

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MAY 27, 2020.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY OR UNDERLYING THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TORONTO STOCK EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT BEFORE MAY 27, 2020.

**UNSECURED CONVERTIBLE DEBENTURE
URTHECAST CORP.**

(a corporation existing under the laws of the province of Ontario)

DEBENTURE

CERTIFICATE NUMBER: CD-2020-01

PRINCIPAL AMOUNT: \$2,025,773

URTHECAST CORP. (the "**Borrower**"), for value received, hereby acknowledges itself indebted and promises to pay to, SMF Investments Limited (hereinafter referred to as the "**Lender**"), the principal amount of \$2,025,773 (the "**Principal Amount**") in lawful money of Canada in the manner hereinafter provided at the address of the Lender set forth in Section 9.2, or at such other place or places as the Lender may designate by notice in writing to the Borrower, on March 31, 2020 (the "**Maturity Date**"), and to pay interest, if any, to the Lender on the Principal Amount outstanding from time to time owing hereunder to the date of payment as hereinafter provided.

The Lender has the right, from time to time and at any time prior to 5:00 p.m. (Eastern time) on the earlier of: (i) the Business Day (as defined herein) immediately preceding the Maturity Date; and (ii) the Business Day prior to any repurchase of the Debenture in accordance with terms hereof, to convert all or any portion of the outstanding Principal Amount into Common Shares (as defined herein), at a price, with respect to the Principal Amount, equal to the Conversion Price (as defined herein), subject to adjustment in certain events; provided, however, that the Lender shall not be permitted to convert any portion of this Debenture, to the extent that after giving effect to such conversion the Lender, alone or together with any of its affiliates and persons acting jointly or in concert (within the meaning of the *Securities Act* (British Columbia)) with the Lender and its affiliates, would beneficially own in excess of 19.99% of the number of Common Shares outstanding immediately after giving effect to such conversion.

Unless the Lender exercises the conversion rights attached to this Debenture and subject at all times to the subordination in favour of the Existing Debentures as provided herein, the Principal Amount owing, or the portion of the Principal Amount which has yet to be converted, together with any amounts now or hereafter payable hereunder (collectively, the "**Obligations**") shall be due and payable on the Maturity Date in accordance with the terms hereof. This Debenture is issued subject to the terms and conditions appended hereto as Schedule A.

(See terms and conditions attached hereto)

Remainder Intentionally Left Blank

IN WITNESS WHEREOF, the Borrower has caused this Debenture to be executed by a duly authorized officer.

DATED for reference this 27th day of January, 2020.

URTHECAST CORP.

Per: "Sai Chu" (signed)
Authorized Signatory

Signature Page to the Convertible Debenture Certificate

Schedule A

TERMS AND CONDITIONS OF UNSECURED CONVERTIBLE DEBENTURE

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

In this Debenture, the following terms shall have the following meanings:

- (1) **"Business Day"** means a day other than a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario or Vancouver, British Columbia, Canada are authorized by law to close;
- (2) **"Canadian Securities Laws"** means the *Securities Act* (British Columbia) and the securities laws of any other province or territory of Canada, if applicable, and the rules, regulations and policies of any Canadian securities regulatory authority administering such securities laws, as the same shall be in effect from time to time;
- (3) **"Change of Control"** means:
 - (a) any transaction (whether by purchase, merger or otherwise) whereby a Person or Persons acting jointly or in concert directly or indirectly acquires the right to cast, at a general meeting of shareholders of the Borrower, more than 50.0% of the votes attached to the Common Shares that may be ordinarily cast at a general meeting;
 - (b) the Borrower's arrangement, amalgamation or merger with or into any other Person, any merger of another Person into the Borrower, unless the holders of voting securities of the Borrower immediately prior to such arrangement, amalgamation or merger hold securities representing 50.0% or more of the voting control or direction in the Borrower or the successor entity upon completion of the arrangement, amalgamation or merger; or
 - (c) any conveyance, transfer, sale lease or other disposition of all or substantially all of the Borrower's and the Borrower's subsidiaries' assets and properties, taken as a whole, to another arm's length Person;
- (4) **"Closing Date"** means January 27, 2020;
- (5) **"Common Shares"** means the common shares in the capital of the Borrower or the common shares of the continuing corporation or other resulting issuer formed as a result of a Merger;
- (6) **"Conversion Price"** initially means the Original Conversion Price, and thereafter any adjustment thereto in accordance with the terms and conditions of this Debenture;
- (7) **"Conversion Right"** has the meaning attributed thereto in Section 4.1;
- (8) **"Current Market Price"** of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the TSX or, if the Common Shares are not then listed on the TSX, on such other Canadian stock exchange as may be selected by the directors of the Corporation for such purpose or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of 20 consecutive trading days ending on the third business day before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during such 20 consecutive trading days by the total number of Common

Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the-counter market, then the Current Market Price shall be determined by a firm of independent chartered accountants selected by the directors of the Corporation;

- (9) **"Debentureholder"** means the holder of the Debenture;
- (10) **"Debenture"** means this unsecured convertible debenture;
- (11) **"Event of Default"** has the meaning attributed thereto in Section 7.1;
- (12) **"Exchange"** means the Toronto Stock Exchange or such other stock exchange on which the Common Shares are listed and posted for trading;
- (13) **"Issue Date"** has the meaning attributed thereto in Section 4.2(1);
- (14) **"Existing Debentures"** means, collectively, (i) \$21,675,416 in aggregate principal amount of debentures issued by the Borrower on May 25, 2018, and (ii) \$6,600,000 in aggregate principal amount of debentures issued by the Borrower to Vine Rose Limited on September 11, 2019;
- (15) **"Lien"** means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement, upon or with respect to any property of such Person;
- (16) **"Maturity Date"** means March 31, 2020;
- (17) **"Merger"** means any transaction (whether by way of arrangement, amalgamation, merger, transfer, sale or lease) whereby all or substantially all of the Borrower's assets would become the property of any other Person, or, in the case of any such arrangement, amalgamation or merger, of the continuing corporation or other entity resulting therefrom;
- (18) **"Original Conversion Price"** means \$0.32;
- (19) **"Permitted Acquisition"** means, with respect to any Person, any transaction by which such Person acquires as a going concern the business of, or all or substantially all of the assets of any corporation or other business entity or division thereof or any other Person, whether through purchase of assets, purchase of shares or other equity interests, amalgamation, merger, joint venture or otherwise, but in each case only if:
 - (a) no Event of Default is continuing on the date of the acquisition or would occur as a result of such acquisition;
 - (b) the Person or Persons from whom the acquisition is made are at arm's length to such Person;
 - (c) the relevant business is related to the strategic objectives of the business carried on by such Person; and
 - (d) the aggregate purchase price for the acquisition (including any direct or indirect payments made to any of the vendors in connection therewith) does not exceed the fair market value of the business being acquired;
- (20) **"Permitted Encumbrances"** has the meaning given to such term in Section 6.2(2);

(21) **"Permitted Secured Debt"** means, with respect to the Borrower or the Subsidiaries, any Secured Debt of the Borrower or the Subsidiaries that:

- (a) is existing at the date of the Subscription Agreement as set out herein in Schedule D;
- (b) is owing by the Subsidiary to the Borrower or to another wholly-owned subsidiary of the Borrower;
- (c) is incurred or assumed by the Borrower or the Subsidiaries in the ordinary course of the Borrower's or the Subsidiaries' business;
- (d) is incurred or assumed by the Borrower or the Subsidiaries in connection with the financing of the build, launch and commissioning of the Borrower's UrtheDaily Constellation;
- (e) is incurred or assumed by the Borrower or the Subsidiaries in connection with a Permitted Acquisition; or
- (f) is Secured Debt incurred by the Borrower or the Subsidiaries in connection with any extension, renewal or refinancing of any of the foregoing provided that the applicable outstanding principal amount is not increased;

(22) **"Permitted Subordinated Debt"** means any and all indebtedness incurred or assumed by the Borrower or the Subsidiaries after the date of issue of this Debenture in respect of which all obligations of payment and performance, together with all security interests or collateral granted as security for payment and performance, are fully postponed and subordinated to the indebtedness owed to and security held by the holders of Debentures;

(23) **"Person"** means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof;

(24) **"Secured Debt"** means, with respect to any Person, any obligation of such Person for borrowed money that is secured in any manner by any Lien on any real or personal property of such Person;

(25) **"Subscription Agreement"** means the subscription agreement dated January 31, 2020 between the Lender and the Borrower;

(26) **"Subsidiary"** means (i) in respect to the Borrower has the meaning ascribed thereto in the *Securities Act* (British Columbia) and (ii) as to any Person, any corporation or other business entity in which such Person or one or more of its Subsidiaries owns, directly or indirectly, sufficient equity or voting interests to enable it or them (as a group) to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50.0% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries;

(27) **"Taxes"** means any present or future income and other taxes, levies, rates, royalties, deductions, withholdings, assessments, fees, dues, duties, imposts and other charges of any nature whatsoever, together with any interest and penalties, additions to tax and other additional amounts, levied, assessed or imposed by any governmental authority; and

(28) **"trading day"** means a day on which the Exchange is open for trading (or if the Borrower's Common Shares are not then listed on the Exchange, such other recognized stock exchange or quotation system on which the Common Shares may trade or be quoted).

Section 1.2 Headings

The inclusion of headings in this Debenture is for convenience of reference only and shall not affect the construction or interpretation hereof.

Section 1.3 Currency

Unless otherwise indicated, all amounts in this Debenture are stated and shall be paid in the lawful currency of Canada.

Section 1.4 Number, Gender and Persons

Unless the context otherwise requires, words importing the singular in number only shall include the plural and vice versa, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing Persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

Section 1.5 Severability

If any provision of this Debenture is determined by a Court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law. Each provision of this Debenture is declared to be separate, severable and distinct.

Section 1.6 Entire Agreement

This Debenture, including any schedules attached hereto, constitutes the entire agreement between the Borrower and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

ARTICLE 2 – PAYMENT OF PRINCIPAL, INTEREST AND OTHER CONSIDERATIONS

Section 2.1 Repayment of Principal

Subject to Section 2.3 and the terms and conditions hereof, the Principal Amount outstanding on this Debenture shall be repaid by the Borrower to the Lender on the Maturity Date.

Section 2.2 Interest

Subject to Section 2.3, interest shall accrue daily and be payable on the Principal Amount outstanding at a rate equal to 17% per annum (based on a year of 365 or 366 days, as applicable), from and after the Closing Date until the full repayment of the Principal Amount, and shall be calculated and payable quarterly on the first Business Day of each fiscal quarter of the Borrower from and after the Closing Date.

Section 2.3 Rank

The Debenture will constitute subordinate unsecured indebtedness of the Borrower. Upon acceleration of the Existing Debentures following an uncured Event of Default (as such term is defined in

the Existing Debentures), the indebtedness payable under this Debenture, including all principal, interest and other amounts owing, will be subordinate and junior in right of payment to the prior payment in full of the Existing Debentures. Subject to statutory preferred exceptions, this Debenture will rank in priority to all other indebtedness of the Borrower incurred after the issuance of this Debenture, other than Permitted Secured Debt incurred under Section 6.2(1).

Section 2.4 Set up Fee

Upon issuance of this Debenture, the Borrower shall pay to the Lender a set up fee in an amount equal to three percent (3%) of the Principal Amount, which set up fee shall be deemed to be fully earned on the date of execution of this Debenture, and is payable to the Lender from the proceeds of the advance of the Principal Amount.

ARTICLE 3 – PREPAYMENT, REDEMPTION OR PURCHASE OF DEBENTURE

Section 3.1 Prepayment

Subject to the terms and conditions of the Permitted Secured Debt described in Section 1.1(21), and prior to demand, at any time after giving thirty (30) days written notice to the Lender, from time to time, the Borrower may elect to prepay this Debenture, without bonus or penalty, at a price equal to the greater of (a) the Principal Amount outstanding under this Debenture; and (b) the Current Market Price multiplied by the number of Common Shares issuable upon full conversion of this Debenture at the time of prepayment at the Conversion Price, which payment shall be made in immediately available funds and without any deduction or withholding.

Section 3.2 Redemption or Conversion if Change of Control

The Borrower shall notify the Lender of any pending Change of Control or Merger in accordance with Section 3.3, and the Lender shall, in their sole discretion, have the right to require the Borrower to, either: (i) purchase the Debenture at 100.0% of the then outstanding Principal Amount thereof; or (ii) if the Change of Control results in a new issuer, convert the Debenture into a replacement debenture of the new issuer in the aggregate principal amount of 101.0% of the Principal Amount of the Debenture then outstanding on substantially equivalent terms to those terms contained herein.

Section 3.3 Notice of Change of Control

Upon the occurrence of any event constituting or reasonably likely to constitute a Change of Control or Merger, the Borrower shall give written notice to the Lender of such Change of Control or Merger at least thirty (30) days or as soon as reasonably possible prior to the effective date of any such Change of Control or Merger and another written notice on or immediately after the effective date of such Change of Control or Merger.

ARTICLE 4 – CONVERSION

Section 4.1 Conversion Right.

(1) Upon and subject to the terms and conditions hereinafter set forth, the Lender shall have the right (the "**Conversion Right**"), but not the obligation, at any time, and from time to time, up to and including earlier of: (a) the Business Day immediately preceding the Maturity Date; and (b) the Business Day prior to any repurchase of the Debenture in accordance with terms hereof, to notify the Borrower that it wishes to exchange or convert, for no additional consideration, all or any part of the Principal Amount of this Debenture into fully paid and non-assessable Common Shares at the Conversion Price in effect on the Issue Date (as hereinafter defined), provided that the Lender must exchange or convert the Principal

Amount of this Debenture in a minimum amount of \$100,000, unless the Principal Amount outstanding is less than \$100,000 in which case, the entire Principal Amount outstanding. Nothing contained herein shall confer any right upon the Lender to convert any portion of this Debenture, to the extent that after giving effect to such conversion the Lender, alone or together with any of its affiliates and persons acting jointly or in concert (within the meaning of the *Securities Act* (British Columbia)) with the Lender and its affiliates, would beneficially own in excess of 19.99% of the number of Common Shares outstanding immediately after giving effect to such conversion.

(2) The Conversion Right shall extend only to the maximum number of whole Common Shares into which the Principal Amount of this Debenture or any part thereof may be converted in accordance with this Section 4.1. Fractional interests in Common Shares shall be adjusted in the manner provided in Section 4.4.

Section 4.2 Conversion Procedure

(1) The Conversion Right may be exercised by the Lender by completing and signing the notice of conversion (the "**Conversion Notice**") attached hereto as Schedule B, and delivering the Conversion Notice and this Debenture to the Borrower. The Conversion Notice shall provide that the Conversion Right is being exercised, shall specify the Principal Amount being converted and shall set out the date (the "**Issue Date**") on which Common Shares are to be issued upon the exercise of the Conversion Right (such date to be no earlier than five (5) Business Days and no later than ten (10) Business Days after the day on which the Conversion Notice is issued). The conversion shall be deemed to have been effected immediately prior to the close of business on the Issue Date and the Common Shares issuable upon conversion shall be deemed to be issued as fully paid and non-assessable at such time. Within ten (10) Business Days after the Issue Date, a certificate for the required number of Common Shares shall be issued to the Lender. If less than all of the Principal Amount of this Debenture is the subject of the Conversion Right, then within ten (10) Business Days after the Issue Date, the Borrower shall deliver to the Lender a replacement Debenture in the form hereof in the principal amount of the unconverted principal balance hereof, and this Debenture shall be cancelled. If the Conversion Right is being exercised in respect of the entire Principal Amount of this Debenture, this Debenture shall be cancelled.

Section 4.3 Adjustment of Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

(1) If and whenever at any time prior to the Maturity Date, the Borrower shall issue any Common Shares, or securities convertible into Common Shares (other than those Common Shares and securities convertible into Common Shares issued or issuable pursuant to the Borrower's equity incentive plan and other issuances in the ordinary course of business) at a price that is less than the Original Conversion Price (such price, the "**Lower Conversion Price**"), the Conversion Price shall be adjusted downwards to match the Lower Conversion Price, provided that such Lower Conversion Price shall not be less than \$0.24.

(2) If and whenever at any time prior to the Maturity Date, the Borrower shall:

- (a) subdivide or re-divide the outstanding Common Shares into a greater number of Common Shares;
- (b) reduce, combine or consolidate the outstanding Common Shares into a smaller number of Common Shares;

- (c) issue Common Shares (or securities convertible into or exchangeable for Common Shares) to the holders of all or substantially all of the outstanding Common Shares by way of stock dividend; or
- (d) make a distribution on its outstanding Common Shares payable in Common Shares or securities exchangeable for or convertible into Common Shares,

the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Common Shares (or securities convertible into or exchangeable for Common Shares) by way of a stock dividend or other distribution, as the case may be, shall, in the case of the events referred to in Sections 4.3(2)(a), (c) and (d) above, be decreased in proportion to the increase in the number of outstanding Common Shares resulting from such subdivision, redivision or dividend (including, in the case where securities convertible into or exchangeable for Common Shares are issued, the number of Common Shares that would have been outstanding had such securities been converted into or exchanged for Common Shares on such effective or record date) or shall, in the case of the events referred to in Section 4.3(2)(b) above, be increased in proportion to the decrease in the number of outstanding Common Shares resulting from such reduction, combination or consolidation on such effective or record date. Such adjustment shall be made successively whenever any event referred to in this Section 4.3(1) shall occur. Any such issue of Common Shares (or securities convertible into or exchangeable for Common Shares) by way of a stock dividend or other distribution shall be deemed to have been made on the record date for the stock dividend or other distribution for the purpose of calculating the number of outstanding Common Shares under Sections 4.3(3) and (4); to the extent that any such securities are not converted into or exchanged for Common Shares prior to the expiration of the conversion or exchange right, the Conversion Price shall be readjusted effective as at the date of such expiration to the Conversion Price which would then be in effect based upon the number of Common Shares actually issued on the exercise of such conversion or exchange right.

(3) If and whenever at any time prior to the Maturity Date, the Borrower shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than forty-five (45) days after such date of issue (such period from the record date to the date of expiry being referred to in this Section 4.3(3) as the "**Rights Period**"), to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) (such subscription price per Common Share (inclusive of any cost of acquisition of securities exchangeable for or convertible into Common Shares in addition to any direct cost of Common Shares) being referred to in this Section 4.3(3) as the "**Per Share Cost**"), the Borrower shall give written notice to the Lender with respect thereto (any of such events herein referred to as a "**Rights Offering**"), and the Lender shall have fifteen (15) days after receipt of such notice to elect to convert any or all of the Principal Amount of this Debenture into Common Shares at the then applicable Conversion Price and otherwise on terms and conditions set out in this Debenture. If the Lender elects to convert any or all of the Principal Amount of this Debenture, such conversion shall occur immediately prior to the record date for the issuance of such rights, options or warrants. If the Lender elects not to convert any of the Principal Amount of this Debenture, there shall continue to be an adjustment to the Conversion Price as a result of the issuance of such rights, options or warrants, in the manner hereinafter provided. The Conversion Price will be adjusted effective immediately after the end of the Rights Period to a price determined by multiplying the Conversion Price in effect immediately prior to the end of the Rights Period by a fraction:

- (a) the numerator of which is the aggregate of:
 - (i) the number of Common Shares outstanding as of the record date for the Rights Offering; and

(ii) the number determined by dividing the product of the Per Share Cost and:

- (A) where the event giving rise to the application of this Section 4.3(3) was the issue of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase additional Common Shares, the number of Common Shares so subscribed for or purchased during the Rights Period, or
- (B) where the event giving rise to the application of this Section 4.3(3) was the issue of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase securities exchangeable for or convertible into Common Shares, the number of Common Shares for which those securities so subscribed for or purchased during the Rights Period could have been exchanged or into which they could have been converted during the Rights Period,

by the Current Market Price (as defined herein) of the Common Shares as of the record date for the Rights Offering; and

(iii) the denominator of which is

- (A) in the case described in subparagraph 4.3(3)(a)(ii)(A), the number of Common Shares outstanding, or
- (B) in the case described in subparagraph 4.3(3)(a)(ii)(B), the number of Common Shares that would be outstanding if all the Common Shares described in subparagraph 4.3(3)(a)(ii)(B) had been issued,

as at the end of the Rights Period.

Any Common Shares owned by or held for the account of the Borrower or any subsidiary or affiliate (as defined in the *Securities Act* (British Columbia)) of the Borrower will be deemed not to be outstanding for the purpose of any such computation.

If by the terms of the rights, options or warrants referred to in this Section 4.3(3), there is more than one purchase, conversion or exchange price per Common Share, 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, will be calculated for purposes of the adjustment on the basis of

- (a) the lowest purchase, conversion or exchange price per Common Share, as the case may be, if such price is applicable to all Common Shares which are subject to the rights, options or warrants, and
- (b) the average purchase, conversion or exchange price per Common Share, as the case may be, if the applicable price is determined by reference to the number of Common Shares acquired.

To the extent that any adjustment in the Conversion Price occurs pursuant to this Section 4.3(3) as a result of the fixing by the Borrower of a record date for the distribution of rights, options or warrants referred to in this Section 4.3(3), the Conversion Price will be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the Conversion Price which would then be in effect

based upon the number of Common Shares actually issued and remaining issuable after such expiration, and will be further readjusted in such manner upon expiration of any further such right.

If the Lender has exercised its Conversion Right in accordance herewith during the Rights Period, the Lender will, in addition to the Common Shares to which it is otherwise entitled upon such exercise, be entitled to that number of additional Common Shares equal to the result obtained when the difference, if any, between the Conversion Price in effect immediately prior to, and the Conversion Price in effect immediately following the end of such Rights Offering pursuant to this Section 4.3(3), is multiplied by the number of Common Shares received upon the exercise of the Conversion Right during such period, and the resulting product is divided by the Conversion Price as adjusted for such Rights Offering pursuant to this Section 4.3(3); provided that no fractional Common Shares will be issued. Such additional Common Shares will be deemed to have been issued to the Lender immediately following the end of the Rights Period and a certificate for such additional Common Shares will be delivered to the Lender within ten (10) Business Days following the end of the Rights Period.

(4) If and whenever at any time prior to the Maturity Date, the Borrower shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) shares of any class other than Common Shares (or other than securities convertible into or exchangeable for Common Shares), or (ii) rights, options or warrants (other than rights, options or warrants referred to in Section 4.3(3)), or (iii) evidences of its indebtedness, or (iv) assets (other than dividends paid in the ordinary course) then, in each such case, the Borrower shall give written notice to the Lender with respect thereto, and the Lender shall have fifteen (15) days after receipt of such notice to elect to convert any or all of the Principal Amount of this Debenture into Common Shares at the then applicable Conversion Price and otherwise on terms and conditions set out in this Debenture. If the Lender elects to convert any or all of the Principal Amount of this Debenture, such conversion shall occur immediately prior to the record date for the making of such distribution. If the Lender elects not to convert any of the Principal Amount of this Debenture, there shall continue to be an adjustment to the Conversion Price as a result of the making of such distribution, (herein referred to as a "**Special Distribution**") determined in the manner hereafter set out. In this Section 4.3(4) the term "**dividends paid in the ordinary course**" shall include the value of any securities or other property or assets distributed in lieu of cash dividends paid in the ordinary course at the option of shareholders.

The Conversion Price will be adjusted effective immediately after such record date to a price determined by multiplying the Conversion Price in effect on such record date by a fraction:

- (a) the numerator of which is:
 - (i) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date; less
 - (ii) the aggregate fair market value (as determined by action by the directors of the Borrower, acting reasonably and subject to the receipt of approval from the TSX) to the holders of the Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and
- (b) the denominator of which is the number of Common Shares outstanding on such record date multiplied by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Borrower or any subsidiary or affiliate (as defined in the *Securities Act* (British Columbia)) of the Borrower will be deemed not to be outstanding for the purpose of any such computation.

(5) In the case of any reclassification of, or other change in, the outstanding Common Shares pursuant to a Change of Control, if the Lender elects not to redeem this Debenture in accordance with Section 3.2, the Lender may elect, prior to the effective date of such Change of Control, to convert all or any part of the Principal Amount of this Debenture into Common Shares at the Conversion Price and otherwise on terms and conditions set out in this Debenture. To exercise such right the Lender must provide a notice in writing to the Borrower no later than seven (7) days prior to the effective date of such Change of Control, failing which the Lender's right to convert this Debenture as a consequence of such Change of Control shall cease. If the Lender elects to convert any or all of the Principal Amount of this Debenture, such conversion shall occur immediately prior to the effective date of such Change of Control. If the Lender elects not to convert any of the Principal Amount of this Debenture, the Conversion Price in effect after the effective date of such Change of Control shall be increased or decreased, as the case may be, in proportion to any decrease or increase in the number of outstanding Common Shares resulting from such Change of Control so that the Lender, upon exercising the Conversion Right after the effective date of such Change of Control, will be entitled to receive the aggregate number of Common Shares or other securities, if any, which the Lender would have been entitled to receive as a result of such Change of Control if, on the effective date thereof, the Lender had been the registered holder of the number of Common Shares to which the Lender was theretofore entitled upon exercise of the Conversion Right.

(6) In the case of any reclassification of, or other change in, the outstanding Common Shares (other than a change referred to in Section 4.3(1), Section 4.3(3), Section 4.3(4) or 4.3(5) hereof), the Conversion Price shall be adjusted in such manner, if any, and at such time, as the Board of Directors of the Borrower determines to be appropriate on a basis consistent with the intent of this Section 4.3; provided that if at any time a dispute arises with respect to adjustments provided for in this Article 4, such dispute will be conclusively determined by the auditors of the Borrower or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action by the directors of the Borrower, acting reasonably, and any such determination will be binding on the Borrower and the Lender. The Borrower will provide such auditors or accountants with access to all necessary records of the Borrower. If and whenever at any time after the date hereof there is a reclassification or redesignation of the Common Shares outstanding at any time or change of the Common Shares into other shares or into other securities (other than as set out in Section 4.3(1), (3), (4) or (5)), or a consolidation, amalgamation or Merger of the Borrower with or into any other corporation or other entity (other than a consolidation, amalgamation or merger which does not result in any reclassification or redesignation of the outstanding Common Shares or a change of the Common Shares into other shares and other than as set forth in Section 4.3(5)), or a transfer of the undertaking or assets of the Borrower as an entirety or substantially as an entirety to another corporation or other entity (any of such events being called a "**Capital Reorganization**"), the Lender, upon the exercising the Conversion Right, after the effective date of such Capital Reorganization, will be entitled to receive in lieu of the number of Common Shares to which the Lender was theretofore entitled upon such exercise, the aggregate number of shares, other securities or other property, if any, which the Lender would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Lender had been the registered holder of the number of Common Shares to which such Lender was theretofore entitled upon exercise of the Conversion Right. If determined appropriate by action of the directors of the Borrower, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 4.3 with respect to the rights and interests thereafter of the Lender to the end that the provisions set forth in this Section 4.3 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the exercise of the Conversion Right. Any such adjustment must be made by and set forth in an amendment to this Debenture approved by action by the directors of the Borrower, acting reasonably, and will for all purposes be conclusively deemed to be an appropriate adjustment.

(7) In any case in which this Section 4.3 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Borrower may defer, until the

occurrence of such event, issuing to the Lender before the occurrence of 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 Borrower shall deliver to the Lender an appropriate instrument evidencing the Lender's right 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 Issue Date or such later date as the Lender would, but for the provisions of this Section 4.3(7), have become the holder of such additional Common Shares pursuant to Section 4.3(3).

(8) The adjustments provided for in this Section 4.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other event resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1.0% in the Conversion Price then in effect; provided, however, that any adjustments which by reason of this Section 4.3(8) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

Section 4.4 No Requirement to Issue Fractional Common Shares

The Borrower shall not be required to issue fractional Common Shares upon the conversion of the Debenture pursuant to this Article 4. If any fractional interest in a Common Share, would, except for the provisions of this Section 4.4, be deliverable upon the conversion of any amount hereunder, the number of Common Shares to be issued shall be rounded down to the nearest whole Common Share.

Section 4.5 Borrower to Reserve Common Shares

The Borrower covenants with the Lender that it will at all times reserve and keep available out of its authorized Common Shares, solely for the purpose of issue upon exercise of the Conversion Right, and conditionally allot to the Lender, such number of Common Shares as shall then be issuable upon the conversion of this Debenture. The Borrower covenants with the Lender that all Common Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

Section 4.6 Certificate as to Adjustment

The Borrower shall from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.3, deliver an officer's certificate to the Lender 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. Subject to the dispute resolution procedure in Section 4.3(6), such certificate shall be binding and determinative of the adjustment to be made, absent manifest error.

Section 4.7 Shareholder of Record

For all purposes, on the Issue Date or the applicable date specified in Section 4.2 the Lender shall be deemed to have become the holder of record of the Common Shares into which the Principal Amount of this Debenture (or a portion thereof) is converted in accordance with Section 4.2.

ARTICLE 5 – RIGHTS OF DEBENTUREHOLDER

Section 5.1 Distribution on Dissolution, Etc.

Subject to applicable law and the rights of any holders of any Existing Debentures and the Permitted Secured Debt ranking rateably or in priority to the Lender, upon any sale, in one transaction or

a series of transactions, of all, or substantially all, of the assets of the Borrower or distribution of the assets of the Borrower upon any dissolution or winding-up or total liquidation of the Borrower, whether in bankruptcy, liquidation, re-organization, insolvency, receivership or other similar proceedings or upon an assignment to or for the benefit of creditors of the Borrower or otherwise any payment or distribution of assets of the Borrower, whether in cash, property or security, shall be paid or delivered by the trustee in bankruptcy, receiver, assignee of or for the benefit of creditors or other liquidating agent of the Borrower making such payment or distribution, directly to the holder of the Debentures or their representatives, to the extent necessary, to pay all obligations pursuant to the Debentures in full.

Section 5.2 Certificate Regarding Creditors

Upon any payment or distribution of assets of the Borrower referred to in this Section 5.2, the Lender shall be entitled to rely upon a certificate of the trustee in bankruptcy, receiver, assignee of or for the benefit of creditors or other liquidating agent of the Borrower making such payment or distribution, delivered to the Lender, for the purpose of ascertaining the Persons entitled to participate in such distribution, and other indebtedness of the Borrower, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Section 5.2.

Section 5.3 Rights of Lender Reserved

Nothing contained in this Article 5 or elsewhere in this Debenture is intended to or shall impair, as between the Borrower and the Lender, the obligation of the Borrower, which is absolute and unconditional, to pay to the Lender the Principal Amount and interest, if any, on the Debenture, as and when the same shall become due and payable in accordance with their terms, nor shall anything herein prevent the Lender from exercising all remedies otherwise permitted by applicable law upon default under this Debenture.

Section 5.4 Payment of Debenture Permitted

Nothing contained in this Debenture shall:

- (a) prevent the Borrower from making payments of the Principal Amount and other amounts to the Lender under this Debenture as herein provided;
- (b) prevent the conversion of this Debenture into Common Shares as herein provided or as otherwise permitted according to law, including in connection with a bankruptcy, reorganization, insolvency, or other arrangement with creditors of the Borrower; and
- (c) prevent the redemption of this Debenture by the Borrower as herein provided or as otherwise permitted according to law.

ARTICLE 6 – COVENANTS OF THE BORROWER

Section 6.1 Positive Covenants

The Borrower covenants and agrees, for as long this Debenture remains outstanding, that:

- (1) **Maintain Corporate Existence.** Each of the Borrower and its Subsidiaries shall maintain its corporate existence, and preserve its rights, powers, licenses and privileges which are necessary or material to the conduct of its business, and not materially change the nature of its business;
- (2) **Compliance with Laws.** Each of the Borrower and its Subsidiaries shall comply in all material respects with all applicable laws, rules, governmental restrictions and regulations;

- (3) **Payment of Taxes.** Each of the Borrower and its Subsidiaries shall pay and discharge promptly all Taxes assessed or imposed upon it or its property as and when the same become due and payable save and except where it contests in good faith the validity thereof by proper legal proceedings;
- (4) **Payment of Obligations.** The Borrower shall pay all principal and other amounts owing to the Lender hereunder promptly when due;
- (5) **Performance of Covenants.** The Borrower shall promptly perform and satisfy all covenants and obligations to be performed by it under this Debenture;
- (6) **Maintain Listing.** The Borrower shall use reasonable commercial efforts to maintain the listing of the Common Shares on the Exchange and to maintain the Borrower's status as a "reporting issuer" not in default of the requirements of the Canadian Securities Laws;
- (7) **Notice of Event of Default.** The Borrower shall promptly, and in any event within five (5) Business Days after a responsible officer of the Borrower becoming aware, give notice to the Lender of the existence of any Event of Default.

Section 6.2 Negative Covenants

The Borrower covenants and agrees that, without the prior written consent of the Lender:

- (1) **Indebtedness.** The Borrower shall not, and shall not permit its Subsidiaries, to assume any additional indebtedness other than (i) Permitted Secured Debt and (ii) Permitted Subordinated Debt;
- (2) **Encumbrances.** The Borrower shall not, and shall not permit the Subsidiaries to, create, assume or permit to exist any Lien on any assets or property, other than (i) such Liens as existed on the date hereof, (ii) Liens imposed by any governmental authority for any Taxes not yet due and delinquent or which are being contested in good faith, (iii) Liens granted after the date hereof to secure Permitted Secured Debt and Permitted Subordinated Debt incurred under or assumed by the Borrower or the Subsidiaries after the date hereof under Section 6.2(1) (collectively, the "**Permitted Encumbrances**");
- (3) **Distributions.** The Borrower shall not declare, pay or make any dividend or other distribution on any shares in the capital of the Borrower or authorize the repurchase of any shares in the capital of the Borrower without prior written consent of the Lender (such consent not to be unreasonably withheld, conditioned or delayed);
- (4) **Guarantees.** The Borrower shall not become liable under any guarantees or otherwise become a surety for the indebtedness of another Person, other than (i) in the ordinary course of business, or (ii) in connection with Permitted Secured Debt or Permitted Subordinated Debt incurred or assumed by the Borrower or its Subsidiaries under Section 6.2(1); and
- (5) **Related Party Transactions.** The Borrower shall not enter into any contract or transaction with any related party except for the purchase and/or sale of goods and/or services at fair market value and except for the issuance of securities of the Borrower on the same terms as offered to non-related parties.

ARTICLE 7 – EVENTS OF DEFAULT

Section 7.1 Events of Default

- (1) Any of the following shall constitute an Event of Default under this Debenture (each an "**Event of Default**"):

- (a) the Principal Amount owing hereunder shall not be paid when due;
- (b) if the Borrower fails to pay when due any amount owing by the Borrower to the Lender and such breach or default shall continue for ten (10) Business Days of when it was due;
- (c) if the Borrower breaches any representation contained herein or in the Subscription Agreement, fails to make any payment or to observe, perform or comply with any term, covenant, condition or obligation of the Borrower contained herein or is otherwise in default of any of the provisions contained herein (other than referred in subparagraphs (a) and (b) of this Section 7.1) and such default, if capable of being remedied, is not remedied within thirty (30) days after the Borrower receives written notice of such default from the Lender;
- (d) if the Borrower shall generally fail to pay, or admit in writing its inability or unwillingness to pay, debts as they become due or if a decree or order of a court having jurisdiction is entered adjudging the Borrower a bankrupt or insolvent;
- (e) if the Borrower shall apply for, consent to or acquiesce in the appointment of a trustee, receiver, or other custodian for the Borrower or for a substantial part of the property thereof, or make a general assignment for the benefit of creditors;
- (f) if the Borrower shall in the absence of such application, consent or acquiescence, become subject to the appointment of a trustee, receiver, or other custodian for the Borrower or for a substantial part of the property thereof, or have a distress, execution, attachment, sequestration or other legal process levied or enforced on or against a substantial part of the property of the Borrower;
- (g) if the Borrower shall permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Borrower and, if any such case or proceeding is not commenced by the Borrower, such case or proceeding, if contested by the Borrower is not dismissed within thirty (30) days;
- (h) any other notes, debentures, bonds or other indebtedness for money borrowed having an aggregate principal amount of at least \$500,000 (or its equivalent in any other currency or currencies determined at the then current exchange rate) or more (hereinafter called "**Indebtedness**") of the Borrower shall become prematurely repayable following default, or steps are taken to enforce any security therefor, or the Borrower defaults in the repayment of any such Indebtedness at the maturity thereof or (in the case of Indebtedness due on demand) on demand, or, in either case, at the expiration of any applicable grace period therefor, (if any) or any guarantee of or indemnity in respect of any Indebtedness of others given by the Borrower shall not be honored when due and called upon; or
- (i) the Borrower extends or maintains outstanding any loans, advances, guarantees, (direct or indirect) or other financial support to any insider (as defined in the *Securities Act* (British Columbia)).

(2) If an Event of Default described in (d), (e), (f) or (g) above shall occur, the entire unpaid principal of this Debenture shall become immediately due and payable without any declaration or other act on the part of the Lender. Immediately upon the occurrence of any Event of Default described in (d), (e), (f) or (g) above, or upon failure to pay this Debenture on the Maturity Date, the Lender, upon notice to the

Borrower, may proceed to protect, enforce, exercise and pursue any and all rights and remedies available to the Lender under this Debenture, or at law or in equity.

(3) If any other Event of Default shall occur for any reason, whether voluntary or involuntary, and be continuing, the Lender may by notice to the Borrower declare all or any portion of the outstanding Principal Amount of this Debenture to be due and payable, whereupon the full unpaid amount of this Debenture which shall be so declared due and payable shall be and become immediately due and payable without further notice, demand or presentment.

ARTICLE 8 – MUTILATION, LOSS, THEFT OR DESTRUCTION OF DEBENTURE CERTIFICATE

In case this Debenture certificate shall become mutilated or be lost, stolen or destroyed, the Borrower, shall issue and deliver, a new replacement debenture certificate upon surrender and cancellation of the mutilated Debenture certificate or, in the case of a lost, stolen or destroyed Debenture certificate, in lieu of and in substitution for the same. In the case of loss, theft or destruction, the applicant for a substituted debenture certificate shall furnish to the Borrower such evidence of the loss, theft or destruction of the Debenture certificate as shall be satisfactory to the Borrower in its discretion and shall also furnish an indemnity and surety bond satisfactory to the Borrower in its discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted debenture certificate.

ARTICLE 9 – GENERAL

Section 9.1 Taxes, etc.

All payments made by the Borrower to the Lender under this Debenture shall be made free and clear of, and without deduction for or on account of, any withholding Taxes now or hereafter imposed by any official body in any jurisdiction. If any such withholding Taxes are required to be withheld or deducted from any amounts payable by the Borrower to the Lender hereunder, the Borrower shall:

- (a) within the time period for payment permitted by applicable law, pay to the appropriate governmental body the full amount of such withholding Taxes and any additional Taxes in respect of the payment required under Section 9.1(b) hereof and make such reports and filings in connection therewith in the manner required by applicable law; and
- (b) pay to the Lender an additional amount which (after deduction of all withholding Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Borrower shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the withholding Taxes (if any) payable in respect of such payment. If the Lender receives a refund of any withholding Taxes with respect to which the Borrower has paid any additional amount under this Section 9.1, the Lender shall pay over such refund to the Borrower. Nothing herein is intended to require payment by the Borrower to or for the Lender in respect of any Taxes payable by the Lender in respect of Taxes on the Lenders' own income, capital, capital gains, dividends, or other earnings realized pursuant to payments made pursuant to the terms of this Debenture.

Section 9.2 Notice

All notices or other communications to be given under this Debenture shall be delivered by hand or by facsimile and, if delivered by hand, shall be deemed to have been given on the delivery date and, if sent by facsimile, on the date of transmission if sent before 5:00 p.m., Toronto time, on a Business Day or, if sent after 5:00 p.m., Toronto time, or such day is not a Business Day, on the first Business Day following the date of transmission.

Notices to the Borrower shall be addressed to:

UrtheCast Corp.
1055 Canada Pl #33
Vancouver, BC V6C 0C3

Attention: Sai Chu, Chief Financial Officer
Fax: 604-669-1799
Email: SChu@urthecast.com

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

Bennett Jones LLP
Suite 2200, 1055 West Hastings Street
Vancouver, BC V6E 2E9

Attention: Christian Gauthier
Fax: 604-891-5100
Email: GauthierC@bennettjones.com

Notices to the Lender shall be addressed to:

SMF Investments Limited

Attention: [•]
Fax: [•]
Email: [•]

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

McMillan LLP
Suite 1500, 1055 West Georgia Street
Vancouver, BC V6E 4N7

Attention: Mark Neighbor
Fax: 604-685-7085
Email: mark.neighbor@mcmillan.ca

The Borrower and the Lender may change its address for service by notice in writing to the other of them specifying its new address for service under this Debenture.

Section 9.3 Change of Control of Borrower

By its acceptance hereof, each of the Borrower and the Lender acknowledges and agrees that in the event a Change of Control or Merger occurs, then all references herein to the Borrower shall extend to and include the entity resulting therefrom or which thereafter will carry on the business of the Borrower.

Section 9.4 Amendments

This Debenture may not be amended or otherwise modified except by an instrument in writing executed by the Borrower and the Lender.

Section 9.5 Waivers

The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

Section 9.6 Registration of Debentures

The Borrower shall cause to be kept at the head office of the Borrower in the city of Vancouver, British Columbia a register in which shall be entered the name and latest known address of the Lender and any other holders of Debentures. Such register shall at all reasonable times during regular business hours of the Borrower be open for inspection by the Lender and any such holder. The Borrower shall not be charged with notice of or be bound to see to the performance of any trust, whether express, implied, or constructive, in respect of this Debenture and may act on the direction of the Lender, whether named as trustee or otherwise, as though the Lender were the beneficial owner of this Debenture.

Section 9.7 Transfer of Debenture

No transfer of this Debenture shall be valid unless made in accordance with applicable laws, including all applicable Canadian Securities Laws. If the Lender intends to transfer this Debenture or any portion thereof, it shall deliver to the Borrower the transfer form attached to this Debenture as Schedule C, duly executed by the Lender. Upon compliance with the foregoing conditions and the surrender by the Lender of this Debenture, the Borrower shall execute and deliver to the applicable transferee a new Debenture registered in the name of the transferee. If less than the full Principal Amount of this Debenture is transferred, the Lender shall be entitled to receive, in the same manner, a new Debenture registered in its name evidencing the portion of the Principal Amount of this Debenture not so transferred. Prior to registration of any transfer of this Debenture, the Lender and the applicable transferee shall be required to provide the Borrower with necessary information and documents, including certificates and statutory declarations, as may be required to be filed under applicable laws.

Section 9.8 Release and Discharge

If the Lender exercises all conversion rights attached to this Debenture pursuant to Article 4 hereof or if the Borrower pays all of the Obligations in full to the Lender, the Lender shall release this Debenture and the Borrower shall be, and shall be deemed to have, discharged of all its obligations under this Debenture.

Section 9.9 Successors and Assigns

This Debenture shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Borrower and its successors and permitted assigns.

Section 9.10 Time

Time shall be of the essence of this Debenture.

Section 9.11 Governing Law

This Debenture shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Section 9.12 Further Assurances

The Borrower shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Debenture and carry out its provisions and intention.

Schedule B

TO: URTHECAST CORP. (the "**Borrower**")

FORM OF CONVERSION NOTICE

Pursuant to the Unsecured Convertible Debenture (the "**Debenture**") of the Borrower issued to the undersigned on _____, 2020, the undersigned hereby notifies the Borrower that \$_____ of the principal amount outstanding under the Debenture shall be converted into Common Shares of the Borrower, all in accordance with the terms of the Debenture on _____, 2020.

The undersigned hereby directs that the Common Shares subscribed for be registered and delivered as follows:

<u>Name in Full</u>	<u>Address</u>	<u>Number of Common Shares</u>
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DATED this _____ day of _____, 20____.

Schedule C

FORM OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
(include name and address of the transferee) of \$_____ principal amount of Unsecured
Convertible Debenture of UrtheCast Corp. (the "**Borrower**") registered in the name of the undersigned
on the register of the Borrower maintained therefor, and hereby irrevocably appoints
_____ the attorney of the undersigned to transfer the
said securities on the books maintained by the Borrower with full power of substitution.

DATED this _____ day of _____, 20_____.

Signature of Transferor guaranteed by:

Name of Bank or Trust Company:

Signature of Transferor

Address of Transferor

Instructions:

1. The name of the Transferor must correspond with the name written upon the face of this Debenture in every particular without any changes whatsoever.
2. The signature of the Transferor on the transfer form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange, and the Debentureholder must pay any applicable transfer taxes or fees.
3. If the transfer form is signed by a trustee, exercise, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the Debenture must be accompanied by evidence of authority to sign satisfactory to the Borrower.

Schedule D
Permitted Secured Debt existing as at the date of the Subscription Agreement

1. Revolving demand facility dated January 30, 2017 by way of Letter of Guarantee, as renewed, between UrtheCast Corp. and Royal Bank of Canada in the principal amount of up to US\$3,775,000.
2. Revolving demand facility dated January 30, 2017 by way of Letter of Guarantee, as renewed, between UrtheCast Corp. and Royal Bank of Canada in the principal amount of up to US\$3,252,500.
3. Term loan dated December 11, 2015 between UrtheCast Imaging, S.L.U. and Banco de Sabadell, S.A in the principal amount of €25,000,000.
4. Convertible debenture dated May 25, 2018, as amended, issued by UrtheCast Corp. to SMF Investments Limited in the principal amount of \$5,000,625.
5. Secured termnote dated January 14, 2019 issued by 1185781 B.C. Ltd. in favour of Bolzano Investments Limited, 1112099 B.C. Ltd. and certain directors and officers of UrtheCast Corp. in the principal amount of US\$11,836,586.
6. Secured termnote dated June 26, 2019 issued by 1185781 B.C. Ltd. in favour of Bolzano Investments Limited in the principal amount of US\$1,500,000.
7. Secured termnote dated July 24, 2019 issued by 1185781 B.C. Ltd. in favour of Lunar Ventures Inc. in the principal amount of US\$1,500,000.
8. Receivables purchasing agreement dated February 26, 2019 between UrtheCast Corp., Geosys-Intl, Inc and WO-C2FO SPV, LLC up to US\$10,000,000.