certainty, shall include the Depositary as well as the holders of Uncertificated Warrants appearing on the register of the Warrant Agent;
- (bb) **"Regulation D"** means Regulation D as promulgated by the United States Securities and Exchange commissions under the U.S. Securities Act;
- (cc) **"Regulation S"** means Regulation S as promulgated by the United States Securities and Exchange commissions under the U.S. Securities Act;
- (dd) **"Securities Commission"** means the securities commission or similar regulatory authority in each of the jurisdictions where the Securities are offered pursuant to the Offering;
- (ee) **"Shareholders"** means the registered holders from time to time of Common Shares;
- (ff) **"Subsidiary"** has the meaning ascribed thereto in the Alberta *Business Corporations Act*;
- (gg) **"Time of Expiry"** or **"Expiry Time"** means 5:00 p.m. (Calgary time) on the Expiry Date;

- (hh) **"Transfer Agent"** means the transfer agent of the Common Shares;
- (ii) **"Transfer Form"** means the Transfer Form forming part of the Warrant Certificate to be completed by the Warrantholder in order to transfer the Warrants;
- (jj) **"TSX-V"** means the TSX Venture Exchange;
- (kk) **"Uncertificated Warrant"** means any Warrant which is not issued as part of a Warrant Certificate;
- (ll) **"U.S. Person"** has the meaning set forth in Rule 902(k) of Regulation S;
- (mm) **"U.S. Securities Act"** means the *United States Securities Act* of 1933, as amended;
- (nn) **"U.S. Securities Exchange Act"** means the *United States Securities Exchange Act* of 1934, as amended;
- (oo) **"U.S. Warrantholder"** means any Warrantholder that is a U.S. Person, acquired warrants in the United States or for the account or benefit of any U.S. Person or Person in the United States;
- (pp) **"United States"** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (qq) **"Unit"** means one Common Share and one half of one Warrant;
- (rr) **"Warrant Agency"** means the principal office of the Warrant Agent in the City of Calgary or such other place as may be designated in accordance with subsection 3.1(i);
- (ss) **"Warrant Agent"** means CST Trust Company or its successors from time to time in the trust hereby created;
- (tt) **"Warrant Certificate"** means a certificate substantially in the form set forth in Schedule "A" hereto, to evidence those Warrants that will be evidenced by a certificate;
- (uu) **"Warrantholders"** or **"holders"** without reference to Common Shares, means the registered holders of Warrants;
- (vv) **"Warrantholders' Request"** means an instrument signed in one or more counterparts by Warrantholders entitled to acquire in the aggregate not less than 25% of the aggregate number of Common Shares which could be acquired pursuant to all Warrants then unexercised and outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;
- (ww) **"Warrants"** means the warrants issued and Authenticated hereunder, whether by way of a Warrant Certificate or an Uncertificated Warrant, each of which entitles the holder thereof to purchase one Common Share at the Exercise Price at any time up to the Expiry Time subject to adjustment in accordance with the provisions of Article 4 hereof;
- (xx) **"Warrant Indenture"**, **"Indenture"**, **"herein"**, **"hereby"**, **"hereof"** and similar expressions mean and refer to this indenture and any other indenture, deed or instrument supplemental hereto, and the expressions **"Article"**, **"section"**, **"subsection"** and **"paragraph"** followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

- (yy) **"Warrant Register"** means the register maintained by the Warrant Agent for the Warrants; and
- (zz) **"written order of the Corporation", "written request of the Corporation", "written consent of the Corporation", and "certificate of the Corporation"** means, respectively, a written order, request, consent and certificate signed in the name of the Corporation by any two directors or officers, and may consist of one or more instruments so executed.

1.2 Gender, Number and Parties

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing gender include both genders and the neuter. Unless the context otherwise requires, any reference to a **"party"** herein is a reference to a party hereto.

1.3 Interpretation not Affected by Headings, etc.

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

1.4 Day not a Business Day

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

1.5 Time of the Essence

Time is of the essence of this Indenture.

1.6 Currency

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

1.7 Attornment

The parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Alberta for any actions, suits or proceedings arising out of or relating to this Indenture or the matters contemplated hereby (and agree to not commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Indenture shall be effective service of process for any action, suit or proceeding brought against either party in such court. The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Indenture or the matters contemplated hereby in the courts of the Province of Alberta and hereby further irrevocably and unconditionally waive and agree to not plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

1.8 Amendment

This Indenture shall not be varied or amended in its terms otherwise than by an express instrument in writing dated subsequent to the date hereof, executed by duly authorized representatives of the parties.

1.9 Schedules

The following is a list of the designated letter and reference names of the Schedule attached to and forming part of this Indenture:

Schedule "A" – Form of Warrant Certificate.

1.10 Applicable Law

This Indenture and the Warrant Certificates shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as Alberta contracts.

ARTICLE 2 ISSUE OF WARRANTS

2.1 Issue of Warrants

- (a) Subject to adjustment as set forth in Article 4 hereof, up to 5,555,556 Warrants exercisable to acquire up to 5,555,556 Common Shares are hereby created and authorized to be issued.
- (b) The Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be substantially in the form set out in Schedule "A" hereto, shall bear such legends and distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions.
- (c) The Warrant Certificates and the Warrants represented thereby shall be registered, together with the name and address of the registered holder thereof, in the Warrant Register maintained by the Warrant Agent.
- (d) The Warrants may be issued in both certificated and uncertificated form. Each Warrant originally issued to a U.S. Warrantholder will be evidenced in certificated form only and bear the applicable legends as set forth in Schedule "A" hereto. All Warrants issued in certificated form shall be evidenced by the Warrant Certificates (including all replacements issued in accordance with this Indenture), substantially in the form set out in Schedule "A" hereto, which shall be dated as of the Issue Date, shall bear such legends and distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and shall be issuable in any denomination excluding fractions. All Warrants issued to the Depositary may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.2.

2.2 Issue of Global Certificates

- (a) Except as otherwise set forth herein, registration of beneficial interests in and transfers of Warrants held by CDS shall be made through the Book-Entry Only System, subject to Internal Procedures, and no Warrant Certificates shall be issued in respect of such Warrants except as set out in this Section 2.2, where physical certificates evidencing ownership in such securities are required or as may be requested by CDS from time to time. Warrants in the Book-Entry Only System shall be evidenced by a Global Certificate as contemplated in subsection 2.2 hereof.

- (b) The Corporation may, at its sole option, specify, in a written order of the Corporation delivered to the Warrant Agent, that some or all of the Warrants (other than those to be issued in the United States, or to, or for the account or benefit of U.S. Persons which shall be issued as individual physical certificates in definitive form) are to be represented by one or more Global Certificates registered in the name of CDS or its nominee, and in such event the Corporation shall execute and the Warrant Agent shall countersign and deliver one or more Global Certificates that shall represent the aggregate number of outstanding Warrants to be represented by such Global Certificate(s).
- (c) Transfers of beneficial ownership in any Warrant represented by a Global Certificate will be effected only: (i) with respect to the interest of a Participant, through records maintained by CDS or its nominee for such Global Certificate, and (ii) with respect to the interest of any Person other than a Participant, through records maintained by Participants. Beneficial Owners who are not Participants but who desire to sell or otherwise transfer ownership of or any other interest in Warrants represented by such Global Certificate may do so only through a Participant. In addition, Beneficial Owners may request fully registered Warrant Certificates in accordance with the Internal Procedures. Fully registered Warrant Certificates issued and exchanged pursuant to the terms hereof as a result of the withdrawal of a number of Warrants from a Global Certificate shall be registered in such names and in such denominations as CDS shall instruct the Warrant Agent, provided that the aggregate number of Warrants represented by such Warrant Certificates shall be equal to the aggregate number of Warrants so withdrawn from a Global Certificate. Upon withdrawal of a Global Certificate for one or more Warrant Certificates in definitive form, the number of Warrants represented by such Global Certificate shall be reduced by the Warrant Agent.
- (d) All references herein to actions by, notices given or payments made to Warrantholders shall, where Warrants are held through a Global Certificate, refer to actions taken by, or notices given or payments made to, CDS upon instruction from Participants in accordance with Internal Procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Warrantholders evidencing a specified percentage of the aggregate Warrants outstanding, such direction or consent may be given by holders of Warrants acting through CDS and the Participants owning Warrants evidencing the requisite percentage of the Warrants. The rights of Beneficial Owners shall be limited to those established by applicable laws and agreements between CDS and the Participants and between such Participants and Beneficial Owners and must be exercised through a Participant in accordance with the Internal Procedures.
- (e) Each of the Warrant Agent and the Corporation may deal with CDS for all purposes as the authorized representative of the respective Warrantholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder. For so long as Warrants are represented by a Global Certificate, if any notice or other communication is required to be given to Warrantholders, the Warrant Agent will give such notices and communications to CDS or its nominee.
- (f) Subject to subsection 2.2(g) and (h), neither the Corporation nor the Warrant Agent shall be under any obligation to deliver to any Participant or Beneficial Owner, nor shall any Participant or Beneficial Owner have any right to require the delivery of, a certificate or other instrument evidencing any interest in Warrants except where physical certificates evidencing ownership in the Warrants are required to deal with Warrant exercises or restricted and/or legended securities.
- (g) If any Warrant is represented by a Global Certificate and any of the following events occurs:

- (i) CDS has notified the Warrant Agent that CDS is unwilling or unable to continue as the depositary or CDS ceases to be a clearing agency in good standing under applicable laws and, in either case, the Corporation is unable to locate a qualified successor depositary within 90 days of delivery of such notice;
- (ii) the Corporation has determined, in its sole discretion, to terminate the Book-Entry Only System in respect of such Global Certificate and has communicated such determination to the Warrant Agent in writing;
- (iii) any of such Warrants is to be Authenticated to or for the account or benefit of a U.S. Person;
- (iv) the Corporation or CDS is required by applicable law to take the action contemplated in this subsection 2.2(g); or
- (v) the Book-Entry Only System administered by CDS ceases to exist;

then one or more definitive fully registered Warrant Certificates shall be executed by the Corporation and countersigned and delivered by the Warrant Agent to CDS in exchange for the Global Certificate(s) held by CDS.

- (h) Fully registered Warrant Certificates issued and exchanged pursuant to subsection 2.2(g) shall be registered in such names and in such denominations as CDS shall instruct the Warrant Agent, provided that the aggregate number of Warrants represented by such Warrant Certificates shall be equal to the aggregate number of Warrants represented by the Global Certificate(s) so exchanged. Upon exchange of a Global Certificate for one or more Warrant Certificates in definitive form, such Global Certificate shall be cancelled by the Warrant Agent.
- (i) Notwithstanding anything herein or in the terms of the Warrant Certificates to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for (i) the records maintained by CDS relating to any ownership interests or any other interest in the Warrants or the depositary system maintained by CDS, or payments made on account of any ownership interest or any other interest of any Person in any Warrant represented by any Global Certificate (other than the applicable depositary or its nominee), (ii) maintaining, supervising or reviewing any records of CDS or any Participant relating to any such interest, or (iii) any advice or representation made or given by CDS or those contained herein that relate to the rules and regulations of CDS or any action to be taken by CDS on its own direction or at the direction of any Participant.
- (j) The provisions of Section 2.13 with respect to the transfer of Warrants are subject to the provisions of this Section 2.2.
- (k) The Corporation may terminate the application of this Section 2.2 in its sole discretion on written notice to the Warrant Agent.

2.3 Non-Certificated Deposit

- (a) At the Corporation's option, Warrants, other than those issuable to persons resident in, or otherwise subject to the laws of, the United States or to persons who were offered Warrants in the United States (who will be issued individual Warrant Certificates bearing the legend set forth in Section 2.6), will be issued and registered in the name of CDS or its nominee and may:

- (i) be directly deposited by the Warrant Agent to CDS or pursuant to the Book-Entry Only System; and
 - (ii) shall be identified by a CUSIP/ISIN number to be obtained by the Corporation.
- (b) If the Corporation issues Warrants in a non-certificated format, owners of the beneficial interests in such Warrants registered and deposited with CDS shall not receive or be entitled to receive Warrant Certificates in definitive form and shall not be considered owners or holders thereof under this Agreement or any supplemental agreement except in circumstances where CDS resigns or is removed from its responsibility and the Warrant Agent is unable or does not wish to locate a qualified successor. Beneficial interests in Warrants registered and deposited with CDS will be represented only through the Book-Entry Only System. Transfers of Warrants registered and deposited with CDS between Participants shall occur in accordance with CDS's rules and procedures. The Corporation shall not have any responsibility or liability for any aspects of the records relating to or payments made by CDS, or its nominee, on account of the beneficial interests in Warrants registered and deposited with CDS. Nothing herein shall prevent the owners of beneficial interests in Warrants registered and deposited with CDS from voting such Warrants using duly executed proxies.
- (c) All references herein to actions by, notices given or payments made to Warrantheolders shall, where Warrants are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Warrantheolders evidencing a specified percentage of the aggregate Warrants outstanding, such direction or consent may be given by holders of Warrants acting through CDS and the Participants owning Warrants evidencing the requisite percentage of the Warrants. The rights of a Warrantheolder whose Warrants are held through CDS shall be exercised only through CDS and the Participants and shall be limited to those established by law and agreements between such holders and CDS and the Participants upon instructions from the Participants. Each of the Warrant Agent and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Warrantheolders and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.
- (d) For so long as Warrants are held through CDS, if any notice or other communication is required to be given to Warrantheolders, the Warrant Agent will give such notices and communications to CDS.
- (e) If CDS resigns or is removed from its responsibility as depositary and the Warrant Agent is unable or does not wish to locate a qualified successor, CDS shall provide the Warrant Agent with instructions for registration of Warrants in the name and in the amount specified by CDS and the Corporation shall issue and the Warrant Agent shall certify and deliver the aggregate number of Warrants then outstanding in the form of definitive Warrant Certificates representing such Warrants.
- (f) Every Warrant Authenticated upon registration of transfer of a Global Certificate, or in exchange for or in lieu of a Global Certificate or any portion thereof, whether pursuant to this Section 2.3 or otherwise, shall be Authenticated in the form of, and shall be, a Global Certificate, unless such Warrant is registered in the name of a person other than the Depositary for such Global Certificate or a nominee thereof.
- (g) Notwithstanding anything to the contrary in this Indenture, subject to Applicable Legislation, the Global Certificate will be issued as an Uncertificated Warrant, unless otherwise requested in writing by the Depositary or the Corporation.

- (h) The rights of beneficial owners of Warrants who hold securities entitlements in respect of the Warrants through the Book-Entry Only System shall be limited to those established by applicable law and agreements between the Depositary and the Participants and between such Participants and the Beneficial Owners who hold securities entitlements in respect of the Warrants through the Book-Entry Only System, and such rights must be exercised through a Participant in accordance with the rules and procedures of the Depositary.
- (i) Notwithstanding anything herein to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:
 - (i) the electronic records maintained by the Depositary relating to any ownership interests or any other interests in the Warrants or the Depositary system maintained by the Depositary, or payments made on account of any ownership interest or any other interest of any person in any Warrant represented by an electronic position in the Book-Entry Only System (other than the Depositary or its nominee);
 - (ii) for maintaining, supervising or reviewing any records of the Depositary or any Participant relating to any such interest; or
 - (iii) any advice or representation made or given by the Depositary or those contained herein that relate to the rules and regulations of the Depositary or any action to be taken by the Depositary on its own direction or at the direction of any Participant.
- (j) The Corporation may terminate the application of this Section 2.3 in its sole discretion in which case all Warrants shall be evidenced by Warrant Certificates registered in the name of a Person other than the Depositary.

2.4 Terms of Warrants

- (a) The Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be issued in registered form and shall be substantially in the form set out in Schedule "A", with such additions, variations and deletions as may be permitted by the provisions of this Indenture, numbered in such manner as the Corporation with the approval of the Warrant Agent may prescribe and shall be issuable in any denomination. All Warrant Certificates shall be dated the Issue Date and shall, save as to registration details and denominations, be of like tenor and effect. Warrant Certificates may bear such legends as Counsel may advise are necessary or advisable in the circumstances.
- (b) The Warrant Certificates and the Warrants represented thereby shall be registered, together with the name and address of the registered holder thereof in the Warrant Register maintained by the Warrant Agent.
- (c) Subject to subsection 2.4(d) and Section 3.1, each whole Warrant authorized to be issued hereunder shall entitle the holder thereof, upon exercise, together with payment of the Exercise Price and delivery of the completed and executed Exercise Form attached hereto in Schedule "A", to one (1) Common Share, subject to adjustment in accordance with Article 4, at any time after the Issue Date and until the Time of Expiry on payment of the Exercise Price.
- (d) To the extent that the holder of a Warrant Certificate is entitled to receive on the exercise or partial exercise thereof a fraction of a Common Share, such right may only be exercised in respect of such fraction in combination with another Warrant Certificate

which in the aggregate entitles the Warrantholder to receive a whole number of Common Shares, otherwise the Warrant Agent shall round down to the next nearest whole number of Common Shares.

- (e) The Exercise Price and the number of Common Shares which may be acquired pursuant to the exercise of the Warrants shall be adjusted in the events and in the manner specified in article 4.
- (f) All Warrants hereunder shall expire on the Expiry Date, such date to be not later than December 31, 2016. For greater certainty, unless all of the Warrants issued hereunder shall have been exercised in accordance with the terms set forth herein, this Indenture shall expire on December 31, 2016.

2.5 Warrantholder not a Shareholder

Nothing in this Indenture or in the holding of a Warrant or Warrant Certificate or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder or as any other shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of shareholders or any other proceedings of the Corporation, or the right to receive dividends and other distributions.

2.6 Legended Certificates

- (a) Until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or state securities laws, each Warrant Certificate and each certificate for a Common Share issued upon exercise of Warrants originally issued in the United States or to, or for the account or benefit of, a U.S. Person and all certificates issued in exchange therefore or in substitution therefore, shall be issued as definitive physical certificates in accordance with Section 2.1(d) hereof and shall bear the legend set forth below:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF SEAIR INC. THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO SEAIR INC., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) PURSUANT TO THE EXEMPTIONS FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AFTER, IN THE CASE OF TRANSFERS PURSUANT TO CLAUSE (C)(I) OR (D) (OR IF REQUIRED BY THE WARRANT AGENT OF THE CORPORATION, CLAUSE B), THE HOLDER HAS FURNISHED TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO SEAIR INC. TO SUCH EFFECT.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE
"GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON
STOCK EXCHANGES IN CANADA.

provided that, if such Warrants or Common Shares issued upon exercise of such Warrants are being sold in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act, then unless the Corporation, the Warrant Agent or the registrar and transfer agent for such securities requires a legal opinion or any other evidence, the legends may be removed by providing a declaration to the Warrant Agent or the registrar and transfer agent for such securities and the Corporation, to the effect set out below (or as the Corporation may prescribe from time to time):

"The undersigned (a) acknowledges that the sale of the securities of Seair Inc. (the "Corporation") to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and (b) certifies that (1) it is not an affiliate of the Corporation (as defined in Rule 405 under the U.S. Securities Act), (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange or other "designated offshore securities market" (as defined in Rule 902 of Regulation S) and neither the undersigned, nor its affiliates, nor any person acting on its or their behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the undersigned, nor its affiliates, nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions that, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S."

- (b) The Warrant Certificates, and all certificates issued in exchange therefore or in substitution thereof, shall bear, in addition to the legends required by Section 2.6(a) above, the following legend:

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE 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. THIS WARRANT MAY NOT BE EXERCISED IN THE

UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT 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.

2.7 Warrants to Rank Pari Passu

All Warrants shall rank *pari passu*, whatever may be the actual date of issue thereof.

2.8 Signing of Warrant Certificates

The Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be signed by any one director or officer of the Corporation and need not be under seal. The signature of any such director or officer may be mechanically reproduced in facsimile and Warrant Certificates bearing such facsimile signatures shall be binding upon the Corporation as if they had been manually signed by such director or officer. Notwithstanding that any Person whose manual or facsimile signature appears on any Warrant Certificate as a director or officer may no longer hold office at the date of such Warrant Certificate or at the date of certification or delivery thereof, any Warrant Certificate signed as aforesaid shall, subject to Section 2.9, be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Indenture.

2.9 Certification by the Warrant Agent

- (a) Except as set forth below, no Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof until it has been certified by manual signature by or on behalf of the Warrant Agent in the form of the certificate set out in Schedule "A" hereto, and such certification by the Warrant Agent upon any Warrant Certificate shall be conclusive evidence as against the Corporation that the Warrant Certificate so certified has been duly issued hereunder and that the holder is entitled to the benefits hereof.
- (b) The certification of the Warrant Agent on a Warrant Certificate issued hereunder shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or the Warrant Certificate (except the due certification thereof) and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrant Certificate or any of them or of the consideration therefor except as otherwise specified herein.
- (c) The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

2.10 Issue in Substitution for Warrant Certificates Lost, etc.

- (a) In case any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue and thereupon the Warrant Agent shall certify and deliver a new Warrant Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substitute Warrant Certificate shall be in a form approved by the Warrant Agent, and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder.
- (b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.10 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and the Warrant Agent, in their sole discretion, acting reasonably, and such applicant may also be required to furnish an indemnity and surety bond in an amount and form satisfactory to the Corporation and the Warrant Agent, in their sole discretion, acting reasonably, and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.11 Exchange of Warrant Certificates

- (a) Warrant Certificates representing any number of Warrants may, on compliance with the reasonable requirements of the Warrant Agent and subject to Article 4 be exchanged for another Warrant Certificate or Warrant Certificates entitling the holder thereof to acquire, in the aggregate, the same number of Common Shares as may be acquired under the Warrant Certificates so exchanged.
- (b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate tendered for exchange shall be surrendered to and cancelled by the Corporation.

2.12 Charges for Exchange

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

2.13 Ownership of Warrants

- (a) Subject to Section 2.6 and subsection 2.13(d), the Warrants may only be transferred on the Warrant Register kept at the Warrant Agency by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, acting reasonably, only upon (a) in the case of a Warrant Certificate, surrendering to the Warrant Agent at the Warrant Agency the Warrant Certificate or Warrant Certificates representing the Warrants to be transferred, with the Transfer Form thereon duly completed and executed, signed by the Warrantholder or by the duly appointed legal representative thereof or a duly authorized

attorney, together with evidence of authority of any such legal representative or attorney and, if required by the Transfer Form, with such signature properly guaranteed, (b) in the case of Book-Entry Only Warrants, in accordance with procedures prescribed by the Depository under the Book-Entry Only System, (c) in the case of Uncertificated Warrants, surrendering to the Warrant Agent at the Warrant Agency, a duly executed transfer form from the holder (or such other instructions, in form satisfactory to the Warrant Agent, acting reasonably), and (d) upon compliance with:

- (i) the conditions herein;
- (ii) such reasonable requirements as the Warrant Agent may prescribe; and
- (iii) all applicable securities legislation and requirements of regulatory authorities relating to the transferability of the Warrants or restrictions thereon;

and such transfer shall be duly noted in the Warrant Register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate representing the Warrants transferred and to the transferee of an Uncertificated Warrant, an Uncertificated Warrant (or it shall Authenticate and deliver a Warrant Certificate instead, upon request), representing the Warrants transferred and the transferee of a Book-Entry Only Warrant shall be recorded through the relevant Participant in accordance with the Book-Entry Only System as the entitlement holder in respect of such Warrants. New Warrant Certificates shall be sent by first class mail or held for pick up by the transferee in accordance with the instructions given on the Transfer Form and, if no such instructions are given, shall be sent by first class mail to the address of the transferee appearing on the Transfer Form.

If less than all the Warrants represented by a Warrant Certificate are transferred, the Warrant Agent shall issue a new Warrant Certificate representing those Warrants not transferred in the same name as the name appearing on the Warrant Certificate surrendered for transfer. Such new Warrant Certificate shall be sent by first class mail or held for pick up in accordance with instructions given on the Transfer Form and, if no instructions are given, shall be sent by first class mail to the address of the holder of the Warrants surrendered for transfer appearing on the Warrant Register.

- (b) The Corporation and the Warrant Agent will deem and treat the registered owner of any Warrant as the beneficial owner thereof for all purposes and neither the Corporation nor the Warrant Agent shall be affected by any notice to the contrary.
- (c) Subject to the provisions of this Indenture and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Warrants and the issue of Common Shares upon the exercise of Warrants by any Warrantholder in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Warrants and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder.
- (d) The Warrant Agent acknowledges that the Warrants and Common Shares issuable upon exercise thereof have not been registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or transferred, unless the Warrants and the Common Shares issuable upon exercise thereof have been registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption or exclusion from such registration requirement is available. Consequently, if a Warrant Certificate or a certificate representing Common Shares is tendered for transfer and bears a legend in the form set forth in Section 2.6(a), the Warrant Agent shall only permit such transfer if it is (A) to the Corporation, (B) outside the United States

in accordance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations, (C) pursuant to the exemption from registration under the U.S. Securities Act provided by (i) Rule 144 under the U.S. Securities Act or (ii) Rule 144A under the U.S. Securities Act, if available, or (D) in another transaction exempt from registration under the U.S. Securities Act and, in each case, in compliance with any applicable state securities laws of the United States, after, in the case of transfers under clause (C)(i) or (D) (or if required by the transfer agent of the Corporation, clause (B)), the holder has furnished to the Corporation an opinion of counsel of recognized standing.

2.14 Registration of Warrants

- (a) The Warrant Agent shall keep at the Warrant Agency: (i) a Warrant Register in which shall be entered in alphabetical order the names and addresses of the holders of Warrants and particulars of the Warrants held by them and (ii) a register of transfers in which all transfers of Warrants and the date and other particulars of each transfer shall be entered. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. Such registers will at all reasonable times during regular business hours be open for inspection by the Corporation and/or any Warrantholder. The Warrant Agent will from time to time when requested to do so by the Corporation or any Warrantholder, upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Warrantholders showing the number of Warrants held by each such Warrantholder.
- (b) Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Warrant Agent to make such error corrections and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent, sustained by the Corporation or the Warrant Agent as a proximate result of such error if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

ARTICLE 3 EXERCISE OF WARRANTS

3.1 Method of Exercise of Warrants by Warrantholders

- (a) The holder of any Warrant may exercise the right conferred on such holder to acquire Common Shares by surrendering, after the Issue Date and prior to the Time of Expiry, to the Warrant Agent at the Warrant Agency the Warrant Certificate with a duly completed and executed Exercise Form, together with a certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation for the aggregate Exercise Price for the Common Shares subscribed for.

- (b) A Warrant Certificate with the duly completed and executed Exercise Form referred to in this subsection shall, together with the payment of the Exercise Price for the Common Shares subscribed for, be deemed to be surrendered only upon personal delivery thereof or, if sent by mail or other means of transmission, upon actual receipt thereof at, in each case, the Warrant Agency.
- (c) No Warrant represented by a Global Certificate may be exercised unless, prior to such exercise, the holder of such Warrant shall have taken all other action necessary to exercise such Warrant in accordance with this Indenture and the Internal Procedures. Notwithstanding anything to the contrary contained herein and subject to the Internal Procedures in force from time to time, a Beneficial Owner represented by a Global Certificate who desires to exercise his or her Warrants must do so by causing a Participant to deliver to CDS, on behalf of the Beneficial Owner, a written notice of the Beneficial Owner's intention to exercise Warrants in a manner acceptable to CDS. Forthwith upon receipt by CDS of such notice, as well as payment in an amount equal to the product obtained by multiplying the Exercise Price by the number of Common Shares subscribed for, CDS shall deliver to the Warrant Agent a Confirmation.
- (d) Payment representing the Exercise Price must be provided to the appropriate office of the Participant in a manner acceptable to it. A notice in form acceptable to the Participant and payment from such Beneficial Owner should be provided to the Participant sufficiently in advance so as to permit the Participant to deliver notice and payment to CDS and for CDS in turn to deliver notice and payment to the Warrant Agent prior to Expiry Time. CDS will initiate the exercise by way of the Confirmation and forward the Exercise Price electronically to the Warrant Agent and the Warrant Agent will execute the exercise by issuing to CDS through the Book Entry Only System the Common Shares to which the exercising Beneficial Owner is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the Beneficial Owner exercising the Warrants and/or the Participant exercising the Warrants on its behalf.
- (e) By causing a Participant to deliver to CDS a written notice of the Beneficial Owner's intention to exercise Warrants, the Beneficial Owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Participant to act as his or her exclusive settlement agent with respect to the exercise and the receipt of underlying Common Shares in connection with the obligations arising from such exercise.
- (f) Any notice of the Beneficial Owner's intention to exercise Warrants which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Participant to exercise or to give effect to the settlement thereof in accordance with the Beneficial Owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Participant or the Beneficial Owner.
- (g) Any Confirmation received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day. The Confirmation (together with payment representing the Exercise Price for the Common Shares for which the Warrant is being exercised) in connection with any exercise by a Beneficial Owner must be received by the Warrant Agent prior to the Expiry Time. Any Warrant with respect to which a Confirmation (together with payment representing the Exercise Price for the Common Shares for which the Warrant is being exercised) is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrant shall terminate and be cancelled.

- (h) Any Exercise Form referred to in Section 3.1(a) shall be signed by the Warrantholder or by the duly appointed legal representative thereof or a duly authorized attorney, with evidence of authority of any such legal representative or attorney attached thereto, and, if required by the exercise form, with such signature properly guaranteed, and shall specify:
 - (i) the number of Common Shares which the holder wishes to acquire (being not more than those which the holder is entitled to acquire pursuant to the Warrant Certificate(s) surrendered);
 - (ii) the Person or Persons in whose name or names such Common Shares are to be registered;
 - (iii) the address or addresses of such Person(s); and
 - (iv) the number of Common Shares to be issued to each such Person if more than one is so specified.

If any of the Common Shares subscribed for are to be issued to a Person or Persons other than the Warrantholder, the Warrantholder shall pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation shall not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or that no tax is due.

- (i) In connection with the exchange of Warrant Certificates and exercise of Warrants and in compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the principal office of the Warrant Agent in Calgary, Alberta as the agency at which Warrant Certificates may be surrendered for exchange or at which Warrants may be exercised. The Corporation may, with the consent of the Warrant Agent, from time to time designate alternate or additional places as the Warrant Agency.

3.2 Prohibition on Exercise by U.S. Persons

- (a) The Warrants and the Common Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws, and the Warrants may not be exercised in the United States or by or for the account or benefit of a U.S. Person or a Person in the United States unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws.
- (b) Any holder who exercises a Warrant shall provide to the Corporation one of the following:
 - (i) a written certification that such holder:
 - (A) at the time of exercise of the Warrant is not in the United States;
 - (B) did not execute or deliver the exercise form for the Warrant in the United States;
 - (C) is not a U.S. Person and is not exercising the Warrant for the account or benefit of a U.S. Person or a Person in the United States; and

- (D) did not acquire the Warrant while it was in the United States or acting for the account or benefit of a U.S. Person;
 - (ii) a written certification that:
 - (A) it is the original purchaser of the Warrant;
 - (B) it purchased the Warrant in the United States or on behalf of a U.S. Person or a Person in the United States pursuant to a U.S. Subscription Agreement; and
 - (C) as of the date of exercise of the Warrant, it reaffirms the representations, warranties, and agreements made by it in that U.S. Subscription Agreement; or
 - (iii) a written opinion of counsel of recognized standing in form and substance satisfactory to the Corporation to the effect that an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available for the issuance of the Common Shares upon exercise of the Warrants.
- (c) Certificates representing Common Shares issuable upon exercise of the Warrants pursuant to subsection 3.2(b)(ii) or 3.2(b)(iii) above shall be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws, and shall bear a legend to that effect as designated in section 2.6(a).
- (d) Warrants shall not be exercised within the United States or by or on behalf of any U.S. Person or Person in the United States, and certificates representing Common Shares shall not be registered or delivered to an address in the United States, unless the holder of Warrants complies with the requirements of this section 3.2 (and, in the case of subsection 3.2(b)(iii), the Corporation has confirmed in writing to the Warrant Agent that the written opinion of counsel is satisfactory to the Corporation) and all applicable securities legislation.

3.3 Effect of Exercise of Warrants

- (a) Upon compliance by the holder of any Warrant Certificate with the provisions of Section 3.1, and subject to 3.4, the Common Shares subscribed for shall be deemed to have been issued and the Person or Persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the Exercise Date unless the transfer registers of the Corporation shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued, and such Person or Persons deemed to have become the holder or holders of record of such Common Shares, on the date on which such transfer registers are re-opened.
- (b) Within three Business Days after the Exercise Date with respect to a Warrant, the Corporation shall cause to be mailed to the Person or Persons in whose name or names the Common Shares so subscribed for have been issued, as specified in the subscription, at the address specified in such subscription or, if so specified in such subscription, cause to be delivered to such Person or Persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for. In the absence of instructions to

the contrary, such certificates shall be issued in the name of the registered holder of the surrendered Warrant Certificate and shall be mailed by first class mail to the address of such Warrantholder appearing on the Warrant Register or any other appropriate evidence of the issuance of Common Shares in respect of Common Shares issued under the Book Entry Only System.

3.4 Partial Exercise of Warrants; Fractions

- (a) The holder of any Warrants may acquire a number of Common Shares less than the number which the holder is entitled to acquire pursuant to the surrendered Warrant Certificate(s). In the event of any exercise of a number of Warrants less than the number which the holder is entitled to exercise, the holder of the Warrants upon such exercise shall also be entitled to receive, without charge therefor, a new Warrant Certificate(s) in respect of the balance of the Warrants represented by the surrendered Warrant Certificate(s) not then exercised. In the absence of instructions to the contrary, such certificate shall be issued in the name of the registered holder of the surrendered Warrant Certificate and shall be mailed by first class mail to the address of such Warrantholder appearing on the Warrant Register.
- (b) Notwithstanding anything herein contained including any adjustment provided for in Article 4, the Corporation shall not be required, upon the exercise of any Warrants, to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares, and no cash or other consideration shall be paid in lieu of fractional Common Shares.

3.5 Expiration of Warrants

Immediately after the Time of Expiry, all rights under any Warrant in respect of which the right of acquisition herein and therein provided for shall not have been exercised shall cease and terminate and such Warrant shall be void and of no further force or effect.

3.6 Cancellation of Surrendered Warrants

All Warrant Certificates surrendered or deemed to be surrendered to the Warrant Agent pursuant to Sections 2.10, 2.11, 2.13, 3.1 or 5.1 shall be cancelled by the Warrant Agent and, after the expiry of any period of retention prescribed by law, destroyed by the Warrant Agent. Upon request by the Corporation, the Warrant Agent shall furnish to the Corporation a destruction certificate identifying the Warrant Certificates so destroyed and the Warrants evidenced thereby.

3.7 Accounting and Recording

- (a) The Warrant Agent shall promptly notify the Corporation when Warrants are exercised. The Warrant Agent shall forward the monies received payable to the Corporation within five Business Days from the date of receipt thereof.
- (b) The Warrant Agent shall record the particulars of the Warrants exercised which shall include the names and addresses of the Persons who have exercised Warrants, the names and addresses of the Persons who have become holders, the number of Common Shares subscribed for upon such exercise, the Exercise Date and the Exercise Price. Upon request of the Corporation, the Warrant Agent shall provide within five Business Days such particulars in writing to the Corporation.

3.8 Postponement of Delivery of Certificates

The Corporation shall not be required to deliver certificates for Common Shares during the period when the stock transfer books of the Corporation are closed due to an impending meeting of shareholders or a proposed payment of dividends or for any other purpose and in the event of a surrender of a Warrant Certificate for the purchase of Common Shares during such period, the delivery of certificates may be postponed for a period not exceeding 10 days after the date of the re-opening of the stock transfer books.

3.9 Securities Restrictions

Notwithstanding anything herein contained, Common Shares will only be issued pursuant to exercise of any Warrants in compliance with the securities laws of any applicable jurisdiction and, without limiting the generality of the foregoing, the certificates representing the Common Shares issued thereby will bear such legend as may, in the opinion of Counsel of the Corporation, be necessary in order to avoid a violation of any securities laws of any province in Canada or the United States or to comply with the requirements of any stock exchange on which the Common Shares are listed, provided that, if at any time, in the opinion of counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such Common Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Corporation in exchange for a certificate which does not bear such legend. The Corporation shall provide the Warrant Agent with a written direction including the form of any legend required in accordance with this Section 3.9.

ARTICLE 4 ADJUSTMENT OF NUMBER OF COMMON SHARES

4.1 Adjustment of Number of Common Shares

The acquisition rights in effect at any date attaching to the Warrants shall be subject to adjustment from time to time as follows:

- (a) if and whenever at any time from the date hereof and prior to the Time of Expiry, the Corporation shall:
 - (i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares;
 - (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares; or
 - (iii) issue Common Shares (or securities exchangeable for or convertible into Common Shares) to all or substantially all of the holders of outstanding Common Shares by way of a stock dividend or other distribution of Common Shares or securities convertible into Common Shares;

the Exercise Price in effect on the effective date of such subdivision or consolidation, or on the record date of such stock dividend, as the case may be, shall be adjusted to equal the price determined by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction of which the numerator shall be the total number of Common Shares outstanding immediately prior to such a date and the denominator shall be the total number of Common Shares immediately after such date. Such adjustment shall be made successively whenever any event referred to in this

subsection (a) shall occur, and any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares under subsections (b) and (c). Upon any adjustment of the Exercise Price pursuant to this subsection (a), the number of Shares subject to the right of purchase under each Warrant not previously exercised shall be contemporaneously adjusted by multiplying the number of Common Shares which theretofore may have been purchased under such Warrant by a fraction of which the numerator shall be the respective Exercise Price in effect immediately prior to such adjustment and the denominator shall be the respective Exercise Price resulting from such adjustments;

- (b) if and whenever at any time after the date hereof and prior to the Time of Expiry, the Corporation shall fix a record date for the distribution to all or substantially all of the holders of Common Shares of rights, options or warrants (other than the Warrants) entitling them for a period expiring not more than forty-five days after such record date to subscribe for or purchase Common Shares (or securities convertible into Common Shares) at a price (or having a conversion price or exchange price) less than 95% of the Current Market Price on such record date, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible); any Common Shares owned by or held for the account of the Corporation or any Subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any rights, options or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number and aggregate price of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such rights, option or warrants, as the case may be;
- (c) if and whenever at any time from the date hereof and prior to the Time of Expiry, there is a reclassification or other change to the outstanding Common Shares or a capital reorganization of the Corporation other than as described in subsection 4.1(a) or a consolidation, amalgamation, arrangement or merger of the Corporation, other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the Common Shares or a change of the Common Shares into other shares, with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity other than to a Subsidiary, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such reclassification, reorganization, merger, amalgamation, arrangement or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such

reclassification, reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, if, on the record date or the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares receivable upon the exchange of Warrants then held. No reclassification, reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance shall be carried into effect unless all necessary steps shall have been taken so that the holders of Warrants shall thereafter be entitled to receive the number of shares or other securities or property of the Corporation, or of the continuing, successor or purchasing corporation or entity, as the case may be, under the reclassification, reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Article 4. If the shares, securities or property are not "Shares" within the meaning of the Act, such requirement to accept these shares, securities or property in lieu of the Common Shares shall not be subject to approval of the Warrantholders. If determined appropriate by the Warrant Agent to give effect to or to evidence the provisions of this subsection, the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, 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 Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this subsection shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, reorganizations, amalgamations, arrangements, consolidations, mergers, sales or conveyances;

- (d) if and whenever at any time from the date hereof and prior to the Time of Expiry, the Corporation fixes a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of: (i) shares of any class other than Common Shares, or (ii) rights, options or warrants (excluding rights exercisable for 45 days or less where the exercise price per share is not less than 95% of the Current Market Price on such record date), or (iii) evidences of its indebtedness, or (iv) assets, including shares of other corporations, then, and in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the aggregate fair market value (as determined by the directors of the Corporation acting reasonably, which determination shall be conclusive) of such shares, rights, options, warrants, evidences of indebtedness or assets so distributed, and of which the denominator shall be that total number of Common Shares outstanding on such record date multiplied by such Current Market Price; any Common Shares owned by or held for the account of the Corporation or any Subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the

Exercise Price which would then be in effect based upon such shares, rights, options, warrants, evidences of indebtedness or assets actually distributed, as the case may be;

- (e) the adjustments provided for in this Article 4 in the Exercise Price and number of Common Shares and classes of securities which are to be received on the exercise of Warrants are cumulative. After any adjustment pursuant to this section, the term "Common Shares" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this section, the Warrantholder is entitled to receive upon the exercise of its Warrants, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this section, upon the full exercise of Warrants;
- (f) in any case which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Warrant exercised after such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's rights to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such holder would, but for the provisions of this subsection (f), have become the holder of record of such additional Common Shares;
- (g) if the purchase price provided for in any right, warrant or option issued as described in subsection (b) or (d) is decreased, or the price at which Common Shares are issued as described in subsection (a) is decreased or the rate of conversion at which any convertible securities which are issued as described in subsection (a) is increased, the Exercise Price shall, subject to subsection (f), forthwith be changed so as to decrease the Exercise Price to such Exercise Price as would have been obtained had the adjustment made in connection with the issuance of all such rights, options or securities been made upon the basis of such purchase price as so decreased or such rate as so increased;
- (h) no adjustment in the Exercise Price or in the number of shares to be issued pursuant to the exercise of the Warrants shall be required unless such adjustment would result in a change of at least 1% in the Exercise Price then in effect or unless the number of shares to be issued would change by at least 1/100th of a share, provided, however, that any adjustments, which, except for the provisions of this subsection 4.1(h) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;
- (i) no adjustment in the Exercise Price shall be made in respect of any event described in subsections 4.1(a)(iii), 4.1(b) or 4.1(c):
 - (i) if the Warrantholders are entitled to participate in such event on the same terms mutatis mutandis as if they had exercised their purchase rights prior to the effective date or record date or such event, subject to the prior approval of any applicable stock exchange or over the counter market to such participation if the Common Shares or the Warrants are then listed on such exchange or market; or
 - (ii) in respect of any rights to acquire shares which are presently outstanding;

- (j) in determining at any time and from time to time the number of Common Shares outstanding at any particular time for purposes of this Section 4.1, there shall be included that number of Common Shares which would be outstanding upon conversion of all convertible securities then outstanding, and upon exercise of all rights, options or warrants then outstanding to purchase Common Shares, and there shall be excluded any Common Shares (and Common Shares which would be outstanding upon conversion of convertible securities) held by or for the account of the Corporation; and
- (k) upon the expiry of the period for conversion of convertible securities and the exercise period for rights, options, warrants (other than rights, options or warrants in respect of which the Warrantholders are entitled to participate, as contemplated in subsection (i) to purchase Common Shares or convertible securities, the Exercise Price shall be adjusted to what it would have been if such unconverted convertible securities and unexercised rights, options or warrants had not been issued.

4.2 Other Action

In case the Corporation, after the date hereof, shall take any action affecting the Common Shares other than actions described in Section 4.1, which in the opinion of the directors of the Corporation, acting reasonably and in good faith, would materially affect the rights of the Warrantholders, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted, if deemed appropriate by the Warrant Agent, in such manner and at such time, by action of the directors, as they determine, acting reasonably, to be equitable in the circumstances provided, however, that if the shares, securities or property are not "Shares" within the meaning of the Act, such requirement to accept these shares, securities or property in lieu of the Common Shares shall be subject to approval of the Warrantholders by extraordinary resolution.

4.3 Entitlement to Shares on Exercise of Warrant

All shares of any class or other securities which a Warrantholder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this Article 4, shall, for the purposes of the interpretation of this Indenture, be deemed to be shares or securities which such Warrantholder is entitled to acquire pursuant to such Warrant.

4.4 No Adjustment for Stock Options

Notwithstanding anything to the contrary in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or pursuant to any stock option or stock purchase plan in force from time to time.

4.5 Determination by Corporation's Auditors

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by the Corporation's Auditors who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all Warrantholders and all other Persons interested therein.

4.6 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares which

the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

4.7 Certificate of Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Article 4, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation.

4.8 Notice of Special Matters

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any event referred to in subsections 4.1(a), 4.1(b) or 4.1(d) of Section 4.1 (other than subdivision, consolidation or reclassification of its Common Shares) which may give rise to an adjustment in the Exercise Price. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date.

4.9 No Action after Notice

The Corporation 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 Warrant of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in Sections 4.7 and 4.8.

4.10 Protection of Warrant Agent

The Warrant Agent:

- (a) shall not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may 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) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or 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 Warrant;
- (c) shall not be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and
- (d) shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

ARTICLE 5
RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation

The Corporation may from time to time purchase, by private contract or otherwise, any of the Warrants if agreed to by such Warrantholders. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such Persons and on such other terms as the Corporation, in its sole discretion, may determine. Any Warrant Certificates representing the Warrants purchased pursuant to this section shall forthwith be delivered to and cancelled by the Warrant Agent. No Warrants shall be issued in replacement thereof.

5.2 General Covenants

The Corporation covenants with the Warrant Agent for the benefit of the Warrant Agent and the Warrantholders that so long as any Warrants remain outstanding:

- (a) it shall reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants;
- (b) it shall cause the Common Shares and the certificates representing the Common Shares acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof;
- (c) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein and in the Warrant Certificates shall be issued as fully paid and non-assessable;
- (d) it shall maintain its corporate existence and carry on and conduct its business in the same manner as heretofore carried on and conducted;
- (e) it shall use its reasonable commercial efforts to ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) are and continue to be listed and posted for trading on the TSX-V or such other exchange as may be acceptable to the Agent, acting reasonably;
- (f) it shall make all requisite filings under applicable Canadian securities legislation and the TSX-V or such other stock exchange in Canada on which the Common Shares are listed, including (on a best effort basis) those necessary to remain a reporting issuer not in default in the Filing Jurisdictions;
- (g) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture or as the Warrant Agent may reasonably require for the better accomplishing and effecting of the intentions and provisions of this Indenture; and
- (h) it is duly authorized to create and issue the Warrants and the Warrants, when issued and authorized as herein provided, will be valid and enforceable obligations of the Corporation.

5.3 Warrant Agent's Remuneration and Expenses

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's gross negligence, wilful misconduct or bad faith. The Warrant Agent shall not have any recourse against any monies, securities or other property held by it for the benefit of the Warrantholders pursuant to this Indenture for the payment of its fee.

5.4 Securities Qualification Requirements

- (a) If, in the opinion of Counsel, any permission is required to be obtained from, any governmental authority in Canada or any other step is required under any federal or provincial law of Canada before any Common Shares which a Warrantholder is entitled to acquire pursuant to the exercise of any Warrant may properly and legally be issued upon due exercise thereof and thereafter traded, without further formality or restriction, the Corporation covenants that it will take such required action, provided that the Corporation shall not be required to file any prospectus or registration statement in connection therewith.
- (b) The Corporation or, if required by the Corporation, the Warrant Agent, will give notice of the issue of Common Shares pursuant to the exercise of Warrants, in such detail as may be required, to each Securities Commission in which there is legislation or regulation permitting or requiring the giving of any such notice in order that such issue of Common Shares so issued will not be subject to the prospectus qualification requirements of such legislation or regulation.

5.5 Performance of Covenants by Warrant Agent

If the Corporation shall fail to perform any of its covenants contained in this Warrant Indenture, the Warrant Agent may notify the Warrantholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it but shall be under no obligation to perform such covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

ARTICLE 6 ENFORCEMENT

6.1 Suits by Warrantholders

All or any of the rights conferred upon any Warrantholder by any of the terms of the Warrant Certificates or the Indenture or both may be enforced by the 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 Warrantholders.

6.2 Immunity of Shareholders, etc.

The Warrant Agent and, by the acceptance of the Warrant Certificates and as part of the consideration for the issue of the Warrants, the 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 Corporation or any successor corporation on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Warrant Certificates.

6.3 Limitation of Liability

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

6.4 Waiver of Default

Upon the happening of any default hereunder:

- (a) the holders of not less than 51% of the aggregate number of Warrants then outstanding shall have power (in addition to the powers exercisable by extraordinary resolution as provided in Section 7.10) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or
- (b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, if, in the Warrant Agent's opinion, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Warrant Agent or of the Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7 MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings

The Warrant Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Warrantholders signing such Warrantholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Warrantholders. In the event of the Warrant Agent failing to so convene a meeting within seven days after receipt of such written request of the Corporation or such Warrantholders' Request, indemnity and funding being given as aforesaid, the Corporation or such Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Calgary or at such other place as may be approved or determined by the Warrant Agent and approved by the Corporation, acting reasonably.

7.2 Notice

At least twenty-one days prior notice of any meeting of Warrantholders shall be given to the Warrantholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the

place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7.

7.3 Chairman

An individual (who need not be a Warrantholder) designated in writing by the Warrant Agent shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Warrantholders present in Person or by proxy shall choose an individual present to be chairman.

7.4 Quorum

Subject to the provisions of Section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholders present in Person or by proxy and entitled to purchase at least 10% of the aggregate number of Common Shares which could be acquired pursuant to all the then outstanding Warrants, provided that at least two Persons entitled to vote thereat are personally present. If a quorum of the Warrantholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Warrantholders present in Person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not be entitled to acquire at least 10% of the aggregate number of Common Shares which may be acquired pursuant to all then outstanding Warrants.

7.5 Power to Adjourn

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

7.6 Show of Hands

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

7.7 Poll and Voting

On every extraordinary resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in Person or by proxy and entitled to acquire in the aggregate at least 5% of the aggregate number of Common Shares which could be acquired pursuant to all the Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by extraordinary resolution shall be decided by a majority of the votes cast on the poll.

On a show of hands, every Person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote. On a

poll, each Warrantholder present in Person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each whole Common Share which he is entitled to acquire pursuant to the Warrant or Warrants then held or represented by it. A proxy need not be a Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants, if any, held or represented by him.

7.8 Regulations

The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may make and vary such regulations as it shall think fit for:

- (a) the setting of the record date for a meeting for the purpose of determining Warrantholders entitled to receive notice of and to vote at the meeting;
- (b) the issue of voting certificates by any bank, trust company or other depositary satisfactory to the Warrant Agent stating that the Warrant Certificates specified therein have been deposited with it by a named Person and will remain on deposit until after the meeting, which voting certificate shall entitle the Persons named therein to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof in the same manner and with the same effect as though the Persons so named in such voting certificates were the actual bearers of the Warrant Certificates specified therein;
- (c) the deposit of voting certificates and instruments appointing proxies at such place and time as the Warrant Agent, the Corporation or the Warrantholders convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (d) the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, delivered or faxed before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
- (e) the form of the instrument of proxy; and
- (f) generally for the calling of meetings of Warrantholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only Persons who shall be recognized at any meeting as a Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9) shall be Warrantholders or their counsel, or proxies of Warrantholders.

7.9 Corporation and Warrant Agent May be Represented

The Corporation and the Warrant Agent, by their respective directors, officers and employees, and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warrantholders, but shall not be entitled to vote thereat, whether in respect of any Warrants held by them or otherwise.

7.10 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warrantholders at a meeting shall, subject to the provisions of Section 7.11 have the power, exercisable from time to time by extraordinary resolution, subject to TSX-V approval, as applicable:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement that adversely affects the rights of Warrantholders or the Warrant Agent in its capacity as Warrant Agent hereunder (subject to the Warrant Agent's prior consent which consent shall not be unreasonably withheld) or on behalf of the Warrantholders against the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;
- (b) to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Warrantholders;
- (c) to direct or to authorize the Warrant Agent to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;
- (e) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders;
- (f) to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in the Warrant Certificates and this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission, which may be subject to the Warrant Agent obtaining advice of counsel;
- (h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new Warrant Agent or Warrant Agents to take the place of the Warrant Agent so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution

- (a) The expression "**extraordinary resolution**" when used in this Indenture means, subject as hereinafter provided in this section and in Section 7.14, a resolution proposed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in Person or by proxy

Warrantholders entitled to acquire at least 10% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Warrants and passed by the affirmative votes of Warrantholders entitled to acquire not less than 66 2/3% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Warrants represented in Person or by proxy at the meeting and voted on the poll upon such resolution.

- (b) If, at the meeting at which an extraordinary resolution is to be considered, Warrantholders entitled to acquire at least 10% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Warrants are not present in Person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than ten days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warrantholders present in Person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantholders present in Person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 7.11(a) shall be an extraordinary resolution within the meaning of this Indenture notwithstanding that Warrantholders entitled to acquire at least 10% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Warrants are not present in Person or by proxy at such adjourned meeting.
- (c) Votes on an extraordinary resolution shall always be given on a poll and no demand for a poll on an extraordinary resolution shall be necessary.

7.12 Powers Cumulative

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

7.13 Minutes

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

7.14 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warrantholders entitled to acquire at least 66 2/3% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such

Warrantholders in Person or by attorney duly appointed in writing, and the expression "extraordinary resolution" when used in this Indenture shall include an instrument so signed.

7.15 Binding Effect of Resolutions

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Warrantholders in accordance with Section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 Holdings by Corporation Disregarded

In determining whether Warrantholders holding Warrant Certificates evidencing the entitlement to acquire the required number of Common Shares are present at a meeting of Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation shall be disregarded in accordance with the provisions of Section 10.9.

ARTICLE 8 SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes

From time to time the Corporation (when authorized by action of the directors) and the Warrant Agent may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
- (b) providing for the issuance of Warrants on one or more Closing Dates;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Warrant Agent, based upon the opinion of Counsel, prejudicial to the interests of the Warrantholders;
- (d) giving effect to any extraordinary resolution passed as provided in Article 7;
- (e) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, based upon the opinion of Counsel, prejudicial to the interests of the Warrantholders;
- (f) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- (g) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such

modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, based upon the opinion of Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative; and

- (h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, or changes to ensure that the provisions contained herein comply with applicable laws, provided that in the opinion of the Warrant Agent, based upon the opinion of Counsel, the rights of the Warrant Agent and of the Warrantholders are in no way prejudiced thereby.

8.2 Successor Corporations

In the case of the consolidation, arrangement, amalgamation, merger, business combination or transfer of all or substantially all of the undertaking or assets of the Corporation to another corporation ("**Successor Corporation**"), the Successor Corporation resulting from such consolidation, arrangement, amalgamation, merger, business combination or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 9 CONCERNING THE WARRANT AGENT

9.1 Trust Indenture Legislation

- (a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent

- (a) In the exercise of the rights and duties 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 Warrant Agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own gross negligent action, willful misconduct or bad faith.
- (b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in

the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

- (c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting, to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrant Certificates the Warrant Agent shall issue receipts.
- (d) The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required to do so under the terms hereof; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no defaults have been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect in any default.

9.3 Evidence, Experts and Advisers

- (a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.
- (b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, act and rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to any provision hereof or of Applicable Legislation or pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines such evidence and determines that such evidence complies with the applicable requirements of this Indenture.
- (c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the trust, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.
- (d) Proof of the execution of an instrument in writing, including a Warrantholders' Request, by any Warrantholder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate.
- (e) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties and administering the trusts hereunder and may pay reasonable remuneration for all services so performed by any of them, and shall not be responsible

for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent. Any remuneration so paid by the Warrant Agent shall be repaid to the Warrant Agent by the Corporation in accordance with Section 5.3.

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

9.4 Documents, Monies, etc. Held by Warrant Agent

Any securities, documents of title or other instruments that may at any time be held by the Warrant Agent subject to the trusts hereof may be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank or deposited for safekeeping with any such bank. Unless herein otherwise expressly provided, the Warrant Agent may retain any cash balance held in connection with this Agreement and may, but need not, hold the same in the deposit department of a Canadian chartered bank and its Affiliates; but the Warrant Agent, its Affiliates and a Canadian chartered bank and its Affiliates shall not be liable to account for any profit to the Corporation or any other person or entity other than at a rate, if any, established from time to time by the Warrant Agent, its Affiliates or a Canadian chartered bank and its Affiliates.

9.5 Actions by Warrant Agent to Protect Interest

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

9.6 Warrant Agent Not Required to Give Security

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

9.7 Protection of Warrant Agent

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

- (a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representations contained in Section 9.9 and in the certificate of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
- (b) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (c) the Warrant Agent shall not be bound to give notice to any Person or Persons of the execution hereof; and
- (d) the Warrant Agent shall not have any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of

the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation.

9.8 Replacement of Warrant Agent; Successor by Merger

- (a) The Warrant Agent may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this section, by giving to the Corporation not less than 90 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by extraordinary resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new Warrant Agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Warrant Agent unless a new Warrant Agent has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent, at the Corporation's expense, or any Warrantholder may apply to a justice of the Court of Queen's Bench of Alberta on such notice as such justice may direct, for the appointment of a new Warrant Agent; but any new Warrant Agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new Warrant Agent appointed under any provision of this section shall be a corporation authorized to carry on the business of a trust company in the Province of Alberta and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.
- (b) Upon the appointment of a successor Warrant Agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in Section 10.2 hereof.
- (c) Any corporation into or with which the Warrant Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to the trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under Section 9.8(a).
- (d) Any Warrant Certificates certified but not delivered by a predecessor Warrant Agent may be certified by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.

9.9 Conflict of Interest

- (a) The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a Warrant Agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its trust hereunder to a successor Warrant Agent approved by the Corporation and meeting the requirements set forth in subsection 9.8(a). Notwithstanding the foregoing provisions of this subsection 9.9(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificate shall not be affected in any manner whatsoever by reason thereof.
- (b) Subject to subsection 9.9(a), the Warrant Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract

and enter into financial transactions with the Corporation or any Subsidiary of the Corporation without being liable to account for any profit made thereby.

9.10 Indemnity of Warrant Agent

Without limiting any protection or indemnity of the Warrant Agent under any other provision hereof, or otherwise at law, the Corporation hereby agrees to indemnify and hold harmless the Warrant Agent and its officers, directors, employees and agents from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal or advisor fees and disbursements, of whatever kind and nature which may at any time be imposed on, incurred by or asserted against them in connection with the good faith performance of its duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements arising by reason of the gross negligence, wilful misconduct or bad faith of the Warrant Agent. This provision shall survive the resignation or removal of the Warrant Agent, or the termination of this Indenture.

9.11 Acceptance of Trust

This Indenture is entered into with the Warrant Agent for the benefit of, and the Warrant Agent declares that it holds this Indenture and all rights, interests and benefits of this Indenture for, such Persons, firms and corporations, and each of them, who are from time to time Warrantholders. The Warrant Agent hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

9.12 Warrant Agent Not to be Appointed Receiver

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

9.13 Anti-Money Laundering

- (a) The Corporation hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by, the Warrant Agent in connection with this Indenture, for or to the credit of the Corporation is not intended to be used by or on behalf of any third party.
- (b) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act, if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in it being in non-compliance with any applicable anti-money laundering or antiterrorist legislation, regulation, or guideline, then it shall have the right to resign on ten (10) days' written notice to the Corporation, or any shorter period of time as agreed to by the Corporation, notwithstanding the provisions of subsection 9.8(a) of this Indenture, provided (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

9.14 Privacy

The parties acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their

representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

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

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Warrant Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website or upon request, including revisions thereto. The Warrant Agent may transfer some of that personal information to service providers in the United States for data processing and/or storage. Further, each party agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Warrant Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

ARTICLE 10 GENERAL

10.1 Notice to the Corporation and the Warrant Agent

- (a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered or if sent by registered mail, postage prepaid or facsimile.

If to the Corporation:

Seair Inc.
P.O. Box 3329
Spruce Grove, Alberta T7X 3A6
Attention: Jim Laird, Chief Financial Officer

Telephone No: (780) 477-7188
Fax No: (780) 477-2523

If to the Warrant Agent:

CST Trust Company
600, 333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Attention: Relationship Manager, Seair Inc.

Telephone No.: (403) 776-3900
Fax No.: (403) 776-3916

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if mailed, on the fifth Business Day following the date of the

postmark on such notice or, if sent by telecopy, on the next Business Day following the date of transmission, provided that its contents are transmitted and received completely and accurately.

- (b) The Corporation or the Warrant Agent, as the case may be, may notify the other in the manner provided in subsection 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.
- (c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed or, if it is delivered to such party at the appropriate address provided in subsection 10.1(a), by facsimile or other means of prepaid, transmitted and recorded communication.

10.2 Notice to Warrantholders

- (a) Except as otherwise provided herein, any notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if delivered, in Person or by courier, sent by fax, by registered mail or by ordinary post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five Business Days following actual posting of the notice.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Warrantholders or if delivered to the address for such Warrantholders contained in the register of Warrants maintained by the Warrant Agent, by personal delivery, courier, fax, telecopy or other means of prepaid transmitted and recorded communication.

10.3 Ownership and Transfer of Warrants

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

10.4 Evidence of Ownership

- (a) Upon receipt of a certificate of any bank, trust company or other depositary satisfactory to the Warrant Agent stating that the Warrants specified therein have been deposited by a named Person with such bank, trust company or other depositary and will remain so deposited until the expiry of the period specified therein, the Corporation and the Warrant Agent may treat the Person so named as the owner, and such certificate as sufficient evidence of the ownership by such Person of such Warrant during such period, for the

purpose of any requisition, direction, consent, instrument or other document to be made, signed or given by the holder of the Warrant so deposited.

- (b) The Corporation and the Warrant Agent may accept as sufficient evidence of the fact and date of the signing of any requisition, direction, consent, instrument or other document by any Person: (i) the signature of any officer of any bank, trust company, or other depositary satisfactory to the Warrant Agent as witness of such execution, (ii) the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made that the Person signing acknowledged to him the execution thereof, or (iii) a satisfactory declaration of a witness of such execution.

10.5 Counterparts

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

10.6 Satisfaction and Discharge of Indenture

Upon the earlier of:

- (a) the date by which there shall have been delivered to the Warrant Agent for exercise or destruction all Warrant Certificates theretofore certified hereunder; or
- (b) the Time of Expiry;

and if all certificates representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder and if all payments required to be made pursuant to Article 3 have been made in accordance therewith, this Indenture shall cease to be of further effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

10.7 Successors

All the covenants and provisions of this Indenture by or for the benefit of the Corporation or the Warrant Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

10.8 Sole Benefit of Parties and Warranholders

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

10.9 Common Shares or Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation in Section 7.16, the Corporation shall provide to the Warrant Agent,

from time to time and immediately upon request, a certificate of the Corporation setting forth as at the date of such certificate:

- (a) the names (other than the name of the Corporation) of the registered holders of Warrants which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any Subsidiary of the Corporation; and
- (b) the number of Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation;

and the Warrant Agent, in making the computations in Section 7.16, shall be entitled to act and rely on such certificate without any additional evidence.

10.10 Stock Exchange Consents

Any action provided in this Indenture requiring the prior consent of any stock exchange upon which the Common Shares or Warrants may be listed shall not be completed until the requisite consent is obtained.

10.11 Force Majeure

Neither party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 10.11.

10.12 SEC Reporting

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the US Securities Exchange Act or the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the US Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the US Securities Exchange Act, the Corporation shall promptly deliver to the Warrant Agent an Officers' Certificate (in a form provided by the Warrant Agent) notifying the Warrant Agent of such registration or termination and such other information as the Warrant Agent may require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representation and covenants in order to meet certain SEC obligations with respect to those clients who are filing with the SEC.

10.13 Rights of Rescission

Should a holder of Warrants exercise any legal, statutory, contractual or other right of withdrawal or rescission that may be available to it, and the holder's funds which were paid on exercise have already been released to the Corporation by the Warrant Agent, the Warrant Agent shall not be responsible for ensuring the exercise is cancelled and a refund is paid back to the holder. In such cases, the holder shall seek a refund directly from the Corporation and subsequently, the Corporation shall instruct the Warrant Agent in writing, to cancel the exercise transaction and any underlying shares on the register, which may have already been issued upon the Warrant exercise.

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

SEAIR INC.

Per: "Jim Laird" (Signed)
Jim Laird
Chief Financial Officer

CST TRUST COMPANY

Per: "Nazim Nathoo" (Signed)
Nazim Nathoo
Director, Relationship Management

Per: "Gloria Gherasim" (Signed)
Gloria Gherasim
Relationship Manager

THIS IS SCHEDULE "A" to the Warrant Indenture made as of December 2, 2014 between Seair Inc. and CST Trust Company, as Warrant Agent.

THE SHARE WARRANTS REPRESENTED BY THIS
CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS
EXERCISED ON OR BEFORE 5:00 P.M. (CALGARY TIME)
ON THE EXPIRY DATE (AS DEFINED BELOW)

[FOR U.S. INVESTORS ONLY:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF SEAIR INC. THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO SEAIR INC., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) PURSUANT TO THE EXEMPTIONS FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AFTER, IN THE CASE OF TRANSFERS PURSUANT TO CLAUSE (C)(I) OR (D) (OR IF REQUIRED BY THE WARRANT AGENT OF THE CORPORATION, CLAUSE B), THE HOLDER HAS FURNISHED TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO SEAIR INC. TO SUCH EFFECT.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]

[FOR ALL INVESTORS:

THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE 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. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON UNLESS THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT 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.]

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DISTRIBUTION DATE]

[NTD: add this paragraph if certs issued by way of a global CDS cert][UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO SEAIR INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.]

WARRANT CERTIFICATE

SEAIR INC.

(Continued under the *Business Corporation Act* (Alberta))

WARRANT
CERTIFICATE NO.●

● WARRANTS entitling the holder to acquire, subject to adjustment, one (1) Common Shares for each whole Warrant represented hereby

THIS IS TO CERTIFY THAT

●

(hereinafter referred to as the "**holder**") is the registered holder of the number of Warrants stated above and is entitled to acquire in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 5:00 p.m. (Calgary time) (the "**Expiry Time**") on the Expiry Date (as defined herein), in accordance with the provisions of the Indenture (as defined herein), for each whole Warrant, one (1) fully paid and non-assessable common shares ("**Common Shares**") without nominal or par value of **SEAIR INC.** (the "**Corporation**"), as such shares were constituted on the date of the issuance of this Warrant Certificate, at an exercise price of \$0.23 per Common Share subject to adjustment in accordance with the provisions of Article 4 of the Indenture (as herein defined), in which case it shall mean the adjusted price in effect at such time.

"**Expiry Date**" shall mean twenty-four (24) months from the date set forth on this Warrant Certificate.

The right to acquire Common Shares may only be exercised by the holder within the time set forth above by:

- (a) duly completing and executing the Exercise Form attached hereto; and
- (b) surrendering this Warrant Certificate to CST Trust Company (the "**Warrant Agent**") together with a certified cheque, money order or bank draft in lawful money of Canada payable to or to the order of the Corporation at par at the principal office of the Warrant

Agent in the City of Calgary for the aggregate Exercise Price for the Common Shares subscribed for.

These Warrants shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

Upon surrender of these Warrants, the Person or Persons in whose name or names the Common Shares issuable upon exercise of the Warrants are to be issued shall be deemed for all purposes (except as provided in the Indenture hereinafter referred to) to be the holder or holders of record of such Common Shares and the Corporation has covenanted that it will (subject to the provisions of the Indenture) cause a certificate or certificates representing such Common Shares to be delivered or mailed to the Person or Persons at the address or addresses specified in the Exercise Form within three Business Days of the receipt of this Warrant Certificate, the Exercise Price, and the Exercise Form duly completed.

The holder of these Warrants may exercise his right to acquire a number of Common Shares less than the aggregate number which the holder is entitled to acquire pursuant to the surrendered Warrant Certificate(s). In the event of any exercise of a number of Warrants less than the number which the holder is entitled to exercise, the holder of the Warrants upon such exercise shall, in addition, be entitled to receive, without charge therefor, a new Warrant Certificate(s) in respect of the balance of the Warrants represented by the surrendered Warrant Certificate(s) and which were not then exercised. The Corporation shall not be required, upon the exercise of any Warrants, to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares, and no cash or other consideration shall be paid in lieu of fractional shares.

The Warrants represented by this certificate are issued under and pursuant to a Warrant Indenture (hereinafter referred to as the "Indenture") made as of December •, 2014 between the Corporation and the Warrant Agent. Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the holders of the Warrants and the terms and conditions upon which the Warrants are, or are to be, issued and held, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth. By acceptance hereof, the holder assents to all provisions of the Indenture. In the event of a conflict between the provisions of this Warrant Certificate and the Indenture, the provisions of the Indenture shall govern. Capitalized terms used in the Indenture have the same meaning herein as therein, unless otherwise defined.

The Indenture provides that on subdivision or consolidation of the Common Shares, the number of Common Shares issuable on the exercise of the Warrants and the Exercise Price thereof will be adjusted proportionately, and that in the event of any reclassification or change of the Common Shares or consolidation, amalgamation or merger of the Corporation or any transfer of its undertaking or assets as an entirety or substantially as an entirety, a holder shall be entitled to receive the kind and amount of shares and other securities or property which he would have been entitled to receive as a result of such event if on the effective date thereof, he had been the registered owner of the number of Common Shares to which he was theretofore entitled upon exercise. The Indenture also provides for an adjustment of the Exercise Price and the number of Common Shares issuable on the exercise of the Warrants in certain instances where there is a stock dividend or rights offering of Common Shares or other participating shares or other specified distribution to the holders of Common Shares.

The holder of this Warrant Certificate may, at any time prior to the Expiry Time, upon surrender hereof to the Warrant Agent at its principal office in the City of Calgary, Alberta, exchange this Warrant Certificate for other Warrant Certificates entitling the holder to acquire, in the aggregate, the same number of Common Shares as may be acquired under this Warrant Certificate.

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

The Indenture provides that all holders of Warrants shall be bound by any resolution passed at a meeting of the holders held in accordance with the provisions of the Indenture and resolutions issued by the holders of Warrants entitled to acquire a specified majority of the Common Shares which may be acquired pursuant to all then outstanding Warrants.

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 by an instrument in writing in form and execution satisfactory to the Warrant Agent, upon compliance with the conditions prescribed in the Indenture and upon compliance with such reasonable requirements as the Warrant Agent may prescribe.

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

Time is of the essence hereof.

[Signature Page Follows]

This Warrant Certificate shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as a contract of Alberta.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as _____, 201__.

SEAIR INC.

Per: _____
Name: _____
Title: _____

Certified by:
CST TRUST COMPANY, Warrant Agent

By: _____

Date: _____

Any transfer of Warrants will require compliance with applicable securities legislation. Transferors and transferees are urged to contact legal counsel before effecting any such transfer.

EXERCISE FORM

TO: SEAIR INC.

AND TO: CST TRUST COMPANY

(a) The undersigned hereby exercises the right to acquire _____ [note: must be a multiple of 1] common shares ("**Common Shares**") of Seair Inc. as constituted on the date of issuance of the Warrant Certificate to which this exercise form was attached (or such number of other securities or property to which such Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the Warrant Certificate) at an exercise price of \$0.23 per Common Share payable in lawful money.

(b) The Common Shares (or other securities or property) are to be issued and registered as follows:

Name: _____

(print clearly)

Address in full: _____

Number of Common
Shares: _____

Note: If further nominees intended, please attach (and initial) schedule giving these particulars.

The undersigned understands that the securities issuable upon exercise hereof have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws.

The undersigned holder must check one of the following boxes, as applicable:

A. The undersigned holder: (i) at the time of exercise of this Warrant is not in the United States (as such term is defined in Regulation S under the U.S. Securities Act); (ii) did not execute or deliver this subscription form for the Warrant in the United States, (iii) is not a "U.S. person" as defined in Regulation S under the U.S. Securities Act and is not exercising this Warrant for the account or benefit of any "U.S. person" or person in the United States; and (iv) did not acquire the Warrant while it was in the United States or acting for the account or benefit of a U.S. person;

B. The undersigned holder: (i) is the original purchaser of this Warrant; (ii) purchased this Warrant in the United States or on behalf of a "U.S. person" or a person in the United States pursuant to a U.S. Subscription Agreement; and (iii) reaffirms, as of the time of exercise of this Warrant, the representations, warranties, and agreements made by it in that U.S. Subscription Agreement; or

C. An exemption from registration under the U.S. Securities Act and any applicable state securities law is available, and attached hereto is an opinion of counsel to such effect, it being understood that any opinion of counsel tendered in connection with the exercise of Warrants must be in form and substance satisfactory to Seair Inc.

The undersigned holder understands that:

- (1) unless Box A is checked, the certificate representing the Common Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws;
- (2) the certificate representing the Common Shares will not be registered or delivered to an address in the United States unless Box B or Box C above are checked and, if Box C is checked, the required opinion of counsel is in form and substance satisfactory to Seair Inc.; and
- (3) if Box C is checked, the holder is encouraged to consult with Seair Inc. in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to Seair Inc.

Such securities (please check one):

- ☐ (i) should be sent by first class mail to the following address:

OR

- ☐ (ii) should be held for pick up at the office of the Warrant Agent at which this Warrant Certificate is deposited.

- (c) If the number of Warrants exercised are less than the number of Warrants represented hereby, the undersigned requests that the new Warrant Certificate representing the balance of the Warrants be registered in the name of

whose _____ address _____ is

_____.

Such securities (please check one):

- ☐ (i) should be sent by first class mail to the following address:

OR

- ☐ (ii) should be held for pick up at the office of the Warrant Agent at which this Warrant Certificate is deposited.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Warrants.

DATED this _____ day of _____, _____.

Signature Guaranteed

(Signature of Holder)

Print full name

Instructions:

1. The registered holder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised to CST Trust Company at: 600, 333-7th Avenue S.W., Calgary, Alberta T2P 2Z1. Certificates for Common Shares will be delivered or mailed within three Business Days after the exercise of the Warrants.
2. If the Exercise Form indicates that Common Shares are to be issued to a Person or Persons other than the registered holder of the Certificate, the signature of such holder of the Exercise Form must be guaranteed by an authorized officer of a Schedule "A" major chartered bank/trust company or a member of an acceptable medallion guarantee program. The Guarantor must affix a stamp bearing the actual words "**Signature Guaranteed**". **Please note – signature guarantees are not accepted from treasury branches or credit unions unless they are members of the "Medallion Program". Please note – in USA signature guarantees must be done by members of the "Medallion Signature Guarantee Program" only.**
3. If the Exercise 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 certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

TRANSFER OF WARRANTS

Any transfer of Warrants will require compliance with applicable securities legislation. Transferors and transferees are urged to contact legal counsel before effecting any such transfer.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to _____, _____ Warrants of SEAIR INC. registered in the name of the undersigned on the records of SEAIR INC. represented by the Warrant Certificate attached and irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution and confirms that the transfer is made in compliance with all applicable securities legislation and requirements of regulatory authorities.

Such certificates (please check one):

(a) _____ should be sent by first class mail to the following address

(b) _____ should be held for pick up at the office of the Warrant Agent at which this Warrant Certificate is deposited.

If less than all the Warrants represented by this Warrant Certificate are being transferred, the Warrant Certificate representing those Warrants not transferred will be registered in the name appearing on the face of this Warrant Certificate and such certificates (please check one):

(a) _____ should be sent by first class mail to the following address

(b) _____ should be held for pick up at the office of the Warrant Agent at which this Warrant Certificate is deposited.

DATED the ____ day of _____, 20__.

Signature Guaranteed

(Signature of Warrantholder)

Instructions:

1. The registered holder may transfer the Warrants by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being transferred to CST Trust Company at: 600, 333-7th Avenue S.W., Calgary, Alberta T2P 2Z1.
2. The signature on the Transfer of Warrants must be guaranteed by an authorized officer of a Schedule "A" major chartered bank/trust company or a member of an acceptable medallion guarantee program. The Guarantor must affix a stamp bearing the actual words "**Signature Guaranteed**". **Please note – signature guarantees are not accepted from treasury branches or credit unions unless they are members of the "Medallion Program". Please note – in USA signature guarantees must be done by members of the "Medallion Signature Guarantee Program" only.**
3. If the Transfer of Warrants 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 certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.
4. Warrants shall only be transferable in accordance with the Indenture, applicable laws and the rules and policies of any applicable stock exchange. Without limiting the foregoing, if the Warrant Certificate bears a legend restricting the transfer of the Warrants except pursuant to an exemption from registration under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), this form must be accompanied by a declaration for removal of legend in

the form set forth in Section 2.6(a) of the Indenture, or a written opinion of counsel reasonably satisfactory to the Corporation and the Warrant Agent to the effect that transfer is exempt from registration under the U.S. Securities Act and applicable state securities laws.