

FIRST SUPPLEMENTAL WARRANT INDENTURE

MADE AS OF MARCH 31, 2006

BETWEEN

IPICO INC.

AND

CIBC MELLON TRUST COMPANY

supplementing the Warrant Indenture  
made as of March 17, 2006

and

providing for the issue of up to 5,000,000 common share purchase warrants

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## **FIRST SUPPLEMENTAL WARRANT INDENTURE**

**THIS FIRST SUPPLEMENTAL WARRANT INDENTURE** is made as of March 31, 2006.

### **BETWEEN:**

#### **IPICO INC.**

a corporation amalgamated under the laws of the Province of Ontario

(hereinafter referred to as the “**Company**”)

- and -

#### **CIBC MELLON TRUST COMPANY**

a trust company existing under the laws of Canada

(hereinafter referred to as the “**Trustee**”)

**WHEREAS** the Company’s predecessor AMtag ID Inc. (“**AMtag**”) has entered into a warrant indenture (the “**Warrant Indenture**”) with the Trustee dated as of March 17, 2006 which provides for the issuance of common share purchase warrants of AMtag;

**AND WHEREAS** on March 31, 2006 AMtag and Anitech Enterprises Inc. (“**Anitech**”) amalgamated to form the Company;

**AND WHEREAS** this First Supplemental Warrant Indenture is entered into pursuant to section 7.2 of the Warrant Indenture for the purpose of the Company assuming the due and punctual performance and observance of all of the covenants and conditions of the Warrant Indenture to be performed or observed by AMtag;

**NOW THEREFORE THIS FIRST SUPPLEMENTAL WARRANT INDENTURE WITNESSES** and it is hereby covenanted, agreed and declared as follows.

### **SECTION 1 – INTERPRETATION**

#### **1.1 To Be Read With Warrant Indenture**

This First Supplemental Warrant Indenture is a Supplemental Indenture as that term is used in the Warrant Indenture. The Warrant Indenture and this First Supplemental Warrant Indenture shall be read together and shall have effect as though all the provisions of both indentures were contained in one instrument.

## 1.2 Headings etc.

The division of this First Supplemental Warrant Indenture into Sections and clauses, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof. Unless the context otherwise requires, the expressions “Section”, “clause” and “Schedule” followed by a number, letter or combination of numbers and letters refer to the specified Section or clause of or Schedule to this First Supplemental Warrant Indenture.

## 1.3 Definitions

All terms which are defined in the Warrant Indenture and used but not defined in this First Supplemental Warrant Indenture shall have the meanings ascribed to them in the Warrant Indenture, as such meanings may be amended or supplemented with respect to the Warrants by this First Supplemental Warrant Indenture. In the event of any inconsistency between the meaning given to a term in the Warrant Indenture and the meaning given to the same term in this First Supplemental Warrant Indenture, the meaning given to the term in this First Supplemental Warrant Indenture shall prevail to the extent of the inconsistency. Subject to the foregoing, in this First Supplemental Warrant Indenture, the following terms have the following meanings:

- (a) “**Company**” means iPico Inc. and any successor thereof;
- (b) “**Warrant**” means a common share purchase warrant of the Company, each one (1) Warrant entitling the holder thereof to purchase a Warrant Share at the Exercise Price per Warrant Share at any time up to the Expiry Time on the Expiry Date and having the terms and conditions set out in the Warrant Indenture and this First Supplemental Warrant Indenture;
- (c) “**Warrant Certificate**” means a certificate evidencing one or more Warrants substantially in the form attached hereto as Schedule “A”; and
- (d) “**Warrant Share**” means a previously unissued common share of the Company issued pursuant to the exercise of a Warrant.

## SECTION 2 - ASSUMPTION OF OBLIGATIONS

### 2.1 Assumption of Obligations

The Company hereby assumes the due and punctual performance and observance of all of the covenants and conditions of the Warrant Indenture to be performed or observed by AMtag.

### 2.2 Acknowledgement of Assumption

The Trustee and the Company that the provisions of the Warrant Indenture shall continue to apply to the Warrants issuable under this Supplementary Indenture as if all references to the “Company” in the Warrant Indenture are references to the Company as defined in this First Supplementary Warrant Indenture, except as such provisions may be amended in this First Supplementary Warrant Indenture.

### **2.3 Removal of Legend**

The provisions of Sections 2.1(c) and 5.7(a) of the Warrant indenture shall not apply to the Warrants issuable under this First Supplementary Warrant Indenture.

## **SECTION 3 - MISCELLANEOUS**

### **3.1 Acceptance of Trust**

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

### **3.2 Confirmation of Warrant Indenture**

The Warrant Indenture as amended and supplemented by this First Supplemental Warrant Indenture is in all respects confirmed.

### **3.3 Counterparts**

This First Supplemental Warrant Indenture may be executed in counterparts, each of which so executed shall be deemed to be original and such counterparts together shall constitute one and the same instrument.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF** the parties hereto have executed this First Supplemental Warrant Indenture under the hands of their proper signatories in that behalf.

**IPICO INC.**

“Gregory Roberts”  
Per: \_\_\_\_\_  
Authorized Signing Officer

**CIBC MELLON TRUST COMPANY**

“V. Bot”  
Per: \_\_\_\_\_  
Authorized Signing Officer

“T. Murphy”  
Per: \_\_\_\_\_  
Authorized Signing Officer

## SCHEDULE "A"

### FORM OF WARRANT CERTIFICATE

[For U.S. Persons, persons in the United States or persons for the account or benefit of a U.S. Person or a person in the United States, the following legend is applied in addition to of the foregoing paragraph:

THE SECURITIES REPRESENTED HEREBY, AND THE SECURITIES DELIVERABLE UPON THE EXERCISE HEREOF, HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO AMTAG ID INC. (THE "CORPORATION"), (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR 144A THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION (WHICH WILL BE DELIVERED PROMPTLY AND WILL NOT BE UNREASONABLY WITHHELD, BUT WHICH MAY BE CONDITIONAL ON DELIVERY OF A LEGAL OPINION IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION), PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM CIBC MELLON TRUST COMPANY OF CANADA AS THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE CORPORATION IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO CIBC MELLON TRUST COMPANY AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.]

### TRANSFERABLE WARRANTS

#### IPICO INC.

(Amalgamated under the laws of Ontario)

No. CW-<\*>

Warrants representing  
the Right to Purchase  
<\*> Common Shares

### WARRANTS FOR PURCHASE OF SHARES

**THIS IS TO CERTIFY THAT**, for value received, <\*> (the "holder") is entitled to subscribe for and purchase the number of fully paid and non-assessable common shares ("Common Shares") in the capital of **IPICO INC.** (the "Company") set out above at any time prior to 5:00 p.m. (Toronto time) (the "Expiry Time") on <\*>, <\*> (the "Expiry Date") at a price of Cdn\$1.30 per Common Share up to and including the Expiry Time; subject, however, to the provisions and upon the terms and conditions hereinafter set forth.

The Warrants represented by this certificate are issued under and pursuant to a warrant indenture made as of March 17, 2006 between a predecessor of the Company and the Trustee (which expression shall include any successor trustee appointed under the Indenture), as supplemented by the First Supplementary Warrant Indenture thereto

(collectively the “**Indenture**”), to which Indenture (and any amendments thereto and instruments supplemental thereto) reference is hereby made for a full description of the rights of the holders of the Warrants and the terms and conditions upon which such Warrants are or are to be issued and held, all to the same effect as if the provisions of the Indenture and all amendments thereto and instruments supplemental thereto were herein set forth and to all of which provisions the holder of these Warrants by acceptance hereof assents. All capitalized terms not otherwise defined herein shall have the meanings ascribed to thereto in the Indenture. In the event of any conflict or inconsistency between the provisions of the Indenture (and any amendments thereto and instruments supplemental thereto) and the provisions of this warrant certificate (the “**Warrant Certificate**”), except those that are necessary by context, the provisions of the Indenture (and any amendments thereto and instruments supplemental thereto) shall prevail. The terms and provisions of the Indenture (and any amendments thereto and instruments supplemental thereto) are incorporated herein by reference.

The rights to acquire Common Shares granted by this Warrant Certificate may be exercised subject to the terms and conditions hereof, in whole or in part (but not as to a fractional Common Share) and from time to time, by surrender of this Warrant Certificate and the exercise form attached hereto as Appendix A (the “**Exercise Form**”) at the offices of the Trustee, CIBC Mellon Trust Company, 1600-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1, or 199 Bay Street, Commerce Court West, Securities Level, Toronto, Ontario, M5L 1G9, accompanied by a certified cheque or bank draft in lawful money of Canada payable to or to the order of the Company at par in payment of the purchase price of the number of Common Shares for which Warrants are then exercised.

In the event of any exercise of the rights represented by this Warrant Certificate, certificates for the Common Shares so purchased (the “**Share Certificates**”) shall be delivered to the holder within a reasonable time, not exceeding three (3) Business Days after the rights represented by this Warrant Certificate have been so exercised, and, unless the Warrants have expired, a new Warrant Certificate granting the right to acquire that number of Common Shares, if any, with respect to which the Warrants have not then been exercised shall also be issued to the holder within such time.

Share Certificates will not be registered or delivered to an address in the United States unless the undersigned checks Box B or C in the Exercise Form. All certificates representing Common Shares issued to persons who shall fail to certify to the Company that they are not a U.S. Person and are not exercising this Warrant in the United States or for the account or benefit of a U.S. Person or person in the United States on the exercise of the rights represented by this Warrant Certificate will, unless such Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, bear the legend prescribed in the Indenture; provided, that if the Common Shares are being sold under clause (B) of the foregoing legend at a time when the Company is a “foreign issuer” as defined in Rule 902 under the U.S. Securities Act, the legend may be removed by providing a declaration to the transfer agent in such form as the Company may from time to time prescribe to the effect that the sale of the securities is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act.

The Warrants do not entitle the holder to any rights as a shareholder of the Company, including without limitation, voting rights.

The holder acknowledges that the Warrants may only be transferred in accordance with applicable laws and upon compliance with the conditions prescribed in this section by the holder (or its legal representatives or its attorney duly appointed) and provided that prior to such transfer the holder executes the transfer form attached to this Warrant Certificate as Appendix B and complies with such other reasonable requirements as the Company prescribes.

This Warrant Certificate is exchangeable, upon the surrender hereof by the holder to the Trustee, for a new Warrant Certificate of like tenor representing in the aggregate the right to subscribe for and purchase the number of Common Shares which may be subscribed for and purchased hereunder, each of such new Warrant Certificates to represent the right to subscribe for and purchase such number of Common Shares as shall be designated by the holder at the time of such surrender.

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

**IN WITNESS WHEREOF** the Company has caused this Warrant Certificate to be executed and the Trustee has caused this Warrant Certificate to be countersigned by its duly authorized officers as of this <\*> day of <\*>, 2006.

**IPICO INC.**

Per: \_\_\_\_\_  
Authorized Signing Officer

COUNTERSIGNED BY:

**CIBC MELLON TRUST COMPANY**

Per: \_\_\_\_\_  
Authorized Signing Officer

**APPENDIX A**

**EXERCISE FORM**

**TO: IPICO INC.**

The undersigned hereby exercises the right to acquire \_\_\_\_\_ Common Shares of iPico Inc. (the “**Company**”) (or such number of other securities or property to which this Warrant entitles the undersigned in lieu thereof or in addition thereto under the provisions of the Warrant Certificate).

The undersigned hereby irrevocably directs that the said Common Shares be issued and delivered as follows:

Name(s) in Full	Address(es)	Number(s)
_____	_____	_____
_____	_____	_____
_____	_____	_____

*(Please print in full the name in which certificates are to be issued. If no name is provided, certificates will be issued in the name shown on the register of Warrantholders. If any of the securities are to be issued to a person or persons other than the Warrantholder, the Form of Transfer must be completed and the Warrantholder must pay any and all exigible transfer taxes or other government charges.)*

**NOTE:** Certificates will not be registered or delivered to an address in the United States unless Box B or C below is checked. The undersigned certifies that *[please check one or more as applicable]*:

- A. The undersigned Holder (i) at the time of exercise of the Warrants is not in the United States; (ii) is not a “U.S. person” as defined in Regulation S under the *United States Securities Act of 1933*, as amended (the “**Securities Act**”), and is not exercising the Warrants on behalf of a “U.S. person”; and (iii) did not execute or deliver this exercise form in the United States.
  
- B. The undersigned Holder (i) acquired the Warrants directly from the Company for its own account or the account of another Accredited Investor pursuant to the exercise of Subscription Receipts acquired pursuant to a written subscription agreement for the purchase of Subscription Receipts, (ii) is exercising the Warrants solely for its own account or the account of such other Accredited Investor, and not on behalf of any other Person; and (iii) was an “Accredited Investor”, as that term is defined in Regulation D under the Securities Act, both on the date the Warrants were acquired from the Company and on the date of exercise of the Warrants; and (iv) if the Warrants are being exercised on behalf of another person, represents, warrants and certifies that such person was an Accredited Investor, both on the date the Warrants were acquired from the Company and on the date of exercise of the Warrants.
  
- C. The undersigned Holder has delivered to the Company an opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that an exemption from the registration requirements of the Securities Act and applicable state securities laws is available for the issuance of the Common Shares issuable on exercise of the Warrants.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

Guaranteed by:

\_\_\_\_\_  
Signature of Warrantholder

\_\_\_\_\_  
Name of Warrantholder

\_\_\_\_\_  
Authorized Signature Number

\_\_\_\_\_  
Name and Title of Signatory, if Warrantholder is not an individual

**NOTE:** If the signature of the person executing this form is to be guaranteed, it must be guaranteed by an authorized officer of a Canadian Schedule I Chartered Bank or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program, or in accordance with industry standards.

**Deliver this Form with your Warrant Certificate By Hand, Courier or Mail to:**

CIBC Mellon Trust Company  
1600 - 1066 West Hastings Street  
Vancouver, British Columbia  
V6E 3X1

**OR**

CIBC Mellon Trust Company  
199 Bay Street  
Commerce Court West, Securities Level  
Toronto, Ontario  
M5L 1G9

**APPENDIX B**

**FORM OF TRANSFER**

**TO: CIBC MELLON TRUST COMPANY**

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

\_\_\_\_\_ (name)

\_\_\_\_\_ (address)

(the “**Transferee**”) \_\_\_\_\_ Warrants of **iPico Inc.** (the “**Company**”) registered in the name of the undersigned on the records of the Company represented by the within certificate, and irrevocably appoints \_\_\_\_\_ as the attorney of the undersigned to transfer the said securities on the books or register of transfer, with full power of substitution.

DATED the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Guaranteed by:

\_\_\_\_\_  
Signature of Warrantholder

\_\_\_\_\_  
Name of Warrantholder

\_\_\_\_\_  
Authorized Signature Number

\_\_\_\_\_  
Name and Title of Signatory, if Warrantholder is not an individual

**NOTE:** The signature of the person executing this transfer must be guaranteed by an authorized officer of a Canadian Schedule I Chartered Bank or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program or in accordance with industry standards.

**NOTE:** Certificates will not be registered or delivered to an address in the United States unless the Transferee completes the following certificate: *[please check one or more as applicable]*:

- A. The undersigned Transferee hereby certifies that (i) it was not offered the Warrants while in the United States and did not execute this certificate while within the United States, (ii) it is not a “U.S. Person” or acquiring any of the Warrants represented by this Warrant Certificate by or on behalf of any “U.S. Person” or any person within the United States as defined in Regulation S under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and (iii) it has in all other respects complied with the terms of Regulation S under the Securities Act, or any successor rule or regulation of the United States Securities and Exchange Commission as presently in effect.
- B. The undersigned transferee is delivering to the Company a written opinion of counsel (which will not be sufficient unless it is from counsel of recognized standing and in form and substance satisfactory to the Company) to the effect that this transfer of Warrants and the issuance of Common Shares to be delivered upon exercise thereof have been registered under the Securities Act or are exempt from registration thereunder.

DATED the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Transferee

\_\_\_\_\_  
Name of Transferee

\_\_\_\_\_  
Name and Title of Signatory, if Transferee is not an individual

**Deliver this Form with your Warrant Certificate By Hand, Courier or Mail to:**

CIBC Mellon Trust Company  
1600 - 1066 West Hastings Street  
Vancouver, British Columbia  
V6E 3X1

**OR**

CIBC Mellon Trust Company  
199 Bay Street  
Commerce Court West, Securities Level  
Toronto, Ontario  
M5L 1G9