

SUBSCRIPTION RECEIPT AGREEMENT

TREASURY METALS INC.

– and –

TSX TRUST COMPANY

– and –

HAYWOOD SECURITIES INC.

Dated as of July 7, 2020

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THIS SUBSCRIPTION RECEIPT AGREEMENT made as of July 7, 2020

AMONG:

TREASURY METALS INC., a corporation incorporated under the laws of the Province of Ontario, and includes any successor corporation,

(the “**Company**”)

AND

TSX TRUST COMPANY, a trust company existing under the laws of Canada,

(the “**Subscription Receipt Agent**”)

AND

HAYWOOD SECURITIES INC. (the “**Lead Underwriter**”) on its own behalf and on behalf of PI Financial Corp., Sprott Capital Partners LP and Canaccord Genuity Corp. (together with the Lead Underwriter, the “**Underwriters**”)

WHEREAS:

- A. the Company proposes to create, issue and sell on a “bought deal” private placement basis 32,000,000 Subscription Receipts (as defined herein), at a price of \$0.36 per Subscription Receipt, with each Subscription Receipt representing the right of the holder thereof to acquire one unit of the Company (each a “**Unit**”), subject to certain adjustments, for no additional consideration in the manner set forth herein. Each Unit shall be comprised of one common share of the Company (each a “**Unit Share**”) and one-half of one (0.5) common share purchase warrant of the Company (each whole such common share purchase warrant, a “**Warrant**”). Each Warrant shall entitle the holder thereof to purchase one common share of the Company (each a “**Warrant Share**”) for a period of 24 months after the Conversion Date (as defined herein) at a price of \$0.60 per Warrant Share, subject to adjustment. The Warrants shall be issued pursuant to a warrant indenture between the Company and TSX Trust Company substantially in the form of Schedule “C” hereto (the “**Warrant Indenture**”).
- B. pending satisfaction of the Escrow Release Conditions (as defined herein), the Escrowed Proceeds (as defined herein) are to be delivered to and held by the Subscription Receipt Agent as escrow agent hereunder, unless otherwise directed, and invested in the manner set forth herein;
- C. if the Escrow Release Conditions are satisfied at or before the Escrow Release Deadline (as defined herein):
 - (i) the Subscription Receiptholders (as defined herein) will be entitled to receive without payment of additional consideration or the undertaking of any further action on the part of the Subscription Receiptholders, one Unit (subject to adjustment as set out herein) for each Subscription Receipt then held on the Conversion Date and the Subscription Receipt Agent will release the Escrowed Funds (as defined herein) to the Company and the Lead Underwriter, on its own behalf and on behalf of the Underwriters, in accordance with the terms of this Agreement and the Escrow Release Notice (as defined herein); and

- (ii) the Subscription Receipt Agent will release the Escrowed Funds to the Company and the Lead Underwriter, on behalf of the Underwriters, in accordance with the terms of this Agreement and the Escrow Release Notice;
- D. if a Termination Event (as defined herein) occurs, the Subscription Receipts shall be cancelled and the Subscription Receiptholders shall be entitled to receive the greater of: (i) the aggregate Offering Price (as defined herein) for their Subscription Receipts, and (ii) their *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any;
- E. the Subscription Receipt Agent has agreed to act as registrar and transfer agent for the Subscription Receipts, and as escrow agent to receive the Escrowed Proceeds, in accordance with the terms and conditions set out herein;
- F. all things necessary have been done and performed to make the Subscription Receipts, when Authenticated (as defined herein) and issued as herein provided, legal, valid and binding obligations of the Company with the benefits of and subject to the terms of this Agreement;
- G. the foregoing recitals are made as representations by the Company and not by the Subscription Receipt Agent or the Underwriters;
- H. the Subscription Receipt Agent has agreed to enter into this Agreement and to hold all rights, interests and benefits contained herein for and on behalf of those Persons (as defined herein) who from time to time become holders of Subscription Receipts issued pursuant to this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given, the receipt and sufficiency of which are hereby acknowledged by each of the Company, the Subscription Receipt Agent and the Lead Underwriter, the Company hereby appoints the Subscription Receipt Agent as agent for the Subscription Receiptholders, to hold all rights, interests and benefits contained herein for and on behalf of those Persons who from time to time become holders of Subscription Receipts issued pursuant to this Agreement, and the Company, the Subscription Receipt Agent and the Lead Underwriter hereby covenant, agree and declare as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals, and in the Subscription Receipt Certificates (as defined herein), unless there is something in the subject matter or context inconsistent therewith:

- (a) **“Agreement”** means this agreement, as amended, supplemented or otherwise modified from time to time;
- (b) **“Applicable Legislation”** means such provisions of any statute of Canada or of a province or territory thereof, and of regulations under any such statute, relating to subscription receipt agreements or to the rights, duties and obligations of corporations and of subscription receipt agents under subscription receipt agreements, as are from time to time in force and applicable to this Agreement;
- (c) **“Applicable Procedures”** means (a) with respect to any transfer or exchange of beneficial ownership interests in, or the exercise of Subscription Receipts represented by, a CDS Subscription Receipt, the applicable rules, procedures or practices of the Depository in effect at the applicable

- time, and (b) with respect to any issuance, deposit or withdrawal of Subscription Receipts to or from an electronic position evidencing a beneficial ownership interest in Subscription Receipts represented by a CDS Subscription Receipt, the rules, procedures or practices of the Depository and the Subscription Receipt Agent in effect at the applicable time with respect to the issuance, deposit or withdrawal of such positions;
- (d) **“Approved Bank”** has the meaning ascribed thereto in Section 7.2(a) hereof;
 - (e) **“Authenticated”** means (i) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Company and countersigned by manual signature of an authorized officer of the Subscription Receipt Agent, (ii) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipt as required by Section 2.6(a) hereof are entered in the register of holders of Subscription Receipts; and **“Authenticate”** and **“Authentication”** have the appropriate correlative meanings;
 - (f) **“Balance of the Underwriters’ Commission”** means the remaining 50% of the Cash Fee payable to the Underwriters on the Release Date in accordance with Section 7.3 hereof;
 - (g) **“Book Entry Participants”** means institutions that participate directly or indirectly in the Depository’s book entry registration system for the Subscription Receipts;
 - (h) **“Business Day”** means a day on which banks are open for the transaction of regular business in Vancouver, British Columbia and Toronto, Ontario;
 - (i) **“Canadian Offering Jurisdictions”** means each of the provinces of Canada, except Québec;
 - (j) **“Cash Fee”** means the cash commission payable to the Underwriters pursuant to the Underwriting Agreement, equal to 6.0% of the gross proceeds of the Offering on the Closing Date;
 - (k) **“CDS Subscription Receipts”** means Subscription Receipts representing all or a portion of the aggregate number of Subscription Receipts issued in the name of the Depository and represented by an Uncertificated Subscription Receipt or, if requested in writing by the Depository or the Company, by a Subscription Receipt Certificate;
 - (l) **“Certificated Subscription Receipt”** means any Subscription Receipt which is evidenced by an instrument in writing substantially in the form of Schedule “A” attached hereto;
 - (m) **“Closing”** means the closing of the Offering;
 - (n) **“Closing Date”** means July 7, 2020 or such other date as may be agreed to by the Company and the Lead Underwriter, each acting reasonably;
 - (o) **“Common Shares”** means the common shares of the Company;
 - (p) **“Company”** means Treasury Metals Inc.;
 - (q) **“Consolidation”** means the consolidation of the Common Shares on a three (3) to one (one) basis to occur upon closing of the Transaction, subject to receipt of all necessary approvals;
 - (r) **“Conversion Date”** means the later of (i) the Release Date and (ii) the Qualification Date;

- (s) “**Conversion Notice**” has the meaning ascribed thereto in Section 2.2(a)(iii);
 - (t) “**Counsel**” means a barrister and solicitor or lawyer or a firm of barristers and solicitors or lawyers (who may be counsel to the Company or the Lead Underwriter), in each case acceptable to the Subscription Receipt Agent;
 - (u) “**Court**” means the Ontario Superior Court of Justice;
 - (v) “**Current Market Price**” means, at any date, the volume weighted average price per share at which the Common Shares have traded:
 - (a) on the TSX;
 - (b) if the Common Shares are not listed on the TSX, on any stock exchange upon which the Common Shares are listed as may be selected for this purpose by the board of directors of the Company, acting reasonably; or
 - (c) if the Common Shares are not listed on any stock exchange, on any over-the-counter market on which the Common Shares are trading, as may be selected for this purpose by the board of directors of the Company, acting reasonably; the Common Shares are not listed on any stock exchange, on any over-the-counter market on which the Common Shares are trading, as may be selected for this purpose by the board of directors of the Company, acting reasonably;
- during the 10 consecutive Trading Days (on each of which at least 100 Common Shares are traded in board lots) ending the third Trading Day before such date and the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold in board lots on the exchange or market, as the case may be, during the 10 consecutive Trading Days by the number of Common Shares sold or, if not traded on any recognized exchange or market, as determined by the directors of the Company, acting reasonably;
- (w) “**Definitive Agreement**” means the share purchase agreement dated June 3, 2020 between the Company and First Mining Gold Corp. with respect to the Transaction as the same may be amended, supplemented or otherwise modified in accordance with the terms therein;
 - (x) “**Depository**” means CDS Clearing and Depository Services Inc. or such other person as is designated in writing by the Company to act as depository in respect of the Subscription Receipts;
 - (y) “**Director**” means a director of the Company, and reference without more to action by the directors means action by the directors of the Company as a board or, to the extent empowered, by a committee of the board, in each case by resolution duly passed;
 - (z) “**Earned Interest**” means the interest or other income earned, if any, on the investment of the applicable portion of the Escrowed Proceeds (or the reinvestment of such interest or other income) from the date hereof to, but not including, the earlier of (i) the Release Date; and (ii) the Termination Date;
 - (aa) “**Escrow Release Conditions**” means all of the following:

- (i) the completion or satisfaction or waiver of all conditions precedent to the Transaction, other than the release of the Escrow Funds, to the sole satisfaction of the Lead Underwriter, on behalf of the Underwriters, acting reasonably;
 - (ii) the receipt of all required shareholder and regulatory approvals, as applicable, for (including the approval required by the TSX required in connection with: (i) the Transaction and (ii) the conditional approval by the TSX for the listing (subject only to standard listing conditions) of the Unit Shares and Warrant Shares;
 - (iii) the Company and the Lead Underwriter having delivered the Escrow Release Notice to the Subscription Receipt Agent; and
 - (iv) the Company having not committed any breach of the Underwriting Agreement that has not been cured within 5 days of the Company's receipt of written notice from the Lead Underwriter, on behalf of the Underwriters, specifying in reasonable detail the nature of such breach;
- (bb) **"Escrow Release Deadline"** means 5:00 p.m. (Toronto time) on the date which is no more than 90 days following the Closing Date, or such other date as may be agreed to by the Company and the Lead Underwriter;
- (cc) **"Escrow Release Notice"** means a written notice in substantially the form set out in Schedule "B" attached hereto executed by the Company and the Lead Underwriter confirming that the Escrow Release Conditions have been satisfied or waived in accordance with this Agreement;
- (dd) **"Escrowed Funds"** means the Escrowed Proceeds and the Earned Interest thereon;
- (ee) **"Escrowed Proceeds"** means the cash amount of \$11,071,890, being the aggregate gross proceeds of the Offering, less: (i) 50% of the Cash Fee; and (ii) the Underwriters' Expenses, delivered to the Subscription Receipt Agent to be held in escrow on the terms and subject to the conditions of this Agreement;
- (ff) **"Exchange Act"** means the United States Securities Exchange Act of 1934, as amended;
- (gg) **"Extraordinary Resolution"** has the meaning ascribed thereto in Section 10.12 and Section 10.15;
- (hh) **"hereto", "hereunder", "hereof", "herein", "hereby"** and similar expressions mean or refer to this Agreement and any amendment or indenture, deed or instrument supplemental or ancillary hereto, and the expressions "Article" and "Section" followed by a number mean the specified article or section of this Agreement;
- (ii) **"Indemnified Parties"** has the meaning ascribed thereto in Section 12.7(b);
- (jj) **"Internal Procedures"** means in respect of the making of, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the Subscription Receipt Agent's internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Subscription Receipt Agent;
- (kk) **"Lead Underwriter"** has the meaning ascribed thereto in the preamble to this Agreement;

- (ll) **“Offering”** means the issue and sale of 32,000,000 Subscription Receipts by way of a “bought deal” private placement at the Offering Price for gross proceeds of \$11,520,000 pursuant to the Underwriting Agreement;
- (mm) **“Offering Price”** means \$0.36 per Subscription Receipt;
- (nn) **“Original QIB Purchaser”** means a U.S. Subscription Receiptholder that purchased Subscription Receipts pursuant to the Offering on the basis that it is a Qualified Institutional Buyer, and has executed and delivered a U.S. QIB Letter;
- (oo) **“OSC”** means the Ontario Securities Commission;
- (pp) **“Penalty Provision”** has the meaning ascribed thereto in Section 8.1(a);
- (qq) **“Penalty Time”** means 5:00 p.m. on August 18, 2020;
- (rr) **“Person”** includes an individual, corporation, partnership, joint venture, trustee, unincorporated organization or any other entity whatsoever, and words importing Persons have a similar extended meaning;
- (ss) **“Qualification Date”** means the earlier of: (i) four months and one day after the Closing Date; and (ii) the second business day following the filing of the Qualifying Prospectus;
- (tt) **“Qualification Prospectus”** means a final short form prospectus qualifying the distribution of the Unit Shares and the Warrants;
- (uu) **“Qualified Institutional Buyer”** means a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act;
- (vv) **“Regulation S”** means Regulation S under the U.S. Securities Act;
- (ww) **“Release Date”** means the date when the Escrow Release Notice is provided to the Subscription Receipt Agent;
- (xx) **“Subscription Receipt Agent”** means TSX Trust Company, including its successors and assigns;
- (yy) **“Subscription Receipt Certificate”** means a certificate representing one or more Subscription Receipts, substantially in the form attached hereto as Schedule “A”;
- (zz) **“Subscription Receiptholders”** or **“holders”** means the registered holders from time to time of Subscription Receipts;
- (aaa) **“Subscription Receiptholders’ Request”** means an instrument, signed in one or more counterparts by Subscription Receiptholders who hold in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;
- (bbb) **“Subscription Receipts”** means the subscription receipts of the Company created and issued pursuant to Section 2.1 and authorized for issue hereunder and that have not at the particular time expired, converted or otherwise become null, void and of no further force or effect;
- (ccc) **“Termination Date”** means the date on which the Termination Event occurs;

- (ddd) **“Termination Event”** means any one of:
 - (i) the failure of the Company to satisfy the Escrow Release Conditions prior to the Escrow Release Deadline; or
 - (ii) a public announcement by the Company, or notice from the Company to the Subscription Receipt Agent prior to the Escrow Release Deadline, that (A) it does not intend to satisfy the Escrow Release Conditions or (B) the Escrow Release Conditions are incapable of being satisfied by the Escrow Release Deadline;
- (eee) **“Termination Notice”** means a written notice from the Company addressed to the Subscription Receipt Agent and the Underwriters indicating that a Termination Event has occurred and directing the Subscription Receipt Agent to return all Escrowed Funds to the Subscription Receiptholders in accordance with Section 7.4;
- (fff) **“Termination Time”** means 5:00 p.m. (Toronto time) on the Termination Date;
- (ggg) **“Trading Day”** means a day on which the TSX (or such other exchange on which the Common Shares are listed and which forms the primary trading market for such shares) is open for trading;
- (hhh) **“Transaction”** means the acquisition by the Corporation of all of the issued and outstanding shares of Tamaka Gold Corporation from First Mining Gold Corp., pursuant to the Definitive Agreement, as the same may be amended by the parties thereto;
- (iii) **“TSX”** means the Toronto Stock Exchange;
- (jjj) **“Uncertificated Subscription Receipt”** means any Subscription Receipt which is not a Certificated Subscription Receipt;
- (kkk) **“Underlying Securities”** means the Unit Shares and Warrants comprising the Units issuable upon the conversion of the Subscription Receipts, as applicable, and includes the Warrant Shares issuable upon the exercise of the Warrants;
- (lll) **“Underwriters”** has the meaning ascribed thereto in the preamble to this Agreement;
- (mmm) **“Underwriters’ Expenses”** all reasonable fees and expenses incurred by the Underwriters in connection with the Offering, including the reasonable fees and disbursements of the Underwriters’ Canadian legal counsel, up to a maximum (exclusive of disbursements and applicable taxes) as set out in the Underwriting Agreement, subject to reasonable increase, if required in accordance with the Underwriting Agreement;
- (nnn) **“Underwriting Agreement”** means the Underwriting Agreement dated as of July 7, 2020 between the Company and the Underwriters;
- (ooo) **“Unit”** has the meaning ascribed thereto in the preamble to this Agreement;
- (ppp) **“Unit Shares”** has the meaning ascribed thereto in the preamble to this Agreement;
- (qqq) **“United States”** or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (rrr) **“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S;

- (sss) **“U.S. QIB Letter”** means a Qualified Institutional Buyer letter executed by an Original QIB Purchaser in connection with its purchase of Subscription Receipts pursuant to the Offering, and which contained “restricted security agreements” regarding the issuance without U.S. restrictive legends of the Unit Shares and Warrants underlying the Units, and any Warrant Shares;
- (ttt) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- (uuu) **“U.S. Subscription Receiptholder”** means any Subscription Receiptholder that acquired the Subscription Receipts in the United States, or for the account or benefit of any person in the United States or any U.S. Person;
- (vvv) **“Warrant Indenture”** has the meaning ascribed thereto in the preamble to this Agreement;
- (www) **“Warrant”** has the meaning ascribed thereto in the preamble to this Agreement;
- (xxx) **“Warrant Share”** has the meaning ascribed thereto in the preamble to this Agreement; and
- (yyy) **“Written Request of the Company”**, **“Written Direction of the Company”** and **“Certificate of the Company”** mean a written order, request, consent, direction and certificate, respectively, signed in the name of the Company by any Director or officer of the Company or by any other individual to whom applicable signing authority is delegated by the Directors from time to time, and may consist of one or more instruments so executed respectively.

1.2 Gender and Number

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 all genders.

1.3 Interpretation Not Affected by Headings, Etc.

The division of this Agreement 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 Agreement.

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 on or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence

Time shall be of the essence in all respects in this Agreement and the Subscription Receipt Certificates.

1.6 Currency

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

1.7 Severability

In the event that any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof, all of which shall remain in full force and effect.

1.8 Assignment

Neither this Agreement nor any rights or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties, which consent, by any party, may be arbitrarily refused or withheld.

1.9 Conflict

In the event of any conflict between the provisions of this Agreement and the Subscription Receipt Certificates, the provisions of this Agreement will govern.

1.10 Applicable Law

This Agreement, any amendment, addendum or supplement hereto, and all other documents relating hereto, including the Subscription Receipt Certificates issued hereunder shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as Ontario contracts.

ARTICLE 2 ISSUE OF SUBSCRIPTION RECEIPTS

2.1 Issue of Subscription Receipts

An aggregate of 32,000,000 Subscription Receipts are hereby created and authorized for issue at a price of \$0.36 per Subscription Receipt, upon the terms and conditions herein set forth. Each Subscription Receipt shall be issued, without any further act or formality, on the Closing Date, for each \$0.36 received by the Company as payment therefor and each such Subscription Receipt shall be a fully paid and non-assessable security of the Company.

2.2 Description of Subscription Receipts

- (a) Each Subscription Receipt issued hereunder shall evidence:
 - (i) the holder's subscription for, and the right to receive pursuant to this Agreement, upon the conversion thereof in accordance with the provisions of Article 5, and without the payment of any additional consideration or further action, one Unit, with each Unit comprised of one Unit Share and one-half (0.5) of one Warrant, subject to adjustment in accordance with Article 8;
 - (ii) the holder's right to receive, without any action on the part of such holder, the greater of (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any, in accordance with Section 7.4 in the event that a Termination Notice is delivered in accordance with the provisions of this Agreement on or prior to the Escrow Release Deadline;

- (iii) the Subscription Receipts shall only be automatically converted into the Units on the Conversion Date, which shall be evidenced by the delivery of the a notice of conversion (the “**Conversion Notice**”), substantially in the form of Schedule “E” hereto, signed by the Company to the Subscription Receipt Agent; and
- (iv) no fractional Subscription Receipts or Underlying Securities shall be issued or otherwise provided for hereunder and any fractional Subscription Receipts or Underlying Securities shall be rounded down to the nearest whole Subscription Receipt or Underlying Security, as applicable, without compensation therefor.

2.3 Form of Subscription Receipts

- (a) Form: The Subscription Receipts may be issued in both certificated and uncertificated form. Upon the issue of Subscription Receipts, Subscription Receipt Certificates shall be executed by an authorized signatory of the Company and, in accordance with a Written Direction of the Company, Authenticated by or on behalf of the Subscription Receipt Agent and delivered by the Subscription Receipt Agent in accordance with the Written Direction of the Company. The Subscription Receipt Certificates shall be substantially in the form attached as Schedule “A” hereto, subject to the provisions of this Agreement, with such variations and changes as may from time to time be agreed upon by the Subscription Receipt Agent and the Company, and the Subscription Receipt Certificates shall be dated as of the Closing Date, shall have such distinguishing letters and numbers as the Company may, with the approval of the Subscription Receipt Agent, prescribe and shall be issuable in any denomination excluding fractions. All Subscription Receipts issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Subscription Receiptholders to be maintained by the Subscription Receipt Agent in accordance with Section 4.1(a). All Subscription Receipts issued, sold or transferred to a U.S. Subscription Receiptholder, other than Subscription Receipts originally issued to an Original QIB Purchaser, must be in certificated form only, and must bear the applicable legend as set forth in Section 2.10(a).
- (b) Production: All Subscription Receipts shall, save as to denominations, be of like tenor and effect. The Subscription Receipt Certificates may be engraved, printed, lithographed, photocopied or be partially in one form or another, as the Company may determine.
- (c) Canadian Legend: Each Subscription Receipt Certificate issued, as well as all certificates issued in exchange for or in subscription of any Subscription Receipt Certificate, shall bear or be deemed to bear the following legends:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 8, 2020.”

and if applicable under the rules of the TSX, the following additional legend which will be included in the Written Direction of the Company provided to the Subscription Receipt Agent:

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

and all Subscription Receipts registered in the name of the Depository, the following additional legend:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO TREASURY METALS 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 SUCH OTHER NAME AS IS 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.”

2.4 CDS Subscription Receipts

- (a) Re-registration of beneficial interests in and transfers of Subscription Receipts held by the Depository shall be made only through the book entry registration system and no Subscription Receipt Certificates shall be issued in respect of such Subscription Receipts except as set out herein or as may be requested by a Depository or the Company, from time to time. Except as provided in this Section 2.4, owners of beneficial interests in any CDS Subscription Receipts shall not be entitled to have Subscription Receipts registered in their names and shall not receive or be entitled to receive Subscription Receipts in definitive form or to have their names appear in the register referred to in Section 4.1(a) while they are held as book entry only securities with the Depository.
- (b) Notwithstanding any other provision in this Agreement, no CDS Subscription Receipts may be exchanged in whole or in part for Subscription Receipts registered, and no transfer of CDS Subscription Receipts in whole or in part may be registered, in the name of any Person other than the Depository for such CDS Subscription Receipts or a nominee thereof unless:
 - (i) the Depository notifies the Company that it is unwilling or unable to continue to act as depository in respect of the CDS Subscription Receipts and the Company is unable to locate a qualified successor;
 - (ii) the Company determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Subscription Receipts and the Company is unable to locate a qualified successor;
 - (iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Company is unable to locate a qualified successor;
 - (iv) the Company determines that the Subscription Receipts shall no longer be held as CDS Subscription Receipts through the Depository;
 - (v) such right is required by Applicable Legislation, as determined by the Company and Counsel; or
 - (vi) the Company so instructs the Subscription Receipt Agent in writing,

following which Subscription Receipts for those holders requesting such shall be issued to the beneficial owners of such Subscription Receipts or their nominees as directed by the holders. The Company shall provide a Certificate of the Company giving notice to the Subscription Receipt Agent of the occurrence of any event outlined in this Section 2.4(b), except in the case of Section 2.4(b)(vi).

- (c) Subject to the provisions of this Section 2.4, any exchange of CDS Subscription Receipts for Subscription Receipts which are not CDS Subscription Receipts may be made in whole or in part in accordance with the provisions of Section 4.2, *mutatis mutandis*. All such Subscription Receipts issued in exchange for CDS Subscription Receipts or any portion thereof shall be registered in such names as the Depository shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Subscription Receipts) as the CDS Subscription Receipts or portion thereof surrendered upon such exchange.
- (d) Every Subscription Receipt Authenticated upon registration of transfer of a CDS Subscription Receipt or any portion thereof, or in exchange for or in lieu of a CDS Subscription Receipt or any portion thereof, whether pursuant to this Section 2.4, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Subscription Receipt, unless such Subscription Receipt is registered in the name of a Person other than the Depository or a nominee thereof.
- (e) Notwithstanding anything to the contrary in this Agreement, subject to Applicable Legislation, the CDS Subscription Receipts will be issued by way of an Uncertificated Subscription Receipt, unless otherwise requested in writing by the Depository or the Company.
- (f) The rights of beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system shall be limited to those established by Applicable Legislation and agreements between the Depository and the Book Entry Participants and between such Book Entry Participants and the beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system, and such rights must be exercised through a Book Entry Participant in accordance with the rules and Applicable Procedures of the Depository and the Subscription Receipt Agent.
- (g) For so long as Subscription Receipts are held through the Depository, if any notice or other communication is required to be given to Subscription Receiptholders, the Subscription Receipt Agent will give such notices and other communications to the Depository.
- (h) Notwithstanding anything herein to the contrary, neither the Company, the Underwriters, nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for:
 - (i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Subscription Receipts or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any Person in any Subscription Receipts represented by an electronic position in the book entry registration system (other than the Depository or its nominee);
 - (ii) maintaining, supervising or reviewing any records of the Depository or any Book Entry Participant relating to any such interest; or
 - (iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Book Entry Participant.

- (i) The Company, upon five Business Days' notice to the Subscription Receipt Agent, may terminate the application of this Section 2.4 in its sole discretion in which case all Subscription Receipts shall be evidenced by Subscription Receipt Certificates registered in the name of a Person other than the Depository or a nominee thereof.
- (j) The Company will make a notation on its records with respect to any Subscription Receipts sold to Qualified Institutional Buyers pursuant to Rule 144A under the U.S. Securities Act.

2.5 Signing of Subscription Receipt Certificates

- (a) Signing Officers: The Subscription Receipt Certificates shall be signed by any one officer of the Company or any one Director or by any other individual to whom such signing authority is delegated by the Directors from time to time.
- (b) Signatures: The signature of the individual referred to in Section 2.5(a) may be a manual signature, electronic engraved, lithographed or printed in facsimile and Subscription Receipt Certificates bearing such facsimile or electronic signature will, subject to Section 2.6, be binding on the Company as if they had been manually signed by such officer of the Company or Director.
- (c) No Longer Officer: Notwithstanding that any individual whose manual or facsimile signature appears on a Subscription Receipt Certificate as one of the officers of the Company or Directors referred to in Section 2.5(a) no longer holds the same or any other office with, or is no longer a Director of, the Company, at the date of issue of any Subscription Receipt Certificate or at the date of certification or delivery thereof, such Subscription Receipt Certificate will, subject to Section 2.6, be valid and binding on the Company.

2.6 Authentication by Subscription Receipt Agent

- (a) Authentication: No Subscription Receipt shall (i) be considered issued, valid, or obligatory; nor (ii) entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by the Subscription Receipt Agent.

No Subscription Receipt Certificate, if issued, will be valid or entitle the holder to the benefits hereof until it has been certified by manual signature by or on behalf of the Subscription Receipt Agent substantially in the form of the certificate attached hereto as Schedule "A" or in such other form(s) as may be approved by the Subscription Receipt Agent and the Company. The certification by the Subscription Receipt Agent on a Subscription Receipt Certificate will be conclusive evidence as against the Company that such Subscription Receipt Certificate has been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

The Subscription Receipt Agent shall Authenticate Uncertificated Subscription Receipts (whether upon original issuance, exchange, registration of transfer, or otherwise) by completing its Internal Procedures and the Company shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Subscription Receipts under this Agreement. Such Authentication shall be conclusive evidence that such Uncertificated Subscription Receipts have been duly issued hereunder and that the holder or holders thereof are entitled to the benefits of this Agreement. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Subscription Receipts with respect to which this Agreement requires the Subscription Receipt 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 any Uncertificated Subscription Receipts recorded therein shall be binding on the Company.

Authentication by the Subscription Receipt Agent shall be conclusive evidence as against the Company that the Subscription Receipts so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

- (b) Change in Form of Certificate: Any Subscription Receipt Certificate validly issued in accordance with the terms of this Agreement in effect at the time of issue of such Subscription Receipt Certificate shall, subject to the terms of this Agreement and Applicable Legislation, validly entitle the holder to acquire Units, notwithstanding that the form of such Subscription Receipt Certificate may not be in the form then required by this Agreement.
- (c) Authentication No Representation: Authentication by the Subscription Receipt Agent of any Subscription Receipts, including by way of entry on the register, shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or of such Subscription Receipt Certificates or Uncertificated Subscription Receipts (except the due Authentication thereof) or as to the performance by the Company of its obligations under this Agreement and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipts or any of them or of the consideration thereof.

2.7 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts will rank *pari passu*, with all other Subscription Receipts whatever may be the actual date of issue of the Subscription Receipt Certificates that evidence the same.

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

- (a) Substitution: If any Subscription Receipt Certificate becomes mutilated or is lost, destroyed or stolen, the Company, subject to Applicable Legislation and to Section 2.8(b), will issue, and thereupon the Subscription Receipt Agent will Authenticate and deliver, a new Subscription Receipt Certificate of like tenor and bearing the same legends as the one mutilated, lost, destroyed or stolen in exchange for and in place of and on surrender and cancellation of such mutilated certificate or in lieu of and in substitution for such lost, destroyed or stolen certificate.
- (b) Cost of Substitution: The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.8 shall bear the reasonable cost of the issue thereof and in the case of loss, destruction or theft shall, as a condition precedent to the issue thereof furnish to the Company and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate to be replaced as is satisfactory to the Company and to the Subscription Receipt Agent in their discretion, acting reasonably, and such applicant may also be required to furnish an indemnity and a surety bond in amount and form satisfactory to the Company and the Subscription Receipt Agent in their sole discretion acting reasonably, and shall pay the reasonable charges of the Company and the Subscription Receipt Agent in connection therewith.

2.9 Subscription Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt, or otherwise, shall be construed as conferring on any Subscription Receiptholder any right or interest whatsoever as a shareholder of the Company, including, but not limited to any right to vote at, to receive notice of, or to attend any meeting of shareholders or any other proceeding of the Company or any right to receive any dividend or other distribution in respect of the Common Shares.

2.10 U.S. Securities Matters

- (a) The Subscription Receipts, Units and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws, and may not be offered, sold or otherwise disposed of in the United States, or to, or for the account or benefit of, a U.S. Person or a person in the United States, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available. Subscription Receipts and Underlying Securities issued to U.S. Subscription Receiptholders are “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act. Subscription Receipts issued to, or for the account or benefit of, a U.S. Subscription Receiptholder, other than an Original QIB Purchaser (and any certificates issued in replacement thereof or in substitution therefor), must be issued only in certificated form. Any certificates representing Subscription Receipts and Unit Shares issued to a U.S. Subscription Receiptholder, other than an Original QIB Purchaser, and any certificates issued in replacement thereof or in substitution therefor, shall, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, bear legend in substantially the following form or such variations thereof as the Company may prescribe from time to time:

“THE SECURITIES REPRESENTED HEREBY [for Subscription Receipts add: AND THE SECURITIES ISSUABLE IN EXCHANGE THEREFOR] HAVE NOT BEEN 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. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. [For Unit Shares add: 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.]”;

provided that, if the Subscription Receipts or, if applicable, the Unit Shares are being sold outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and if the Company is a "foreign issuer" within the meaning of Regulation S at the time of issuance of such securities, this legend may be removed by the transferor providing a declaration, in substantially the form attached hereto as Schedule D (or in such other form as the Company may from time to time reasonably prescribe), to the Subscription Receipt Agent or, if applicable, the transfer agent for the Company's Common Shares, and, if required by the Company, an opinion of counsel, of recognised standing reasonably satisfactory to the Company that the proposed transfer may be effected without registration under the U.S. Securities Act. The Subscription Receipt Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

- (b) Any certificates representing Warrants and any Warrant Shares issued to a U.S. Subscription Receiptholder other than an Original QIB Purchaser, and any certificates issued in replacement thereof or in substitution therefor, shall also bear legends in substantially the forms set forth in the Warrant Indenture.
- (c) Each Subscription Receipt issued to an Original QIB Purchaser who has purchased Subscription Receipts in the Offering, and the Underlying Securities issued upon conversion of such Subscription Receipts on the Conversion Date will not bear a U.S. restrictive legend required under Section 2.10(a) or be identified by a restricted CUSIP number attached to such Subscription Receipt or any Underlying Securities pursuant to the acknowledgments, representations and “restricted security agreements” of each Original QIB Purchaser in the U.S. QIB Letter executed in connection with the Original QIB Purchaser’s subscription agreement.

ARTICLE 3

SATISFACTION OF RELEASE CONDITIONS

3.1 Notice of Satisfaction of Escrow Release Conditions

Upon the satisfaction of the Escrow Release Conditions prior to the Escrow Release Deadline and upon the Release Date, the Company shall forthwith deliver the Escrow Release Notice to the Subscription Receipt Agent. Provided that the Escrow Release Conditions have been satisfied prior to the Escrow Release Deadline, upon the Conversion Date, the Subscription Receipt Agent and the Company shall cause the issuance and delivery of the Underlying Securities comprising the Units upon the automatic conversion of the Subscription Receipts in accordance with Section 3.2.

3.2 Issue and Delivery of Units

- (a) If the Escrow Release Conditions are satisfied prior to the Escrow Release Deadline, upon the Conversion Date, the Subscription Receipts shall be automatically converted into Units on the Conversion Date for no additional consideration and without further action on the part of the Subscription Receiptholder and Underlying Securities comprising the Units shall be deemed to be issued to the Subscription Receiptholders on the Conversion Date in accordance with the rights of such holders as described in Section 2.2(a), and if applicable, Section 8.1(a).
- (b) Upon the deemed issuance of the Units pursuant to the Subscription Receipts, the Subscription Receipt Agent shall cause the transfer agent of the Common Shares to issue the Unit Shares to the Subscription Receiptholders (unless otherwise directed by the Company) and shall cause the warrant agent under the Warrant Indenture to issue the Warrants to the Subscription Receiptholders (unless otherwise directed by the Company), in both instances no later than the third Business Day following the Conversion Date.
- (c) Effective immediately after the Unit Shares and Warrants have been issued as contemplated in this Section 3.2, the Subscription Receipts relating thereto shall be void and of no value or effect.
- (d) If, in the opinion of Counsel, any instrument is required to be filed with, or any permission, order or ruling is required to be obtained from, any securities administrator, regulatory agency or governmental authority in Canada or any other step is required under any federal, provincial or territorial law of Canada before the Underlying Securities comprising the Units issuable upon the automatic conversion of the Subscription Receipts may be issued or delivered to a Subscription Receiptholder, the Company covenants that it will use its commercially reasonable efforts to file such instrument, obtain such permission, order or ruling or take all such other actions, at its expense, as is required or appropriate in the circumstances.

- (e) Under no circumstances shall the Company be obliged to issue any fractional Unit Shares or Warrants or make any payment of cash or other consideration in lieu thereof. To the extent that the holder of one or more Subscription Receipts would otherwise have been entitled to receive a fraction of a Unit Share or Warrant, such fraction shall be rounded down to the nearest whole number in accordance with Section 5.3 hereof.

3.3 Payment on Termination

If a Termination Event occurs:

- (a) the Company shall forthwith notify the Subscription Receipt Agent in writing and shall issue a press release setting forth the Termination Event;
- (b) each Subscription Receipt shall be automatically terminated and cancelled and each Subscription Receiptholder shall be entitled to receive the greater of: (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their *pro rata* share of the Escrowed Funds, less applicable withholding taxes, if any; and
- (c) the register shall be closed at the Termination Time.

3.4 Cancellation of Subscription Receipts on Termination

All Subscription Receipts in respect of which payment in accordance to Section 3.3(b) is made shall be deemed to have been cancelled on the Termination Date and the Subscription Receipt Agent shall record the deemed cancellation of such Subscription Receipts on the register of the Subscription Receipts upon all required payments having been so paid. Upon Written Request of the Company, the Subscription Receipt Agent shall furnish the Company with a certificate identifying the Subscription Receipts deemed to have been cancelled. All Subscription Receipts which have been deemed to have been cancelled pursuant to this Section 3.4 shall be without further force and effect whatsoever.

ARTICLE 4 REGISTRATION, TRANSFER AND OWNERSHIP OF SUBSCRIPTION RECEIPTS AND EXCHANGE OF SUBSCRIPTION RECEIPT CERTIFICATES

4.1 Registration and Transfer of Subscription Receipts

- (a) Register: The Company will cause to be kept by the Subscription Receipt Agent at its principal office in Toronto, Ontario a register of holders in which shall be entered in alphabetical order the names and addresses of the holders and particulars of the Subscription Receipts held by them;
- (b) Transfer: The Subscription Receipts may only be transferred on the register kept by the Subscription Receipt Agent at the principal office by a holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent only upon (i) in the case of Certificated Subscription Receipts, surrendering to the Subscription Receipt Agent at the principal office the Subscription Receipt Certificates representing the Subscription Receipts to be transferred together with a duly executed form of transfer (in the form attached to the Subscription Receipt Certificate as set out in Schedule "A" attached hereto); (ii) in the case of Uncertificated Subscription Receipts, surrendering to the Subscription Receipt Agent at the principal office instruction from the holder in form reasonably satisfactory to the Subscription Receipt Agent; (iii) in the case of CDS Subscription Receipts, compliance with Applicable Procedures prescribed by the Depository under the book entry registration system; and (iv) compliance with:

- (i) the conditions herein;
- (ii) such reasonable requirements as the Subscription Receipt Agent may prescribe; and
- (iii) all applicable securities laws and requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Subscription Receipt Agent. Upon compliance with such requirements, the Subscription Receipt Agent shall issue to the transferee of a Certificated Subscription Receipt, a Subscription Receipt Certificate representing the Subscription Receipts transferred, and to the transferee of an Uncertificated Subscription Receipt, an Uncertificated Subscription Receipt (or it shall Authenticate and deliver a Certificated Subscription Receipt instead, upon request) representing the Subscription Receipts transferred, and the transferee of a CDS Subscription Receipt shall be recorded through the relevant Book Entry Participant in accordance with the book entry registration system as the entitlement holder in respect of such Subscription Receipts. Transfers within the systems of the Depository are not the responsibility of the Subscription Receipt Agent and will not be noted on the register maintained by the Subscription Receipt Agent.

- (c) Certain Transfers by U.S. Subscription Receiptholders: The Subscription Receipts and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws. Accordingly, if a Subscription Receipt Certificate tendered for transfer bears the legend set forth in Section 2.10(a), the Subscription Receipt Agent shall not register such transfer unless the transferor has provided the Subscription Receipt Agent with the Subscription Receipt Certificate and: (i) the transfer is made to the Company; (ii) the transfer is made outside the United States in compliance with Rule 904 of Regulation S, and a declaration to the effect attached hereto as Schedule D (or in such other form as the Company may from time to time reasonably prescribe) is delivered to the Subscription Receipt Agent, and, if required by the Company, the transferor provides an opinion of counsel of recognized standing reasonably satisfactory in form and substance to the Company to the effect that such transfer is being made in compliance with Rule 904 of Regulation S; (iii) the transfer is made in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with any applicable state securities laws, and the transferor provides an opinion of counsel of recognized standing reasonably satisfactory in form and substance to the Company to the effect that such transfer is being made in compliance with Rule 144; or (iv) with the prior written consent of the Company, the transfer is made pursuant to another exemption from registration under the U.S. Securities Act, and the transferor provides an opinion of counsel of recognized standing reasonably satisfactory in form and substance to the Company, to the effect that such transfer does not require registration under the U.S. Securities Act. Any Original QIB Purchaser may only offer, sell or otherwise transfer Subscription Receipts in accordance with the “restricted security agreements” set forth in the U.S. QIB Letter executed and delivered by such Original QIB Purchaser in connection with the Offering.
- (d) No Notice of Trusts: Subject to Applicable Legislation, neither the Company nor the Subscription Receipt Agent will be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Subscription Receipt.
- (e) Inspection: The register referred to in Section 4.1(a), and any branch register maintained pursuant to Section 4.1(f), will at all reasonable times be open for inspection by the Company and any Subscription Receiptholder. The Subscription Receipt Agent will from time to time when requested to do so in writing by the Company or any Subscription Receiptholder (upon payment of the reasonable charges of the Subscription Receipt Agent) furnish the Company or such Subscription

Receiptholder with a list of the names and addresses of holders of Subscription Receipts entered on such register and showing the number of Subscription Receipts held by each such holder.

- (f) Location of Registers: The Company may at any time and from time to time change the place at which the register referred to in Section 4.1(a) is kept and/or cause branch registers of holders to be kept, in each case subject to the approval of the Subscription Receipt Agent, at other places and close such branch registers or change the place at which such branch registers are kept. Notice of all such changes or closures shall be given by the Company to the Subscription Receipt Agent and to the holders of Subscription Receipts in accordance with Section 13.1 and Section 13.2.

4.2 Exchange of Subscription Receipts Certificates

- (a) Exchange: One or more Subscription Receipt Certificates may at any time prior to the automatic conversion on the Conversion Date, in compliance with the reasonable requirements of the Subscription Receipt Agent, be exchanged for one or more Subscription Receipt Certificates of different denominations representing in the aggregate the same number of Subscription Receipts and registered in the same name as the Subscription Receipt Certificate or Subscription Receipt Certificates being exchanged.
- (b) Place of Exchange: Subscription Receipt Certificates may be exchanged only at the principal office in Toronto, Ontario of the Subscription Receipt Agent or at any other place designated by the Company with the approval of the Subscription Receipt Agent.
- (c) Cancellation: Any Subscription Receipt Certificate tendered for exchange pursuant to Section 2.8, this Section 4.2 or for transfer pursuant to Section 4.1 shall be surrendered to the Subscription Receipt Agent and cancelled.
- (d) Execution: The Company will sign all Subscription Receipt Certificates in accordance with Section 2.5(a) as necessary to carry out exchanges pursuant to this Section 4.2 and such Subscription Receipt Certificates will be Authenticated by the Subscription Receipt Agent.
- (e) Subscription Receipt Certificates: Subscription Receipt Certificates exchanged for Subscription Receipt Certificates that bear one or more of the legends set forth in Section 2.3 and/or Section 2.10(a) shall bear the same legends, as applicable.

4.3 No Charges for Exchange

No charge will be levied on a presenter of a Subscription Receipt Certificate pursuant to this Agreement for the exchange of any Subscription Receipt Certificate.

4.4 Ownership of Subscription Receipts

- (a) Owner: The Company and the Subscription Receipt Agent may deem and treat the Person in whose name any Subscription Receipt is registered as the absolute owner of such Subscription Receipt for all purposes, and such Person will for all purposes of this Agreement be and be deemed to be the absolute owner thereof, entitled to the rights and privileges attaching to such Subscription Receipt, and the Company and the Subscription Receipt Agent will not be affected by any notice or knowledge to the contrary except as required by Applicable Legislation or by order of a court of competent jurisdiction.
- (b) Rights of Registered Holder: The registered holder of any Subscription Receipt will be entitled to the rights represented thereby free from all equities and rights of set-off or counterclaim between

the Company and the original or any intermediate holder thereof and all Persons may act accordingly, and the issue and delivery to any such registered holder of Unit Shares and Warrants issuable pursuant thereto (or the payment of amounts payable in respect thereof pursuant to Section 2.2(a)(ii)) will be a good discharge to the Company and the Subscription Receipt Agent therefor and neither the Company nor the Subscription Receipt Agent will be bound to inquire into the title of any such registered holder.

ARTICLE 5 CONVERSION OF SUBSCRIPTION RECEIPTS

5.1 Conversion of Subscription Receipts by Subscription Receipt Agent

- (a) Delivery of Escrow Release Notice: As soon as practicable following the satisfaction of all of the Escrow Release Conditions (other than the Escrow Release Condition in Section 1.1(z)(iii)), the Company will deliver to the Lead Underwriter an Escrow Release Notice duly executed by the Company, together with a certificate executed by the President and Chief Executive Officer of the Company (or such other officer as may be acceptable to the Lead Underwriter, acting reasonably) certifying to the Underwriters that the Escrow Release Conditions (other than the Escrow Release Condition in Section 1.1(z)(iii)) have been satisfied. Upon receipt of the Escrow Release Notice and such certificate from the Company, the Lead Underwriter will review the Escrow Release Notice and, unless the Lead Underwriter in good faith contests any of the statements contained therein, the Lead Underwriter will, as soon as practicable:
 - (i) execute the Escrow Release Notice in acknowledgement thereof; and
 - (ii) deliver the Escrow Release Notice, jointly executed by the Company and the Lead Underwriter, to the Subscription Receipt Agent.
- (b) Conversion by Subscription Receipt Agent: On the Conversion Date, as evidenced by the Subscription Receipt Agent's receipt of the Conversion Notice, all Subscription Receipts will be automatically converted by the Subscription Receipt Agent for and on behalf of the holders thereof and the holders thereof shall, without payment of additional consideration or any further action on the part of the holders thereof (including the surrender of any Subscription Receipt Certificates or deemed surrender of any Uncertificated Subscription Receipts), be deemed to have subscribed for the corresponding number of Units issuable upon the conversion of such Subscription Receipts. For greater certainty, the Subscription Receipts may not be converted by the holders thereof and may only be converted pursuant to the foregoing automatic conversion.
- (c) Conversion of Certificated Subscription Receipts: In the case of Certificated Subscription Receipts, the Company will cause the issuance and delivery of certificates representing the applicable Unit Shares and Warrants to the holders of Certificated Subscription Receipts.
- (d) Conversion of CDS Subscription Receipts: In the case of CDS Subscription Receipts, the Company will direct the Depository to cause to be entered and issued, as the case may be, to the Person or Persons in whose name or names the Unit Shares and Warrants have been issued, a book entry only system customer confirmation.
- (e) Rights on Conversion: The holder of any Subscription Receipt converted pursuant to Section 5.1(a) shall have no rights hereunder except to be issued Unit Shares and Warrants upon the conversion of the Subscription Receipts.

- (f) Direction of Subscription Receipt Agent: If the Escrow Release Notice is received by the Subscription Receipt Agent at or before the Escrow Release Deadline, the parties hereby irrevocably authorize and direct the Subscription Receipt Agent to convert the Subscription Receipts pursuant to Section 5.1(b) on the Conversion Date upon receipt of the Conversion Notice.
- (g) Release of Escrowed Funds: If the Escrow Release Notice is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline, the Subscription Receipt Agent will release the Escrowed Funds in accordance with Section 7.3.

5.2 Effect of Conversion

Upon the conversion of any Subscription Receipts in accordance with Section 5.1(a), the Unit Shares and Warrants thereby issuable will be deemed to have been validly issued, and the Person or Persons to whom such securities are to be issued will be deemed to have become the holder or holders of record thereof, on the Conversion Date unless the transfer registers for the Unit Shares and Warrants are closed on the Conversion Date, in which case such Unit Shares and Warrants will be deemed to have been issued and such Person or Persons will be deemed to have become the holder or holders of record thereof on the date on which such transfer registers are reopened, but such Unit Shares and Warrants will be issued on the basis of the number of Units to which such Person or Persons were entitled on the Conversion Date.

5.3 Fractions

The Company shall not be required, upon the conversion of the Subscription Receipts or upon any adjustment in accordance with Article 8, to issue fractions of Unit Shares and Warrants to any Person. To the extent that a Subscription Receiptholder would otherwise have been entitled to receive a fraction or fractions of a Unit Share or Warrant on the conversion of its Subscription Receipts, that Subscription Receiptholder may exercise such right in respect of the fraction or fractions only in combination with its entitlement to a fraction or fractions of Unit Shares or Warrants in respect of another Subscription Receipt or other Subscription Receipts that in the aggregate entitle the Subscription Receiptholder to receive a whole number of Unit Shares and Warrants and the Company shall issue such whole Unit Shares and Warrants to the Subscription Receiptholder in respect of those fractions that in the aggregate form whole Unit Shares and Warrants. All fractions of a Unit Share or Warrant will be rounded down to the nearest whole number and the Company shall pay to the holders thereof the fair market value thereof in satisfaction of the right to otherwise have received a fraction of a Unit Share or Warrant.

5.4 Recording

The Company will record (or cause to be recorded) the name and address of each Person to whom Unit Shares and Warrants are issued and the number of such securities so issued on the Conversion Date.

5.5 Securities Restrictions

- (a) General: No Unit Shares and Warrants will be issued pursuant to the conversion of any Subscription Receipt if the issue of such Unit Shares and Warrants would constitute a violation of the securities laws of any jurisdiction and, without limiting the generality of the foregoing, the certificates representing the Unit Shares and Warrants thereby issued will bear or be deemed to bear such legend or legends as may, in the opinion of Counsel, be necessary or advisable in order to avoid a violation of any securities laws of any jurisdiction or to comply with the requirements of any stock exchange on which the Unit Shares, Warrants or the Warrant Shares are then listed, provided that if, at any time, in the opinion of Counsel, such legend or legends are no longer necessary or advisable in order to avoid a violation of any such laws or requirements, or the holder of any such legended certificate, at the expense thereof, provides the Company with evidence satisfactory in

form and substance to the Company (which may include an opinion of Counsel satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Unit Shares and Warrants in a transaction in which such legend or legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend or legends.

- (b) No Registration under the U.S. Securities Act: The Subscription Receipts, the Units and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or under any United States state securities laws. It is intended that the conversion of any Subscription Receipts held by U.S. Subscription Receiptholders at the Conversion Date into Units, and the issuance of the underlying Unit Shares and Warrants to such U.S. Subscription Receiptholders, shall be effected in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(9) thereof.

ARTICLE 6 COVENANTS

6.1 General Covenants

The Company covenants with the Subscription Receipt Agent and the Subscription Receiptholders, that so long as any Subscription Receipts remain outstanding:

- (a) Maintenance: The Company will use its commercially reasonable efforts to at all times maintain its corporate existence, carry on and conduct its business, and that of its material subsidiaries, in a proper, efficient and business-like manner and keep or cause to be kept proper books of account in accordance with generally accepted accounting principles.
- (b) Reporting Issuer: The Company will make all requisite filings, including filings with appropriate securities commissions, to remain a reporting issuer not in default in each of the provinces of Canada in which it is a reporting issuer.
- (c) Listing: The Company will use its commercially reasonable efforts to at all times maintain the listing of the Common Shares on the TSX or another stock exchange in Canada.
- (d) Reservation of Unit Shares and Warrants: The Company is duly authorized to create and issue the Subscription Receipts and, when issued and Authenticated by the Subscription Receipt Agent in accordance with the terms set forth herein (including, without limitation, deposit of the Escrowed Proceeds in respect thereof), such Subscription Receipts shall be valid and enforceable against the Company in accordance with the terms herein, and it will reserve and conditionally allot for the purpose and keep available sufficient unissued Unit Shares and Warrants to enable it to satisfy its obligations on the conversion of the Subscription Receipts.
- (e) Issue of Units: The Company will cause the Unit Shares and Warrants to be issued pursuant to the conversion of the Subscription Receipts and such Unit Shares and Warrants to be issued and delivered in accordance with the provisions of this Agreement, and with respect to the Warrants, in accordance with the terms of the Warrant Indenture and all Unit Shares and Warrants that are issued on the conversion of the Subscription Receipts will be validly issued as fully paid and non-assessable securities of the Company.
- (f) Announcement of Completion or Termination: The Company, at its discretion, will announce by one or more press releases the Release Date and the Conversion Date.

- (g) Notice of Termination: In the event that (i) the Company delivers the Termination Notice, or (ii) if the Escrow Release Notice has not been provided in accordance with the provisions hereof on or prior to the Escrow Release Deadline, the Company shall send or cause to be sent to each Subscription Receiptholder written notice advising of that fact and each Subscription Receiptholder shall receive the greater of: (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their pro rata share of the Escrowed Funds, less applicable withholding taxes, if any, and such notice shall be sent within three Business Days after the Termination Date.
- (h) Open Registers: The Company will cause the Subscription Receipt Agent to keep open the registers of holders referred to in Section 4.1 as required by such section and will not take any action or omit to take any action which would have the effect of preventing the Subscription Receiptholders from receiving any of the Unit Shares and Warrants issued upon conversion of the Subscription Receipts.
- (i) Filings: The Company will make all requisite filings, including filings with appropriate securities commissions and the TSX, in connection with the conversion of the Subscription Receipts and the issue of the Unit Shares and Warrants.
- (j) Record Dates: The Company shall provide at least fourteen Business Days written notice to each Subscription Receiptholder of any record date to be set or declared by the Company with respect to any meeting or written resolution of holders of Common Shares.
- (k) General Performance: The Company will perform and carry out all acts and things to be done by it as provided in this Agreement or in order to consummate the transactions contemplated hereby.
- (l) Notice of Default: The Company will promptly advise the Subscription Receipt Agent, the Subscription Receiptholders and the Underwriters in writing of any default under the terms of this Agreement.
- (m) Notices to Subscription Receiptholders: Any notices or deliveries required to be provided to holders of Subscription Receipts hereunder shall be sent by prepaid mail or delivery to each Subscription Receiptholder at the address of such holder appearing on the register of Subscription Receipts maintained hereunder.
- (n) No Exchange Act Reporting Obligations: The Company confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the Exchange Act or a reporting obligation pursuant to Section 15(d) of the Exchange Act. The Company covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the Exchange Act, (ii) the Company shall incur a reporting obligation pursuant to Section 15(d) of the Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Company in accordance with the Exchange Act, the Company shall promptly deliver to the Subscription Receipt Agent a certificate of the Company notifying the Subscription Receipt Agent of such registration or termination and such other information as the Subscription Receipt Agent may reasonably require at the time. The Company acknowledges that the Subscription Receipt Agent is relying upon the foregoing representations and covenants in order to meet certain obligations of the Subscription Receipt Agent with respect to those clients of the Subscription Receipt Agent that are required to file reports with the United States Securities and Exchange Commission under the Exchange Act.

6.2 Remuneration and Expenses of Subscription Receipt Agent

The Company covenants that it will pay to the Subscription Receipt Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Subscription Receipt

Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of the its duties hereunder (including the reasonable compensation and the disbursements of Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed, except for any expense, disbursement or advance that arises out of or results from the Subscription Receipt Agent's gross negligence, fraud, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable upon demand. This Section 6.2 shall survive the removal or resignation of the Subscription Receipt Agent and/or the termination of this Agreement. In no event shall any amount payable to the Subscription Receipt Agent hereunder be paid out of the Escrowed Funds unless the Escrowed Funds are, at the time of payment, payable to the Company.

6.3 Notice of Issue

The Company will give written notice of and make all requisite filings respecting the issue of securities pursuant to the conversion of the Subscription Receipts, in such detail as may be required, to each securities commission, stock exchange, or similar regulatory authority in each jurisdiction in Canada in which there is legislation or regulations requiring the giving of any such notice or making of any such filing in order that such issue of securities and the subsequent disposition of the securities so issued will not be subject to the prospectus or registration requirements, if any, of such legislation or regulations.

6.4 Securities Qualification Requirements

If any instrument is required to be filed with, or any permission is required to be obtained from, any governmental authority in Canada or any other step is required under any Applicable Legislation before any Unit Shares and Warrants which a Subscription Receiptholder is entitled to acquire pursuant to the conversion of any Subscription Receipt may properly and legally be issued upon due conversion thereof, the Company covenants that it will promptly take such required action.

6.5 Performance of Covenants by Subscription Receipt Agent

If the Company fails to perform any of its obligations under this Agreement, the Subscription Receipt Agent may notify the Subscription Receiptholders of such failure or may itself perform any of such obligations capable of being performed by the Subscription Receipt Agent, and the Subscription Receipt Agent may notify the Subscription Receiptholders that it is so doing but will be under no obligation to perform such obligations or provide notice thereof. All amounts expended or advanced by the Subscription Receipt Agent in so doing will be repayable as provided in Section 6.2. No such performance, expenditure or advance by the Subscription Receipt Agent will relieve the Company of any default or of its continuing obligations hereunder.

ARTICLE 7

DEPOSIT OF PROCEEDS AND CANCELLATION OF SUBSCRIPTION RECEIPTS

7.1 Deposit of Escrowed Proceeds in Escrow

The Company shall direct that, immediately prior to the issuance of the Subscription Receipts, the Escrowed Proceeds shall be deposited with the Subscription Receipt Agent by way of electronic wire transfer by the Lead Underwriter. The Subscription Receipt Agent shall immediately place such funds in a segregated account in accordance with the provisions of this Article 7. The Company acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of the aggregate Offering Price that the Escrowed Proceeds are held by the Subscription Receipt Agent in accordance with the

provisions of this Article 7. The Company further acknowledges and confirms that it has no interest in the Escrowed Funds unless and until the Escrow Release Notice is delivered to the Subscription Receipt Agent (at or before the Escrow Release Deadline). The Subscription Receipt Agent shall retain the Escrowed Funds for the benefit of the holders of the Subscription Receipts and, upon the delivery of the Escrow Release Notice, to the Subscription Receipt Agent (at or before the Escrow Release Deadline), retroactively for the benefit of the Company and the Underwriters (in relation to the Balance of the Underwriters' Commission and the unpaid Underwriters' Expenses) in accordance with the provisions of this Article 7.

7.2 Investment of Escrowed Funds

- (a) Until released in accordance with this Agreement, the Escrowed Funds shall be kept segregated in the records of the Subscription Receipt Agent and shall be deposited in one or more segregated interest-bearing bank accounts to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more Schedule I Canadian chartered banks, (each such bank, an "**Approved Bank**"). Interest will be credited by the fifth Business Day of the following month.
- (b) All amounts held by the Subscription Receipt Agent pursuant to this Agreement shall be held by the Subscription Receipt Agent for the benefit of the Subscription Receiptholders and the delivery of the Escrowed Proceeds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship between the Subscription Receipt Agent and the Subscription Receiptholders. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Subscription Receiptholders and, without limiting the generality of the foregoing, the Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 7.2, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposits liquidated or sold prior to maturity. The Company and the Lead Underwriter acknowledge and agree that the Subscription Receipt Agent acts reasonably in depositing the Escrowed Proceeds at any Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of any such bank.

7.3 Release of Escrowed Funds on Satisfaction of Escrow Release Conditions

In the event that the Escrow Release Notice is delivered to the Subscription Receipt Agent at or before the Escrow Release Deadline:

- (a) the Company shall be entitled to receive from the Subscription Receipt Agent an amount equal to the Escrowed Funds, less:
 - (i) the Balance of the Underwriters' Commission;
 - (ii) any remaining unpaid Underwriters' Expenses at the Release Date; and
 - (iii) any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 6.2; and
- (b) the Lead Underwriter shall be entitled to receive from the Subscription Receipt Agent the Balance of the Underwriters' Commission and any remaining unpaid Underwriters' Expenses at the Release Date as of the Release Date.

The Subscription Receipt Agent shall deliver the funds referred to in this Section 7.3 to the Company and the Lead Underwriter, on its own behalf and on behalf of the Underwriters, respectively (or as directed by the Company or the Lead Underwriter, as applicable) as soon as practicable on the Release Date.

7.4 Release of Escrowed Funds on Termination

- (a) In the event that a Termination Event occurs, the Company shall forthwith deliver a Termination Notice to the Subscription Receiptholders, the Subscription Receipt Agent and the Lead Underwriter stating the Termination Date and that a Termination Event has occurred. Upon delivery of a Termination Notice, the register shall be closed at the Termination Time and each Subscription Receipt shall, subject to Section 7.4(d), be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and each Subscription Receiptholder shall be entitled to receive as at the Termination Time, an amount equal to the greater of (i) the aggregate Offering Price in respect of such holder's Subscription Receipts; and (ii) such holder's *pro rata* portion of the Escrowed Funds, less applicable withholding taxes, if any.
- (b) The amounts paid to each Subscription Receiptholder under Section 7.4(a) shall be satisfied by the Escrowed Funds. To the extent that the Escrowed Funds are insufficient to refund to each Subscription Receiptholder the amounts due to them under Section 7.4(a), if applicable, the Company shall be responsible and liable to the Subscription Receiptholders for any shortfall and shall contribute such amounts as are necessary to satisfy any shortfall such that each Subscription Receiptholder will receive an amount equal to the amounts due to them under Section 7.4(a)(i), if applicable.
- (c) The obligation to make the payment of the amounts specified in Section 7.4(a) shall be satisfied, in the case of CDS Subscription Receipts, by wire transfer of immediately available funds made by the Subscription Receipt Agent to the Depository or otherwise by the Subscription Receipt Agent mailing cheques made payable to the Subscription Receiptholders at their registered addresses.
- (d) Upon receipt of a wire transfer or the mailing or delivery of any cheque as provided in Section 7.4(c) (and, in the case of a cheque, provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof) all rights evidenced by the Subscription Receipts held by a Subscription Receiptholder shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

7.5 Additional Payments by the Company

The Company shall, no later than one Business Day before the date upon which any amount due hereunder from the Company, if any, is required to be paid pursuant to this Article 7, pay to the Subscription Receipt Agent such amount, if any, in immediately available funds as will be sufficient to allow the Subscription Receipt Agent to pay in full the amounts required to be paid under this Article 7. The Company shall notify in writing the Subscription Receipt Agent of such payments when made.

7.6 Withholding

The Subscription Receipt Agent shall be entitled to deduct and withhold from any amount released pursuant to this Agreement all taxes which may be required to be deducted or withheld under any provision of applicable tax law. All such withheld amounts will be treated as having been delivered to the party entitled to the amount released in respect of which such tax has been deducted or withheld and remitted to the appropriate taxing authority.

7.7 Escrowed Funds

In addition to the other rights granted to holders of Subscription Receipts in this Agreement, until the earlier of the Termination Date and the Release Date, each Subscription Receiptholder has a claim against the Escrowed Funds held by the Subscription Receipt Agent and against the Company, in the amount equal to \$0.36 for each Subscription Receipt held by such holder, which claim shall subsist until such time as the Unit Shares and Warrants issuable upon the conversion of such Subscription Receipts are issued or such amount is paid in full. In the event that, prior to the earlier of the Termination Time and the Release Date, the Company (i) makes a general assignment for the benefit of creditors or any proceeding is instituted by the Company seeking relief on behalf thereof as a debtor, or to adjudicate the Company a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of the Company or the debts of the Company under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, receiver and manager, trustee, custodian or similar official for the Company or any substantial part of the property or assets of the Company or the Company takes any corporate action to authorize any of the actions set forth above, or (ii) the Company shall be declared bankrupt, or a receiver, receiver and manager, trustee, custodian or similar official is appointed for the Company or any substantial part of the property or assets of the Company or an encumbrancer shall legally take possession of any substantial part of the property or assets of the Company or a distress or execution or any similar process is levied or enforced against such property and assets and remains unsatisfied for such period as would permit such property or such part thereof to be sold thereunder, the right of each Subscription Receiptholder to be issued Unit Shares and Warrants upon the conversion of the Subscription Receipts of such holder will terminate and such holder will be entitled to assert a claim, against the Escrowed Funds held by the Subscription Receipt Agent and against the Company for any shortfall, in an amount equal to \$0.36 for each Subscription Receipt held by such holder.

7.8 Representation Regarding Third Party Interests

Each of the Company and the Lead Underwriter (in this Section 7.8 referred to as a “**representing party**”) hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent in connection with this Agreement, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Subscription Receipt Agent a declaration of third party interest in the Subscription Receipt Agent’s prescribed form in accordance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and the regulations thereto, or in such other form as may be satisfactory to it, as to the particulars of such third party.

ARTICLE 8 ADJUSTMENTS

8.1 Adjustments

The Subscription Receipts shall be subject to adjustment from time to time in the following circumstances and manner:

- (a) if the Company has not received a receipt from the OSC, as the principal regulator on behalf of the securities regulatory authorities in each of the Canadian Offering Jurisdictions, for a Qualifying Prospectus on or before the Penalty Time, each Subscription Receiptholder shall be entitled to receive, upon conversion of the Subscription Receipts in accordance with Section 5.1(b): (i) one (1) Unit Share plus an additional 0.1 of a Unit Share per Subscription Receipts; and (ii) one-half of one (0.5) Warrant plus an additional 0.05 of a Warrant per Subscription Receipt, subject to adjustment in accordance with the following provisions of this Article 8, at no additional cost to

and requiring no further action by any Subscription Receiptholder (the “**Penalty Provision**”). All references to Unit Shares and Warrants include Unit Shares and Warrants issued pursuant to the Penalty Provision, as and if applicable.

(b) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Conversion Date, the Company 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 convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend or make a distribution to all or substantially all of the holders of Common Shares on its outstanding Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares;

then, in each such event, the number of Units issuable upon conversion of the Subscription Receipts shall be adjusted immediately after the effective date of such subdivision, redivision, change, reduction, combination or consolidation, or the record date for such issue of Common Shares by way of a stock dividend or distribution, as the case may be, by multiplying the number of Units issuable upon conversion of a Subscription Receipt by a fraction:

- A. the numerator of which shall be the total number of Common Shares outstanding immediately after such date; and
- B. the denominator of which shall be the total number of Common Shares outstanding immediately prior to such date.

Such adjustment shall be made successively whenever any event referred to in this Section 8.1(a) shall occur. Any such issue or distribution of Common Shares or securities convertible into or exchangeable for Common Shares shall be deemed to have been made on the record date for such issue or distribution for the purpose of calculating the number of outstanding Common Shares under Section 8.1(c) and Section 8.1(d).

(c) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Conversion Date, the Company 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 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price on such record date, the number of Units issuable upon conversion of the Subscription Receipts shall be adjusted immediately after such record date so that it shall equal the number determined by multiplying the number of Units issuable upon conversion of a Subscription Receipt by a fraction:

- (i) the numerator of which 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 or exchangeable securities so offered are convertible or exchangeable; and

- (ii) the denominator of which shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to 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 or exchangeable securities so offered) by such Current Market Price.

Any Common Shares owned by or held for the account of the Company or any subsidiary 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 such rights, options or warrants are not exercised prior to the expiration thereof, the number of Units issuable upon conversion of a Subscription Receipt shall be readjusted to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect if such record date had not been fixed or to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect based upon the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

- (d) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Conversion Date, the Company 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 the Company of any class other than Common Shares or other securities of the Company;
- (ii) rights, options or warrants to acquire Common Shares (or securities convertible into or exchangeable for Common Shares) or other securities of the Company;
- (iii) evidences of its indebtedness; or
- (iv) any property or other assets;

(excluding, in each case, any distribution referred to in Section 8.1(a) or Section 8.1(c) then, in each such case, the number of Units issuable upon conversion of a Subscription Receipt shall be adjusted immediately after such record date so that it shall equal the number determined by multiplying the number of Units issuable upon conversion of a Subscription Receipt by a fraction:

- A. the numerator of which will be the product of the number of Common Shares outstanding on such record date and the Current Market Price on such record date; and
- B. the denominator of which will be:
 - (I) the product of the number of Common Shares outstanding on such record date and the Current Market Price on such record date; less
 - (II) the aggregate fair market value, as determined by the directors of the Company, acting reasonably, (whose determination, absent manifest error, will be conclusive), to the holders of Common Shares of such shares, other securities, rights, options, warrants, evidences of indebtedness or other assets so distributed.

Any Common Shares owned by or held for the account of the Company or any subsidiary 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 number of Units issuable upon conversion of a Subscription Receipt shall be readjusted to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect if such record date had not been fixed or to the number of Units issuable upon conversion of a Subscription Receipt which would then be in effect based upon such shares, other securities, rights, options, warrants, evidences of indebtedness or other assets actually distributed, as the case may be.

- (e) Subject to Section 8.2, if and whenever at any time from the Closing and prior to the Conversion Date, there is a reclassification of the Common Shares or a capital reorganization of the Company (other than as described in Section 8.1(a), Section 8.1(c) or Section 8.1(d)) or an amalgamation, arrangement or merger of the Company with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, each holder of a Subscription Receipt shall be entitled to receive and shall accept (subject to satisfaction of the Escrow Release Conditions) upon the automatic conversion of the Subscription Receipts, in lieu of the number of Units to which the Subscription Receiptholder was prior thereto entitled the kind and number of shares or other securities or property of the Company or of the body corporate, trust, partnership or other entity resulting from such reclassification, capital reorganization, amalgamation, arrangement or merger or to which such sale or conveyance may be made, as the case may be, that such Subscription Receiptholder would have been entitled to receive on such reclassification, capital reorganization, amalgamation, arrangement, merger, sale or conveyance, if on the record date or the effective date thereof, as the case may be, the Subscription Receiptholder had been the registered holder of the number of Common Shares to which immediately before the transaction or event such Subscription Receiptholder was entitled upon the automatic conversion of the Subscription Receipts. To give effect to or to evidence the provisions of this Section 8.1(e), the Company, 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, capital reorganization, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement which shall provide, to the extent possible, for the application of the provisions set out in this Agreement with respect to the rights and interests thereafter of the Subscription Receiptholder to the effect that the provisions set out in this Agreement shall thereafter correspondingly be made applicable, as nearly as may reasonably be possible, with respect to any shares, other securities or property to which a Subscription Receiptholder is entitled upon the automatic conversion of the Subscription Receipts thereafter. Any agreement entered into between the Company and the Subscription Receipt Agent pursuant to the provisions of this Section 8.1(e) shall be a supplemental agreement entered into pursuant to the provisions of Article 11. Any agreement entered into between the Company, any successor to the Company or such purchasing body corporate, partnership, trust or other entity and the Subscription Receipt Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 8.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, arrangements, mergers, sales or conveyances.
- (f) In any case in which this Section 8.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein the Company may defer, until the occurrence of such event, issuing to the holder of any Subscription Receipt in respect of which the Subscription Receipts are automatically converted after such event, the additional Underlying Securities or other securities or property issuable upon the automatic conversion of the Subscription Receipts, by reason of the adjustment required by such event before giving effect to such

adjustment; provided, however, that the Company shall deliver to such Subscription Receiptholder, as soon as reasonably practicable after such record date, an appropriate instrument evidencing such Subscription Receiptholder's right to receive such additional Underlying Securities or other securities or property upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Underlying Securities or other securities or property declared in favour of holders of record of Common Shares or securities or property on and after the relevant date of the automatic conversion of the Subscription Receipts, or such later date as such Subscription Receiptholder would, but for the provisions of this Section 8.1(f), have become the holder of record of such additional Underlying Securities or other securities or property pursuant to this Section 8.1.

- (g) No adjustment in the number of Units to be issued shall be made in respect of any events described in Section 8.1 if the Subscription Receiptholders are entitled to participate in the events on the same terms, *mutatis mutandis*, as if their Subscription Receipts had been automatically converted immediately prior to the effective date or record date of the events.
- (h) The adjustments provided for in this Section 8.1 are cumulative and shall be computed to the nearest two decimal places and will apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 8.1, provided that, notwithstanding any other provision of this Section 8.1 no adjustment of the number of Unit Shares and Warrants issuable upon conversion of the Subscription Receipts shall be required unless such adjustment would require an increase or decrease of at least one percent in the number of Unit Shares and Warrants issuable upon conversion of the Subscription Receipts, provided, however, that any adjustments which by reason of this Section 8.1(h) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (i) If the Company sets a record date to determine the holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, legally abandons its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment shall be made to the number of Units issuable upon conversion of the Subscription Receipts.
- (j) After any adjustment pursuant to this Section 8.1, the term "Common Shares" where used in this Agreement 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 8.1, the Subscription Receiptholder is entitled to receive upon conversion of the Subscription Receipts, and the number of Unit Shares and Warrants to be issued upon the conversion of the Subscription Receipts shall be interpreted to mean the number of Unit Shares and Warrants or other property or securities a Subscription Receiptholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 8.1, upon the full conversion of the Subscription Receipts, as the case may be.

8.2 No Adjustment for Stock Options etc.

Notwithstanding anything to the contrary in this Article 8, no adjustment shall be made pursuant to this Agreement in respect of the issue of Common Shares pursuant to any stock option or other equity incentive or stock purchase plan in force from time to time for officers, Directors or employees of the Company or pursuant to any stock option or other equity incentives granted or pursuant to the satisfaction of existing instruments issued prior to the date of this Agreement.

8.3 Determination by Company's Auditors

In the event of any question arising with respect to the adjustments provided for in this Article 8, such question shall, absent manifest error, be conclusively determined by the Company's auditors, who shall have access to all necessary records of the Company, and such determination shall, absent manifest error, be binding upon the Company, the Underwriters, the Subscription Receipt Agent, all Subscription Receiptholders and all other Persons interested therein.

8.4 Proceedings Prior to Any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in the number of Units issuable upon conversion of the Subscription Receipts, the Company shall take any corporate action which may, in the opinion of Counsel (acting reasonably), be necessary to ensure that the Company has sufficient authorized capital and that the Company may validly and legally issue, as fully paid and non-assessable securities, all of the securities which the holders of such Subscription Receipts are entitled to receive on the conversion of the Subscription Receipts, in accordance with the provisions of this Agreement.

8.5 Action Requiring Adjustment

In case the Company, after the date hereof, shall take any action affecting the Common Shares, other than the actions described in this Article 8, which, in the opinion of the Directors would materially adversely affect the rights of the Subscription Receiptholders, then the number of Units which are to be received upon the conversion of the Subscription Receipts shall be adjusted in such manner, if any, and at such time as the Directors may, in their discretion, reasonably determine to be equitable to the Subscription Receiptholders in such circumstances.

8.6 Certificate of Adjustment

The Company shall, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 8 other than with respect to the Consolidation, deliver a Certificate of the Company to the Subscription Receipt Agent specifying the nature of the event requiring such adjustment or readjustment and the amount of the adjustment or readjustment necessitated thereby and setting out in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate, if required by the Subscription Receipt Agent, shall be supported by a certificate of the Company's auditors verifying such calculation.

8.7 Notice of Special Matters

The Company covenants with the Subscription Receipt Agent that, so long as any Subscription Receipt remains outstanding, other than with respect to the Consolidation, it will give notice to the Subscription Receipt Agent and to the Subscription Receiptholders of its intention to fix the record date for any event referred to in Section 8.1 which may give rise to an adjustment in the number of Units issuable upon conversion of the Subscription Receipts. Such notice shall specify the particulars of such event and the record date for such event, provided that the Company shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the 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.

8.8 Protection of Subscription Receipt Agent

The Subscription Receipt Agent:

- (a) shall not at any time be under any duty or responsibility to any Subscription Receiptholder to determine whether any facts exist which may require any adjustment contemplated by Section 8.1, or with respect to the nature or extent of any such adjustment when made or the method employed in making such adjustment;
- (b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Unit Shares and Warrants or other shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Subscription Receipt;
- (c) shall not be responsible for any failure of the Company to issue, transfer or deliver Unit Shares and Warrants or certificates representing Unit Shares and Warrants or to comply with any of the covenants contained in this Article 8;
- (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 Company of any of the representations, warranties or covenants herein contained or for any acts of the agents of the Company; and
- (e) shall be entitled to act and rely upon the certificates of the Company or of the auditor of the Company and any other documents filed by the Company pursuant to Section 8.6.

ARTICLE 9 ENFORCEMENT

9.1 Suits by Subscription Receiptholders

All or any of the rights conferred on the holder of any Subscription Receipt by the terms of the Subscription Receipt Certificate representing such Subscription Receipt or of this Agreement may be enforced by such holder by appropriate legal proceedings but without prejudice to the right which is hereby conferred on the Subscription Receipt Agent to proceed in the name thereof or on behalf of the holders of Subscription Receipts to enforce each and every provision herein contained for the benefit of the Subscription Receiptholders.

9.2 Limitation of Liability

The obligations hereunder are not personally binding on, nor will resort hereunder be had to the private property of, any past, present or future Director, shareholder, officer, employee or agent of the Company, but only the property of the Company shall be bound in respect hereof.

ARTICLE 10 MEETINGS OF SUBSCRIPTION RECEIPTHOLDERS

10.1 Right to Convene Meetings

- (a) Convening of Meeting: The Subscription Receipt Agent may at any time and from time to time convene a meeting of the Subscription Receiptholders, and will do so on receipt of a Written Request of the Company or a Subscription Receiptholders' Request and on being funded and indemnified to its reasonable satisfaction by the Company or by one or more of the Subscription Receiptholders signing such Subscription Receiptholders' Request against the costs which it may incur in connection with calling and holding such meeting.
- (b) Failure to Convene: If the Subscription Receipt Agent fails, within five Business Days after receipt of such Written Request of the Company or Subscription Receiptholders' Request, funding and

indemnification to its satisfaction, to give notice convening a meeting, the Company or any of such Subscription Receiptholders signing such Subscription Receiptholders' Request, as the case may be, may convene such meeting.

- (c) Place of Meeting: Every such meeting will be held in Toronto, Ontario, or such other place as is approved or determined by the Subscription Receipt Agent and the Company.

10.2 Notice

- (a) Notice: At least ten Business Days' notice of any meeting must be given to the Subscription Receiptholders, to the Subscription Receipt Agent (unless the meeting has been called by it) and to the Company (unless the meeting has been called by it).
- (b) Contents: The notice of the meeting must state the time when and the place where the meeting is to be held and must state briefly the general nature of the business to be transacted thereat, but it will not be necessary for the notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 10.

10.3 Chairman

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

10.4 Quorum

- (a) Quorum: Subject to the provisions of Section 10.12, at any meeting of Subscription Receiptholders, a quorum will consist of Subscription Receiptholders present in person or by proxy at the commencement of the meeting holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding.
- (b) No Quorum: If a quorum of Subscription Receiptholders is not present within 30 minutes after the time fixed for holding a meeting, the meeting, if summoned by Subscription Receiptholders or on a Subscription Receiptholders' Request, will be dissolved, but, subject to Section 10.12, in any other case will be adjourned to the third following Business Day at the same time and place and no notice of the adjournment need be given.
- (c) Quorum at Adjourned Meeting: At the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened notwithstanding the number of Subscription Receipts that they hold.

10.5 Power to Adjourn

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

10.6 Show of Hands

Every question submitted to a meeting, other than an Extraordinary Resolution, will be decided in the first place by a majority of the votes given on a show of hands and, 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 will be conclusive evidence of the fact.

10.7 Poll

- (a) Extraordinary Resolution: On every Extraordinary Resolution, and on every other question submitted to a meeting on which a poll is directed by the chairman or requested by one or more Subscription Receiptholders acting in person or by proxy and holding in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding, a poll will be taken in such manner as the chairman directs.
- (b) Other: Questions other than those required to be determined by Extraordinary Resolution will be decided by a majority of the votes cast on the poll.

10.8 Voting

On a show of hands each Person present and entitled to vote, whether as a Subscription Receiptholder or as proxy for one or more absent Subscription Receiptholders, or both, will have one vote, and on a poll each Subscription Receiptholder present in person or represented by a proxy duly appointed by instrument in writing will be entitled to one vote in respect of each Subscription Receipt held by such holder. A proxy need not be a Subscription Receiptholder.

10.9 Regulations

- (a) Ability to Make: The Subscription Receipt Agent, or the Company with the approval of the Subscription Receipt Agent, may from time to time make or vary such regulations as it thinks fit:
 - (i) for the form of instrument appointing a proxy, the manner in which it must be executed, and verification of the authority of a Person who executes it on behalf of a Subscription Receiptholder;
 - (ii) governing the places at which and the times by which instruments appointing proxies must be deposited;
 - (iii) generally for the calling of meetings of Subscription Receiptholders and the conduct of business thereof; and
 - (iv) for the deposit of 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 sent by mail, facsimile or other means of prepaid, transmitted, recorded communication before the meeting to the Company or to the Subscription Receipt Agent at the place where the meeting is to be held and for voting pursuant to instruments appointing proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made will be binding and effective and the votes given in accordance therewith will be valid and will be counted.

- (b) **Recognition:** Except as such regulations provide, the only Persons who will be recognized at a meeting as the holders of any Subscription Receipts, or as entitled to vote or, subject to Section 10.10, to be present at the meeting in respect thereof, will be the registered holders of such Subscription Receipts or Persons holding proxies on their behalf.

10.10 The Company and Subscription Receipt Agent may be Represented

The Company and the Subscription Receipt Agent, by their respective employees, officers or directors, and Counsel, may attend any meeting of Subscription Receiptholders, but will have no vote, absent (i) being appointed as a proxy; and/or (ii) being a Subscription Receiptholder.

10.11 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred on them by the other provisions of this Agreement or by law, the Subscription Receiptholders at a meeting will have the power, exercisable from time to time by Extraordinary Resolution:

- (a) to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of any right of the Subscription Receiptholders or, with the consent of the Subscription Receipt Agent (such consent not to be unreasonably withheld), of the Subscription Receipt Agent in its capacity as agent hereunder or on behalf of the Subscription Receiptholders against the Company, whether such right arises under this Agreement or otherwise, which shall be agreed to by the Company, and to authorize the Subscription Receipt Agent to concur in and execute any amendment or indenture supplemental hereto in connection therewith;
- (b) to amend, alter or repeal any Extraordinary Resolution previously passed;
- (c) subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or authorize the Subscription Receipt Agent to enforce any obligation of the Company under this Agreement or to enforce any right of the Subscription Receiptholders in any manner specified in the Extraordinary Resolution;
- (d) to direct or authorize the Subscription Receipt Agent to refrain from enforcing any obligation or right referred to in Section 10.11(c);
- (e) to waive and direct the Subscription Receipt Agent to waive any default by the Company in complying with any provision of this Agreement, either unconditionally or on any condition specified in the Extraordinary Resolution
- (f) to appoint a committee with power and authority to exercise, and to direct the Subscription Receipt Agent to exercise, on behalf of the Subscription Receiptholders, such of the powers of the Subscription Receiptholders as are exercisable by Extraordinary Resolution;
- (g) to restrain any Subscription Receiptholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any obligation of the Company under this Agreement or to enforce any right of the Subscription Receiptholders;
- (h) to direct any Subscription Receiptholder who, as such, has brought any suit, action or proceeding, to stay or discontinue or otherwise deal therewith on payment of the costs, charges and expenses reasonably and properly incurred by it in connection therewith;

- (i) to assent to any change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any amendment or ancillary or supplemental instrument which may be agreed to by the Company and to authorize the Subscription Receipt Agent to concur in and execute any amendment or ancillary or supplemental indenture embodying the change or omission;
- (j) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company; or
- (k) from time to time and at any time to remove the Subscription Receipt Agent and appoint a successor Subscription Receipt Agent.

10.12 Meaning of “Extraordinary Resolution”

- (a) Meaning: The expression “Extraordinary Resolution” when used in this Agreement means, subject to the provisions of this Section 10.12 and of Section 10.15 and Section 10.16, a motion proposed at a meeting of Subscription Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 10 at which there are present in person or by proxy at the commencement of the meeting Subscription Receiptholders holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding and passed by the affirmative votes of Subscription Receiptholders who hold in the aggregate not less than $66 \frac{2}{3}\%$ of the total number of Subscription Receipts represented at the meeting and voted on the motion.
- (b) No Quorum: If, at a meeting called for the purpose of passing an Extraordinary Resolution, the quorum required by Section 10.12(a) is not present within 30 minutes after the time fixed for the meeting, the meeting, if convened by Subscription Receiptholders or on a Subscription Receiptholders’ Request, will be dissolved, but in any other case will be adjourned to such day, being not less than five Business Days or more than ten Business Days later, and to such place and time, as is appointed by the chairman.
- (c) Notice of Adjourned Meeting: Not less than three Business Days’ notice must be given to the Subscription Receiptholders of the time and place of such adjourned meeting.
- (d) Form of Notice: The notice must state that at the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum but it will not be necessary to set forth the purposes for which the meeting was originally called or any other particulars.
- (e) Quorum at Adjourned Meeting: At the adjourned meeting, the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened, and a motion proposed at such adjourned meeting and passed by the requisite vote as provided in Section 10.12(a) will be an Extraordinary Resolution within the meaning of this Agreement notwithstanding that Subscription Receiptholders holding in the aggregate at least 25% of the total number of Subscription Receipts then outstanding may not be present in person or by proxy at the commencement of such adjourned meeting.
- (f) Poll: Votes on an Extraordinary Resolution must always be given on a poll and no demand for a poll on an Extraordinary Resolution will be necessary.

10.13 Power Cumulative

Any one or more of the powers, and any combination of the powers, in this Agreement stated to be exercisable by the Subscription Receiptholders by Extraordinary Resolution or otherwise, may be exercised from time to time, and the exercise of any one or more of such powers or any combination of such powers from time to time will not prevent the Subscription Receiptholders from exercising such power or powers or combination of powers thereafter from time to time.

10.14 Minutes

Minutes of all resolutions passed and proceedings taken at every meeting of the Subscription Receiptholders will be made and duly entered in books from time to time provided for such purpose by the Subscription Receipt Agent at the expense of the Company, and any such minutes, if signed by the chairman of the meeting at which such resolutions were passed or such proceedings were taken, will 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 have been so made, entered and signed will be deemed to have been duly convened and held, and all resolutions passed and proceedings taken thereat to have been duly passed and taken.

10.15 Instruments in Writing

Any action that may be taken and any power that may be exercised by Subscription Receiptholders at a meeting held as provided in this Article 10 may also be taken and exercised by Subscription Receiptholders who hold in the aggregate not less than 50% of the total number of Subscription Receipts at the time outstanding or in the case of an Extraordinary Resolution, Subscription Receiptholders who hold in the aggregate not less than 66 $\frac{2}{3}$ % of the total number of Subscription Receipts at the time outstanding, by their signing, each in person or by attorney duly appointed in writing, an instrument in writing in one or more counterparts, and the expression "Extraordinary Resolution" when used in this Agreement includes a resolution embodied in an instrument so signed.

10.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 10 at a meeting of Subscription Receiptholders will be binding on all Subscription Receiptholders, whether present at or absent from the meeting and whether voting for or against the resolution or abstaining, and every instrument in writing signed by Subscription Receiptholders in accordance with Section 10.15 will be binding on all Subscription Receiptholders, whether signatories thereto or not, and every Subscription Receiptholder and the Subscription Receipt Agent (subject to the provisions for its indemnity herein contained) will be bound to give effect accordingly to every such resolution and instrument in writing.

10.17 Evidence of Subscription Receiptholders

Any request, direction, notice, consent or other instrument which this Agreement may require or permit to be signed or executed by the Subscription Receiptholders, including a Subscription Receiptholders' Request, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Subscription Receiptholders in person or by attorney duly appointed in writing. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article 10 with regard to voting at meetings of Subscription Receiptholders) of the holding by any Person of Subscription Receipts shall be sufficient for any purpose of this Agreement if the fact and date of execution by any Person of such request, direction, notice, consent or other instrument or writing is proved by a certificate of any notary public, or other officer

authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, to the effect that the Person signing such request, direction, notice, consent or other instrument in writing acknowledged to such Person the execution thereof or by an affidavit of a witness of such execution or in any other manner which the Subscription Receipt Agent may consider adequate and in respect of a corporate Subscription Receiptholder, shall include a certificate of incumbency of such Subscription Receiptholder together with a certified resolution authorizing the Person who signs such instrument to sign such instrument. The Subscription Receipt Agent may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

10.18 Holdings by the Company and Subsidiaries Disregarded

In determining whether Subscription Receiptholders holding the required total number of Subscription Receipts are present in person or by proxy for the purpose of constituting a quorum, or have voted or consented to a resolution, Extraordinary Resolution, consent, waiver, Subscription Receiptholders' Request or other action under this Agreement, a Subscription Receipt held by the Company or by a subsidiary of the Company will be deemed to be not outstanding. The Company shall provide the Subscription Receipt Agent with a Certificate of the Company providing details of any Subscription Receipts held by the Company or by a subsidiary of the Company upon the written request of the Subscription Receipt Agent.

ARTICLE 11 SUPPLEMENTAL AGREEMENTS AND SUCCESSOR COMPANIES

11.1 Provision for Supplemental Agreements for Certain Purposes

From time to time the Company, the Subscription Receipt Agent and the Lead Underwriter may, without the consent of the Subscription Receiptholders and subject to the provisions of this Agreement, execute and deliver amendments or agreements or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) providing for the issuance of additional Subscription Receipts hereunder and any consequential amendments hereto as may be required by the Subscription Receipt Agent provided the same are not prejudicial to the interests of the Subscription Receiptholders based on the opinion of Counsel;
- (b) evidencing the succession, or successive successions, of any other Person to the Company and the assumption by such successor of the covenants of, and obligations of, the Company under this Agreement;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as are necessary or advisable, provided that the same are not in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, prejudicial to the interests of the Subscription Receiptholders as a group;
- (d) giving effect to any resolution or Extraordinary Resolution passed as provided in Article 10;
- (e) setting forth any adjustments resulting from the application of Article 8;
- (f) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder provided that such provisions are not, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, prejudicial to the interests of the Subscription Receiptholders as a group;

- (g) adding to or amending the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipts and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;
- (h) modifying any of the provisions of this Agreement or relieving the Company from any of the obligations, conditions or restrictions herein contained, provided that no such modification or relief shall be or become operative or effective if, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, such modification or relief impairs any of the rights of the Subscription Receiptholders as a group or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any amendment or supplemental agreement or instrument which in its opinion may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and
- (i) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that, in the opinion of the Subscription Receipt Agent, relying on the opinion of Counsel, the rights of the Subscription Receipt Agent and the Subscription Receiptholders as a group are not prejudiced thereby.

11.2 Successor Entities

In the case of the reclassification of the securities of the Company, a capital reorganization of the Company or an amalgamation, arrangement, consolidation, merger or transfer of the undertaking or assets of the Company as an entirety, or substantially as an entirety, to another person (a “**successor entity**”), the successor entity resulting from the reclassification, capital reorganization, amalgamation, arrangement, consolidation, merger or transfer (if not the Company) shall be bound by the provisions hereof and all obligations for the due and punctual performance and observance of each and every covenant and obligation contained in this Agreement to be performed by the Company and the successor entity shall by supplemental agreement, satisfactory in form to the Subscription Receipt Agent (acting reasonably) and executed and delivered to the Subscription Receipt Agent, expressly assume those obligations.

ARTICLE 12 CONCERNING SUBSCRIPTION RECEIPT AGENT

12.1 Applicable Legislation

If and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, the mandatory requirement will prevail. The Company and the Subscription Receipt Agent each will at all times in relation to this Agreement and any action to be taken hereunder observe and comply with and be entitled to the benefits of Applicable Legislation.

12.2 Rights and Duties of Subscription Receipt Agent

- (a) Duty of Subscription Receipt Agent: In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent will act honestly and in good faith with a view to the best interests of Subscription Receiptholders and will exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. The Subscription Receipt 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 so to do under the terms hereof; nor shall the Subscription Receipt Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the

attention of the Subscription Receipt Agent and in the absence of any such notice the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained therein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether or not the Subscription Receipt Agent shall take action with respect to any default.

- (b) No Relief From Liability: No provision of this Agreement will be construed to relieve the Subscription Receipt Agent from liability for its own grossly negligent act, wilful misconduct, fraud or bad faith.
- (c) Actions: The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding in connection herewith, including without limitation, for the purpose of enforcing any right of the Subscription Receipt Agent or the Subscription Receiptholders hereunder is on the condition that the Subscription Receipt Agent shall have received a Subscription Receiptholders' Request specifying the act, action or proceeding which the Subscription Receipt Agent is requested to take and, when required by notice to the Subscription Receiptholders by the Subscription Receipt Agent, the Subscription Receipt Agent is furnished by one or more Subscription Receiptholders with sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and hold it harmless against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (d) Funding: No provision of this Agreement will require the Subscription Receipt Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless it is so indemnified and funded.
- (e) Deposit of Subscription Receipts: The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Subscription Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipt Certificates held by them, for which certificates the Subscription Receipt Agent will issue receipts.
- (f) Restriction: Every provision of this Agreement that relieves the Subscription Receipt Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of Applicable Legislation.
- (g) Right Not to Act/ Right to Resign: The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment, acting reasonably, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten days' written notice to the Company and the Lead Underwriter provided (i) that the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction, acting reasonably, within such ten-day period, then such resignation shall not be effective.

- (h) Transfers: No duty shall rest with the Subscription Receipt Agent to determine compliance of the transferor or transferee with applicable securities laws. The Subscription Receipt Agent shall be entitled to assume that all transfers are legal and proper.

12.3 Evidence, Experts and Advisers

- (a) Evidence: In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Company will furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as is prescribed by Applicable Legislation or as the Subscription Receipt Agent reasonably requires by written notice to the Company.
- (b) Reliance by Subscription Receipt Agent: In the exercise of any right or duty hereunder, the Subscription Receipt Agent, if it is acting in good faith, may act and rely, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declaration, opinion, report, certificate or other evidence furnished to the Subscription Receipt Agent pursuant to a provision hereof or of Applicable Legislation or pursuant to a request of the Subscription Receipt Agent, if the Subscription Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.
- (c) Statutory Declaration: Whenever Applicable Legislation requires that evidence referred to in Section 12.3(a) be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a Certificate of the Company required by any provision hereof. Any such statutory declaration may be made by any one or more of the Chief Executive Officer, President, Chief Financial Officer or Secretary of the Company or by any other officer(s) or director(s) of the Company to whom such authority is delegated by the Directors from time to time. In addition, the Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, direction, instruction, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper or document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.
- (d) Proof of Execution: Proof of the execution of any document or instrument in writing, including a Subscription Receiptholders' Request, by a Subscription Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to such Person the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Subscription Receipt Agent considers adequate and in respect of a corporate Subscription Receiptholder, shall include a certificate of incumbency of such Subscription Receiptholder together with a certified resolution authorizing the Person who signs such instrument to sign such instrument.
- (e) Experts: The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers, or other experts or advisers as it reasonably requires for the purpose of determining and discharging its rights and duties hereunder and may pay the reasonable remuneration and disbursements for all services so performed by any of them, and will not be responsible for any misconduct or negligence on the part of any of them. The Company shall pay or reimburse the Subscription Receipt Agent for any reasonable fees of such counsel, accountants, appraisers, or other experts or advisers. The Subscription Receipt Agent may act and rely and shall be protected in acting or not acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by the Company or by the Subscription Receipt Agent, in relation to any matter arising in the administration of the duties and obligations hereof.

12.4 Documents, Money, etc. held by Subscription Receipt Agent

Any security, document of title or other instrument that may at any time be held by the Subscription Receipt Agent subject to the provisions of this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or of any Canadian chartered bank or deposited for safekeeping with any such bank.

12.5 Action by Subscription Receipt Agent to Protect Interest

The Subscription Receipt Agent will have power to institute and to maintain such actions and proceedings as it considers necessary or expedient to protect or enforce its interests and the interests of the Subscription Receiptholders.

12.6 Subscription Receipt Agent not Required to Give Security

The Subscription Receipt Agent will not be required to give any bond or security in respect of the execution of the duties and obligations and powers of this Agreement.

12.7 Protection of Subscription Receipt Agent

- (a) Protection: By way of supplement to the provisions of any law for the time being relating to subscription receipt agents, it is expressly declared and agreed that:
- (i) the Subscription Receipt Agent will not be liable for or by reason of, or required to substantiate, any statement of fact, representation or recital in this Agreement or in the Subscription Receipt Certificates (except in the certification of the Subscription Receipt Agent on the Subscription Receipt Certificates and the representation in Section 12.9 hereof), but all such statements or recitals are and will be deemed to be made by the Company;
 - (ii) nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any amendment or instrument ancillary or supplemental hereto;
 - (iii) the Subscription Receipt Agent will not be bound to give notice to any Person of the execution hereof;
 - (iv) the Subscription Receipt Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, wilful misconduct, fraud or bad faith;
 - (v) the Subscription Receipt Agent will not incur any liability or responsibility or be in any way responsible for the consequence of any breach by the Company of any obligation or warranty herein contained or of any act of any director, officer, employee or agent of the Company;
 - (vi) subject to Section 12.9, the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company, including the Subscription Receipts, and generally may contract and enter into financial transactions with the Company or any related entity of the Company without being liable to account for any profit made thereby;

- (vii) the Subscription Receipt Agent shall incur no liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;
 - (viii) if the Subscription Receipt Agent delivers any cheque as required hereunder, the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such cheque is not honoured on presentation, provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and, if required by the Subscription Receipt Agent, an indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque;
 - (ix) the Subscription Receipt Agent will disburse funds in accordance with the provisions hereof only to the extent that funds have been deposited with it. The Subscription Receipt Agent shall not under any circumstances be required to disburse funds in excess of the amounts on deposit (including any interest accrued thereon) with the Subscription Receipt Agent at the time of disbursement; and
 - (x) notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Subscription Receipt Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits, or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.
- (b) Indemnity: In addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Company shall at all times indemnify the Subscription Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the “**Indemnified Parties**”) and save them harmless from and against all claims, demands, losses, actions, causes of action, suits, proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Subscription Receipt Agent’s duties, and including any services that the Subscription Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from Subscription Receipt Agent’s gross negligence, fraud, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Company. Notwithstanding any other provision hereof, the Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. Notwithstanding any other provision hereof, this indemnity shall survive the resignation or removal of the Subscription Receipt Agent and the termination or discharge of this Agreement.

12.8 Replacement of Subscription Receipt Agent

- (a) Resignation: The Subscription Receipt Agent may resign and be discharged from all further duties and liabilities hereunder, except as provided in this Section 12.8, by giving to the Company and the Lead Underwriter not less than 60 days' notice in writing or, if a new subscription receipt agent has been appointed, such shorter notice as the Company accepts as sufficient provided that such resignation and discharge shall be subject to the appointment of a successor thereto in accordance with the provisions hereof.
- (b) Removal: The Subscription Receiptholders by Extraordinary Resolution may at any time remove the Subscription Receipt Agent and appoint a new subscription receipt agent.
- (c) Appointment of New Subscription Receipt Agent: If the Subscription Receipt Agent so resigns or is so removed or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Company shall forthwith appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Subscription Receiptholders.
- (d) Failure to Appoint: Failing such appointment by the Company, the retiring Subscription Receipt Agent or any Subscription Receiptholder may apply at the expense of the Company to the Court, on such notice as the Court directs, for the appointment of a new subscription receipt agent.
- (e) New Subscription Receipt Agent: Any new subscription receipt agent appointed under this Section 12.8 must be a corporation authorized to carry on the business of a transfer agent or trust company in the Province of Ontario and, if required by the Applicable Legislation of any other province, in such other province. On any such appointment the new subscription receipt agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of the Company, all such conveyances or other instruments as, in the opinion of Counsel, are necessary or advisable for the purpose of assuring the transfer of such powers, rights, duties and responsibilities to the new subscription receipt agent including, without limitation, an appropriate instrument executed by the new subscription receipt agent accepting such appointment and, at the request of the Company, the predecessor Subscription Receipt Agent shall, upon payment of its outstanding remuneration and expenses, execute and deliver to the new subscription receipt agent an appropriate instrument transferring to such new subscription receipt agent all rights and powers of the Subscription Receipt Agent hereunder, and shall duly assign, transfer and deliver to the new subscription receipt agent all securities, property and all records kept by the predecessor Subscription Receipt Agent hereunder or in connection therewith. Any new subscription receipt agent so appointed by the Company, the Subscription Receiptholders or by the Court will be subject to removal as aforesaid by the Subscription Receiptholders and by the Company.
- (f) Notice of New Subscription Receipt Agent: On the appointment of a new subscription receipt agent, the Company will promptly give notice thereof to the Subscription Receiptholders in accordance with Section 13.2(a).
- (g) Successor Subscription Receipt Agent: A corporation into or with which the Subscription Receipt Agent is merged or consolidated or amalgamated, or to which all or substantially all of its corporate trust business is sold or otherwise transferred, or any corporation resulting therefrom to which the Subscription Receipt Agent will be a party, or any corporation succeeding to the corporate trust business of the Subscription Receipt Agent, will be the successor to the Subscription Receipt Agent

hereunder without any further act on its part or on the part of any party hereto if such corporation would be eligible for appointment as a new subscription receipt agent under Section 12.8(e).

- (h) Certificates: A Subscription Receipt Certificate certified but not delivered by a predecessor Subscription Receipt Agent may be delivered by the new or successor subscription receipt agent in the name of the predecessor Subscription Receipt Agent or new or successor subscription receipt agent. In case at any time any of the Subscription Receipt Certificates have not been countersigned, a Subscription Receipt Certificate may be countersigned either in the name of the predecessor Subscription Receipt Agent or new or successor subscription receipt agent, and in all such cases such Subscription Receipt Certificates will have the full force provided in the Subscription Receipt Certificates and in this Agreement.

12.9 Conflict of Interest

The Subscription Receipt Agent represents to the Company and the Underwriters that at the time of execution and delivery hereof no material conflict of interest exists between its role as a subscription receipt agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its appointment as subscription receipt agent hereunder to a successor subscription receipt agent approved by the Company and meeting the requirements set forth in Section 12.8(e). Notwithstanding the foregoing provisions of this Section 12.9, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and any Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.

12.10 Acceptance of Duties and Obligations

The Subscription Receipt Agent hereby accepts the duties and obligations in this Agreement declared and provided for and agrees to perform them on the terms and conditions herein set forth. The Subscription Receipt Agent accepts the duties and responsibilities under this Agreement solely as custodian, bailee and agent. No trust is intended to be or will be created hereby and the Subscription Receipt Agent shall owe no duties hereunder as a trustee.

ARTICLE 13 GENERAL

13.1 Notice to the Company, the Subscription Receipt Agent and the Underwriters

- (a) Company: Unless herein otherwise expressly provided, a notice to be given hereunder to the Company, the Subscription Receipt Agent or the Underwriters will be validly given if delivered personally, if sent by registered letter, postage prepaid, or if sent by e-mail transmission:

- (i) if to the Company:

Treasury Metals Inc.
130 King Street West, Suite 3680, P.O. Box 99
Toronto, Ontario M5X 1B1

Attention: Greg Ferron, Chief Executive Officer
E-mail: [CONFIDENTIAL INFORMATION – REDACTED]

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

McMillan LLP
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Attention: Raj Dewan
E-mail: [CONFIDENTIAL INFORMATION – REDACTED]

(ii) if to the Subscription Receipt Agent:

TSX Trust Company
301-100 Adelaide Street W.
Toronto, ON M5H 4H1

Attention: Vice President, Trust Services
E-mail: [CONFIDENTIAL INFORMATION – REDACTED]

(iii) if to the Underwriters:

Haywood Securities Inc.
Waterfront Centre
200 Burrard Street, Suite 700
Vancouver, BC V6C 3A6

Attention: Kevin Campbell
E-mail: [CONFIDENTIAL INFORMATION – REDACTED]

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

Miller Thomson LLP
Pacific Centre
725 Granville Street, Suite 400
Vancouver, BC V7Y 1G5

Attention: Lucy Schilling
E-mail: [CONFIDENTIAL INFORMATION – REDACTED]

and any such notice delivered or transmitted in accordance with the foregoing on a Business Day will be deemed to have been received on the date of delivery or e-mail transmission or, if such day is not a Business Day, on the first Business Day following such delivery or transmission, and any such notice sent by registered letter in accordance with the foregoing will be deemed to have been received on the second Business Day following the day of the mailing of the notice.

- (b) Change of Address: Any party hereto may be, may from time to time notify each of the other parties hereto in the manner provided in Section 13.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, will be the address of the Company, the Subscription Receipt Agent or the Underwriters, as the case may be, for all purposes of this Agreement.
- (c) Postal Interruption: If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, a notice to be given to the Company, the Subscription Receipt Agent or the Underwriters hereunder could reasonably be considered unlikely to reach or

likely to be delayed in reaching its destination, the notice will be valid and effective only if it is delivered to an officer of the party to which it is addressed. Any notice delivered in accordance with the foregoing will be deemed to have been received on the date of delivery to such officer.

13.2 Notice to Subscription Receiptholders

- (a) Notice: Unless herein otherwise expressly provided, a notice to be given hereunder to Subscription Receiptholders will be deemed to be validly given if the notice is sent by ordinary surface or air mail, postage prepaid, addressed to the Subscription Receiptholders or delivered (or so mailed to certain Subscription Receiptholders and so delivered to the other Subscription Receiptholders) at their respective addresses appearing on any of the registers of holders described in Section 4.1, provided, however, that if, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, the notice could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is so delivered or is given by publication twice in the Report on Business section in the national edition of The Globe and Mail.
- (b) Date of Notice: A notice so given by mail or so delivered will be deemed to have been given on the third Business Day after it has been mailed or on the day on which it has been delivered, as the case may be, and a notice so given by publication will be deemed to have been given on the day on which it has been published as required. In determining under any provision hereof the date when notice of a meeting or other event must be given, the date of giving notice will be included and the date of the meeting or other event will be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any Subscription Receiptholder will not invalidate any action or proceeding founded thereon.

13.3 Satisfaction and Discharge of Agreement

Upon the earlier of: (i) the issuance of the Unit Shares and Warrants required to be issued on the Conversion Date in compliance with the provisions hereof, and delivery by the Subscription Receipt Agent of the Escrowed Funds as provided for in Section 7.3, upon satisfaction of the Escrow Release Conditions (at or before the Escrow Release Deadline); and (ii) the payment of all applicable payments to the Subscription Receiptholders as provided for in Section 7.4 upon the Subscription Receiptholders becoming entitled to the amounts set forth in Section 7.4(a) pursuant to Section 7.4(a), this Agreement shall cease to be of further effect and, on demand of and at the cost and expense of the Company and on delivery to the Subscription Receipt Agent of a Certificate of the Company stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with and on payment to the Subscription Receipt Agent of any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 6.2, the Subscription Receipt Agent shall execute proper instruments acknowledging the satisfaction of and discharging of this Agreement.

13.4 Sole Benefit of Parties and Subscription Receiptholders

Nothing in this Agreement or the Subscription Receipt Certificates, expressed or implied, will give or be construed to give to any Person other than the parties hereto and the Subscription Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement or the Subscription Receipt Certificates, 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 Subscription Receiptholders.

13.5 Discretion of Directors

Any matter provided herein to be determined by the Directors will be determined by the Directors in their sole discretion, acting reasonably, and a determination so made will be conclusive.

13.6 Force Majeure

No party hereto shall be liable to the others, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 13.6.

13.7 Privacy Consent

The parties acknowledge that the Subscription Receipt 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 Agreement and other services that may be requested from time to time;
- (b) to help the Subscription Receipt Agent manage its servicing relationships with such individuals;
- (c) to meet the Subscription Receipt Agent's legal and regulatory requirements; and
- (d) if Social Insurance Numbers are collected by the Subscription Receipt 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 Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website or upon request, including revisions thereto.

Further, each party agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

13.8 Electronic Copies

Each of the parties hereto shall be entitled to rely on delivery of a PDF copy of this Agreement and acceptance by each such party of any such PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

13.9 Counterparts and Formal Date

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

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

TREASURY METALS INC.

By: "Greg Ferron"
Name: Greg Ferron
Title: Chief Executive Officer

TSX TRUST COMPANY

By: "Janet Shodipo"
Name: Janet Shodipo
Title: Corporate Trust Officer

By: "Donald Crawford"
Name: Donald Crawford
Title: Senior Trust Officer

HAYWOOD SECURITIES INC.

By: "Kevin Campbell"
Name: Kevin Campbell
Title: Managing Director, Investment Banking

Schedule "A"

FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE NOVEMBER 8, 2020.

If applicable under the rules of the TSX, the following additional legend:

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

For all Subscription Receipts registered in the name of the CDS, the following additional legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO TREASURY METALS 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 SUCH OTHER NAME AS IS 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.

For all Subscription Receipts issued to U.S. Subscription Receiptholders, also include the following legend:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE IN EXCHANGE THEREFOR HAVE NOT BEEN 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. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

TREASURY METALS INC.
(a corporation existing under the laws of the Province of Ontario)

THIS IS TO CERTIFY THAT, for value received, ● (the “**holder**”) is the registered holder of the number of subscription receipts (“**Subscription Receipts**”) specified above of Treasury Metals Inc. (the “**Company**”) and is thereby entitled, without payment of any additional consideration, to be issued, on the Conversion Date (as defined in the Subscription Receipt Agreement hereinafter referred to) one Unit of the Company in respect of each Subscription Receipt held.

This Subscription Receipt Certificate represents Subscription Receipts of the Company issued under the provisions of a subscription receipt agreement (which agreement, together with all amendments and instruments supplemental or ancillary thereto, is herein referred to as the “**Subscription Receipt Agreement**”) dated as of July 7, 2020, among the Company, TSX Trust Company (the “**Subscription Receipt Agent**”) and Haywood Securities Inc., on its own behalf and on behalf of PI Financial Corp., Sprott Capital Partners LP and Canaccord Genuity Corp. (collectively, the “**Underwriters**”). Reference is hereby made for particulars of the rights of the holders of the Subscription Receipts, the Company, the Underwriters and the Subscription Receipt Agent in respect thereof and of the terms and conditions upon which the Subscription Receipts are issued and held, all to the same effect as if the provisions of the Subscription Receipt Agreement were herein set forth in full, and to all of which the holder, by acceptance hereof, assents. In the event of a conflict between the provisions of this Subscription Receipt Certificate and the Subscription Receipt Agreement, the terms of the Subscription Receipt Agreement shall govern. The Company will furnish to the holder, on request, a copy of the Subscription Receipt Agreement.

All capitalized terms used but not defined in this Subscription Receipt Certificate shall have the meaning ascribed thereto in the Subscription Receipt Agreement.

On the Conversion Date, the Subscription Receipts represented by this Subscription Receipt Certificate will be automatically converted by the Subscription Receipt Agent into Units for and on behalf of the holder on the Conversion Date and the holder will be a holder of the Unit Shares and Warrants issuable on the conversion of such Subscription Receipts without the taking of any further action by the holder, including the surrender of this Subscription Receipt Certificate and the payment of additional consideration. For greater certainty, the Subscription Receipts represented by this certificate may not be converted by the holder and may only be converted pursuant to the foregoing automatic conversion.

The sale of the Subscription Receipts is being completed in connection with the Transaction.

Upon receipt of the Escrow Release Notice, the Subscription Receipt Agent will release the Escrowed Funds in accordance with the terms of Subscription Receipt Agreement.

In the event that a Termination Event occurs, the Subscription Receipts represented by this Subscription Receipt Certificate shall, without any action on the part of the holders thereof (including the surrender of this Subscription Receipt Certificate), be terminated and cancelled by the Subscription Receipt Agent as of the Termination Time and holders of Subscription Receipts shall thereafter have no rights hereunder except to receive the greater of (i) the aggregate Offering Price for their Subscription Receipts, and (ii) their pro rata share of the Escrowed Funds, less applicable withholding taxes, if any, in accordance with the Subscription Receipt Agreement.

THE HOLDER OF THIS SUBSCRIPTION RECEIPT CERTIFICATE IS CAUTIONED THAT IN THE EVENT THAT THE SUBSCRIPTION RECEIPTS ARE DEEMED TO BE CANCELLED, A

CHEQUE WILL BE MAILED OR DELIVERED TO THE LATEST ADDRESS OF RECORD OF THE REGISTERED HOLDER.

On and after the date of conversion of the Subscription Receipts represented by this Subscription Receipt Certificate, the holder will have no rights hereunder except to the Unit Shares and Warrants issued to such holder.

The Subscription Receipts evidenced by this Subscription Receipt Certificate, the Unit Shares and Warrants issuable upon conversion of the Subscription Receipts, and the Warrant Shares issuable upon exercise of the Warrants, have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or under the securities laws of any state of the United States. All or any portion of this Subscription Receipt Certificate may not be offered, sold or pledged or otherwise transferred in the United States or by a person in the United States or a U.S. person except in limited circumstances contemplated in the Subscription Receipt Agreement. “**United States**” and “**U.S. person**” are as defined in Regulation S under the U.S. Securities Act.

No Unit Shares and Warrants will be issued pursuant to the conversion of any Subscription Receipt if the issue of such security would constitute a violation of the securities laws of any applicable jurisdiction.

The Subscription Receipt Agreement contains provisions making binding on all holders of Subscription Receipts outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by holders of a specified majority of all outstanding Subscription Receipts.

The Subscription Receipts represented by this Subscription Receipt Certificate are transferrable.

The holding of this Subscription Receipt Certificate will not constitute the holder a shareholder of the Company or entitle such holder to any right or interest in respect thereof except as otherwise provided in the Subscription Receipt Agreement.

This Subscription Receipt Certificate will not be valid for any purpose until it has been Authenticated by or on behalf of the Subscription Receipt Agent for the time being under the Subscription Receipt Agreement.

Time is of the essence hereof.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the Company has caused this Subscription Receipt Certificate to be signed by its officers or other individuals duly authorized in that behalf as of the _____ day of _____, 2020.

TREASURY METALS INC.

By: _____
Authorized Signatory

This Subscription Receipt Certificate is one of the Subscription Receipt Certificates referred to in the Subscription Receipt Agreement.

Countersigned this _____ day of _____, 2020.

TSX TRUST COMPANY

By: _____
Authorized Signatory

FORM OF TRANSFER

TO: TSX Trust Company
 Attn: Stock Transfer

AND TO: Treasury Metals Inc.

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

(Transferee)

(Address)

_____ of the Subscription Receipts registered in the name of the undersigned transferor represented by the Subscription Receipt Certificate and hereby irrevocably constitutes and appoints _____ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Subscription Receipts.

In the case of a Subscription Receipt Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one only of the following must be checked):

- (A) the transfer is being made only to Treasury Metals Inc. (the “**Company**”);
- (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and in compliance with any applicable local securities laws and regulations and the holder has provided herewith a declaration in substantially the form attached as Schedule D to the Subscription Receipt Agreement or in such form as the Company may reasonably prescribe from time to time, or
- (C) the transfer is being made within the United States or to, or for the account or benefit of, a U.S. person or a person in the United States, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and the undersigned has furnished to the Company and the Subscription Receipt Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company to such effect.

In the case of a Subscription Receipt Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of, a U.S. person or a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Subscription Receipts is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Company and the Subscription Receipt Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company to such effect.

If transfer is to, or for the account or benefit of, a U.S. person or a person in the United States, check this box.

In the event this transfer of the Subscription Receipts represented by this Subscription Receipt Certificate is to, or for the account or benefit of, a U.S. person or a person in the United States, the undersigned acknowledges and agrees that the Subscription Receipt Certificate(s) representing such Subscription Receipts issued in the name of the transferee will be endorsed with the legend required by Section 2.10(a) of the Subscription Receipt Agreement.

“United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.

Subscription Receipts shall only be transferable in accordance with the Subscription Receipt Agreement and all applicable laws.

DATED this _____ day of _____, 2020.

Signature of Subscription Receipt Holder
(Transferor)

Signature Guarantee

Print name

Address

NOTES:

1. The signature to this transfer must correspond with the name as recorded on the Subscription Receipts in every particular without alteration or enlargement or any change whatsoever. The signature of the person executing this transfer must be guaranteed by a participating Schedule I Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program.
2. Subscription Receipts shall only be transferable in accordance with the Subscription Receipt Agreement among Treasury Metals Inc., TSX Trust Company and Haywood Securities Inc., on its own behalf and on behalf of PI Financial Corp., Sprott Capital Partners LP and Canaccord Genuity Corp. dated as of July 7, 2020, Applicable Legislation and the rules and policies of any applicable stock exchange.

Schedule "B"

ESCROW RELEASE NOTICE

TO: TSX TRUST COMPANY

Reference is made to the subscription receipt agreement dated as of July 7, 2020 (the "**Subscription Receipt Agreement**") between Treasury Metals Inc. (the "**Company**"), TSX Trust Company (the "**Subscription Receipt Agent**") and Haywood Securities Inc. (the "**Lead Underwriter**"), on its own behalf and on behalf of PI Financial Corp., Sprott Capital Partners LP and Canaccord Genuity Corp. (together with the Lead Underwriter, the "**Underwriters**"). Unless otherwise defined herein, words and terms with the letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement. The Company confirms that it has not committed any breach of the Underwriting Agreement that has not been cured within 5 days of the Company's receipt of written notice from the Lead Underwriter, on behalf of the Underwriters, specifying in reasonable detail the nature of such breach.

The Subscription Receipt Agent is hereby notified that the Escrow Release Conditions have been satisfied in full in accordance with the Subscription Receipt Agreement, and, accordingly, the Subscription Receipt Agent is hereby irrevocably directed and authorized to, in accordance with Section 7.3 of the Subscription Receipt Agreement, release on the Release Date to:

- (i) The Lead Underwriter (on behalf of the Underwriters) \$●, representing the Balance of the Underwriters' Commission and the unpaid Underwriters' Expenses, by means of a wire transfer of immediately available funds to the bank account[s] indicated in the attached schedule; and
- (ii) the Company \$●, representing the balance of the Escrowed Funds less \$●, being the remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under Section 6.2 of the Subscription Receipt Agreement, by means of a wire transfer of immediately available funds to the bank account[s] indicated in the attached schedule

This Escrow Release Notice may be delivered by PDF via e-mail, is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

DATED this ____ day of _____, 2020.

TREASURY METALS INC.

By: _____

Name: ●

Title: ●

HAYWOOD SECURITIES INC.

By: _____

Name: ●

Title: ●

Schedule "C"
Form of Warrant Indenture

See attached.

TREASURY METALS INC.

- and -

TSX TRUST COMPANY

COMMON SHARE PURCHASE WARRANT INDENTURE

Providing for the Issue of
up to 5,866,666 Common Share Purchase Warrants

August [●], 2020

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THIS WARRANT INDENTURE dated as of August [●], 2020 (the “**Conversion Date**”)

B E T W E N:

TREASURY METALS INC.

a corporation incorporated under the laws of Ontario

(hereinafter called the “**Company**”)

A N D

TSX TRUST COMPANY

a trust company continued under the laws of Canada and registered to carry on business in the Province of Ontario

(hereinafter called the “**Warrant Agent**”)

RECITALS

WHEREAS:

- A. On July 7, 2020, the Company completed a private placement offering on a “bought deal” basis (the “**Offering**”) of 32,000,000 subscription receipts (each a “**Subscription Receipt**”) at a price of \$0.36 per Subscription Receipt. Each Subscription Receipt entitled the holder thereof to receive, in accordance with its terms, without payment of additional consideration or further action on the part of the holder, one unit of the Company (each, a “**Pre-Consolidation Unit**”) subject to adjustment pursuant to the Consolidation (as defined below) on the Conversion Date, with each Pre-Consolidation Unit being comprised of one common share in the capital of the Company (a “**Pre-Consolidation Common Share**”) and one-half of one transferable warrant (each whole such warrant, a “**Pre-Consolidation Warrant**”). Each Pre-Consolidation Warrant entitles the holder thereof to acquire one Pre-Consolidation Common Share (a “**Pre-Consolidation Warrant Share**”) at an exercise price of \$0.60 for a period of 24 months from the Conversion Date;
- B. The Company has agreed to use commercially reasonable efforts to obtain a receipt from the Ontario Securities Commission (“**OSC**”), as principal regulator on behalf of the securities regulatory authorities in each of the Canadian Offering Jurisdictions (as defined herein) for a final short form prospectus (the “**Qualifying Prospectus**”) qualifying the distribution of the Common Shares and Warrants issuable upon conversion of the Subscription Receipts;
- C. If the Company has not received a receipt for a Qualifying Prospectus from the OSC prior to the Penalty Time (as defined herein), each unconverted Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration or further action on the part of the Subscriber, one penalty unit, comprised of 1.1 Pre-Consolidation Common Shares and 0.55 Pre-Consolidation Warrants, on the Conversion Date;

- D. On [●], 2020, the Company completed a consolidation of its common shares on a 3 for 1 basis (the “**Consolidation**”). As a result of the Consolidation, the Subscription Receipts were adjusted in accordance with the terms of the Subscription Receipt Agreement such that each Subscription Receipt would entitle the holder thereof to receive, in accordance with its terms, without payment of additional consideration or further action on the part of the holder, one-third of one Pre-Consolidation Unit (each whole such unit, a “**Unit**”), subject to adjustment, on the Conversion Date, with each Unit being comprised of one post-Consolidation common share in the capital of the Company (a “**Common Share**”) and one-half of one transferable warrant (each whole such warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one Common Share (a “**Warrant Share**”) at an exercise price of \$1.80 for a period of 24 months from the Conversion Date;
- E. For such purpose the Company deems it necessary to create and issue Warrants and Warrant Certificates to be constituted and issued in the manner hereinafter set forth;
- F. The Company is duly authorized to create and issue the Warrants to be issued as set out herein upon conversion of the Subscription Receipts in accordance with the Subscription Receipt Agreement (as defined herein);
- G. All things necessary have been done and performed to make the Warrants, when Authenticated (as defined herein) or certified by the Warrant Agent and issued as provided in this Indenture, a legal, valid and a binding obligation of the Company subject to the terms of this Indenture;
- H. The foregoing recitals are made as statements of fact by the Company and not by the Warrant Agent; and
- I. 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 become holders of Warrants issued pursuant to this Indenture from time to time;

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Indenture, unless there is something in the subject matter or context inconsistent therewith:

“**Acceleration Event**” means, if at any time before the Time of Expiry, the closing trading price of the Common Shares equals or exceeds \$3.00 for a period of twenty consecutive trading days;

“Acceleration Notice” means the notice of acceleration deliverable by the Company to the Warrant Agent and the Warrantheolders upon the Company’s exercise of the Acceleration Right, which notice of acceleration shall be delivered to the Warrant Agent and the Warrantheolders in accordance with Article 9 herein and via a news release disseminated through a newswire service and filed on SEDAR, and which notice shall provide details regarding the acceleration of the Time of Expiry;

“Acceleration Right” means, the right of the Company to accelerate the Time of Expiry to a date that not less than 30 calendar days following delivery of the Acceleration Notice, which right may be exercised by the Company by delivery of an Acceleration Notice within 10 days of the occurrence of an Acceleration Event;

“Accredited Investor” means an “accredited investor” as defined in Rule 501(a) of Regulation D;

“Applicable Legislation” means the provisions of the statutes of Canada and its provinces and the regulations under those statutes relating to warrant indentures and/or the rights, duties or obligations of issuers and warrant agents under warrant indentures as are from time to time in force and applicable to this Indenture;

“Authenticated” means 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 are entered in the register of Warrantheolders, and **“Authenticate”**, **“Authenticating”** and **“Authentication”** have the appropriate correlative meanings;

“Beneficial Owner” means a person that has a beneficial interest in a Warrant;

“Book-Based System” means the book-based securities system administered by CDS in accordance with its operating rules and procedures in force from time to time;

“Business Day” means a day that is not a Saturday, Sunday, or a day on which banks are closed or which is a civic or statutory holiday in the City of Toronto, Ontario;

“Canadian Offering Jurisdictions” means each of the provinces of Canada, except Québec;

“Capital Reorganization” has the meaning ascribed to that term in subsection 2.16(4);

“CDS” means CDS Clearing and Depository Services Inc. and its successors in interest;

“CDS Participant” means a person recognized by CDS as a participant;

“Common Shares” means the common shares in the capital of the Company;

“Common Share Reorganization” has the meaning ascribed to that term in subsection 2.16(1);

“Company” means Treasury Metals Inc., a corporation incorporated under the laws of Ontario, and its lawful successors from time to time;

“**Company’s Auditors**” means the chartered (professional) accountant or firm of chartered (professional) accountants duly appointed as auditor or auditors of the Company from time to time;

“**Confirmation**” means that CDS shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants in a manner acceptable to the Warrant Agent, including by electronic means through the Book-Based System;

“**Conversion Date**” means [●], 2020 the effective date of this Indenture and the date on which the Subscription Receipts were converted into Common Shares and Warrants in accordance with the Subscription Receipt Agreement;

“**counsel**” means a barrister and solicitor or lawyer or a firm of barristers and solicitors or lawyers (who may be counsel to the Company), in both cases acceptable to the Warrant Agent;

“**Current Market Price**” means, at any date, the volume weighted average price per share at which the Common Shares have traded:

- (i) on the TSX;
- (ii) if the Common Shares are not listed on the TSX, on any stock exchange upon which the Common Shares are listed as may be selected for this purpose by the board of directors of the Company, acting reasonably; or
- (iii) if the Common Shares are not listed on any stock exchange, on any over-the-counter market on which the Common Shares are trading, as may be selected for this purpose by the board of directors of the Company, acting reasonably;

during the 10 consecutive trading days (on each of which at least 100 Common Shares are traded in board lots) ending the third trading day before such date and the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold in board lots on the exchange or market, as the case may be, during the 10 consecutive trading days by the number of Common Shares sold or, if not traded on any recognized exchange or market, as determined by the directors of the Company, acting reasonably;

“**director**” means a member of the board of directors of the Company for the time being, and unless otherwise specified herein, reference to “**action by the board of directors**” means action by the board of directors of the Company as a board or, whenever duly empowered, action by a committee of the board;

“**Exchange Basis**” means, at any time, the number of Warrant Shares or other classes of shares or securities which a Warrantholder is entitled to receive upon the exercise of the rights attached to the Warrants pursuant to the terms of this Indenture, as the number may be adjusted pursuant to Section 2.16 hereof, such number being equal to one Warrant Share per Warrant as of the date hereof;

“**Exercise Date**” with respect to any Warrant means the date on which such Warrant is duly surrendered for exercise in accordance with the provisions of Article 3 hereof;

“**Exercise Price**” means \$1.80 for each Warrant Share, subject to adjustment in accordance with the provisions of this Indenture;

“**extraordinary resolution**” has the meaning ascribed to that term in Sections 6.11 and 6.14;

“**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;

“**NCI**” has the meaning ascribed to that term in subsection 2.15(1);

“**Offering**” the private placement offering, on a “bought deal” basis by the Company of an aggregate of 32,000,000 Subscription Receipts;

“**Original QIB Purchaser**” means a U.S. Warrantholder that purchased Subscription Receipts pursuant to the Offering on the basis that it is a Qualified Institutional Buyer, and has executed and delivered a U.S. QIB Letter;

“**OSC**” has the meaning ascribed to such term in the recitals of this Indenture;

“**Penalty Time**” means 5:00 p.m. (Toronto time) on August 18, 2020;

“**person**” means an individual, a corporation, a partnership, a syndicate, a trustee or any unincorporated organization and words importing persons that are intended to have a similarly extended meaning;

“**Qualifying Prospectus**” has the meaning ascribed to that term in the recitals of this Indenture;

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” as defined in Rule 144A;

“**Regulation D**” means Regulation D as promulgated under the U.S. Securities Act;

“**Regulation S**” means Regulation S as promulgated under the U.S. Securities Act;

“**Rights Offering**” has the meaning ascribed to that term in subsection 2.16(2);

“**Rights Offering Price**” has the meaning ascribed to that term in subsection 2.17(8);

“**Rule 144A**” means Rule 144A as promulgated under the U.S. Securities Act;

“**Securities Laws**” means, collectively, the applicable securities laws of each of the Canadian Offering Jurisdictions, the United States and each of the states of the United States, as applicable, and the respective regulations made and forms prescribed thereunder together with all applicable published rules, policy statements, notices and blanket orders and rulings of the securities commissions or similar regulatory authorities in each of the Canadian Offering Jurisdictions;

“**shareholder**” means an owner of record of one or more Common Shares or shares of any other class or series of the Company;

“**Special Distribution**” has the meaning ascribed to that term in subsection 2.16(3);

“**Subscription Receipt Agreement**” means the subscription receipt agreement, dated July 7, 2020, among the Company, the Subscription Receipt Agent and Haywood Securities Inc.;

“**Subscription Receipt**” has the meaning ascribed to such term in the recitals of this Indenture;

“**Subscription Receipt Agent**” means TSX Trust Company;

“**Subsidiary**” means a corporation, a majority of the outstanding voting shares of which are owned, directly or indirectly, by the Company or by one or more subsidiaries of the Company and, as used in this definition, “**voting shares**” means shares of a class or classes ordinarily entitled to vote for the election of the majority of the directors of a corporation irrespective of whether or not shares of any other class or classes shall have or might have the right to vote for directors by reason of the happening of any contingency;

“**successor company**” has the meaning ascribed to that term in Section 7.2;

“**this Indenture**”, “**herein**”, “**hereby**” and similar expressions mean or refer to this common share purchase warrant indenture and any indenture, deed or instrument supplemental or ancillary hereto; and the expressions “**Article**”, “**section**”, “**subsection**” or “**paragraph**” followed by a number or letter mean and refer to the specified Article, section, subsection or paragraph of this Indenture;

“**Time of Expiry**” means 4:30 p.m. (Toronto time) on the earlier of: (i) [●], 2022, being 24 months following the Conversion Date; and (ii) the date determined by the Company in connection with the delivery of an Acceleration Notice pursuant to the Acceleration Right;

“**trading day**” means a day on which the TSX (or such other exchange on which the Common Shares are listed and which forms the primary trading market for such shares) is open for trading, and if the Common Shares are not listed on a stock exchange, a day on which an over-the-counter market where such shares are traded is open for business;

“**transaction instruction**” means a written order signed by the holder or CDS, entitled to request that one or more actions be taken, or such other form as may be reasonably acceptable to the Warrant Agent, requesting one or more such actions to be taken in respect of an Uncertificated Warrant;

“**Transfer Agent**” means the transfer agent or agents for the time being for the Common Shares;

“**TSX**” means the Toronto Stock Exchange;

“**Unit**” has the meaning ascribed to such term in the recitals of this Indenture;

“**Uncertificated Warrant**” means any Warrant which is issued under the Book-Based System;

“United States” means the United States of America, its territories and possessions, any state of the United States, or any political subdivision thereof, and the District of Columbia;

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended;

“U.S. Person” means a U.S. person as that term is defined in Rule 902(k) of Regulation S;

“U.S. Purchaser Letter” means U.S. Purchaser letter in substantially the form attached hereto as Schedule “B”;

“U.S. QIB Letter” means a Qualified Institutional Buyer letter executed by an Original QIB Purchaser in connection with its purchase of Subscription Receipts pursuant to the Offering, and which contained “restricted security agreements” regarding the issuance without U.S. restrictive legends of the Common Shares and Warrants underlying the Units, and any Warrant Shares;

“U.S. Securities Act” means the United States Securities Act of 1933, as amended;

“U.S. Warrantholder” means any Warrantholder that (a) is a U.S. Person, or (b) acquired Warrants (i) in the United States or (ii) for the account or benefit of a U.S. Person or a person in the United States;

“Warrant Agent” means TSX Trust Company, a trust company existing under the laws of Canada, or any lawful successor thereto including through the operation of Section 8.8;

“Warrant Certificates” means the certificates representing Warrants substantially in the form attached as Schedule A hereto or such other form as may be approved by the Company and the Warrant Agent;

“Warrant Shares” means the Common Shares or other securities or property issuable upon the exercise of the Warrants as a result of any adjustment to the subscription rights pursuant to Section 2.16 hereof;

“Warrantholders” or **“holders”** means the persons whose names are entered for the time being in the register maintained pursuant to Section 2.10;

“Warrantholders’ Request” means an instrument, signed in one or more counterparts by Warrantholders representing, in the aggregate, at least 25% of the aggregate number of Warrants then outstanding, which requests the Warrant Agent to take some action or proceeding specified therein;

“Warrants” means the Common Share purchase warrants of the Company issued and Authenticated hereunder as Uncertificated Warrants or to be issued and countersigned in the form of Warrant Certificates, in either case, entitling the holders thereof to purchase Warrant Shares on the basis of one Warrant Share for each whole Warrant upon payment of the Exercise Price at any time prior to the Time of Expiry; provided that in each case the number and/or class of shares or securities receivable on the exercise of the Warrants may be subject to increase or decrease or change in accordance with the terms and provisions hereof; and

“written direction of the Company”, “written request of the Company”, “written consent of the Company” and “certificate of the Company” and any other document required to be signed by the Company, means, respectively, a written direction, request, consent, certificate or other document signed in the name of the Company by any executive officer or director and may consist of one or more instruments so executed.

1.2 Words Importing the Singular

Unless elsewhere otherwise expressly provided, or unless the context otherwise requires, words importing the singular include the plural and *vice versa* and words importing the masculine gender include the feminine and neuter genders.

1.3 Interpretation not Affected by Headings

The division of this Indenture into Articles, sections, subsections and paragraphs, 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.

1.4 Day not a Business Day

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

1.5 Time of the Essence

Time shall be of the essence in all respects of this Indenture and the Warrants issued hereunder.

1.6 Governing Law

This Indenture and the Warrants issued hereunder shall be construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as Ontario contracts.

1.7 Meaning of “outstanding” for Certain Purposes

Every Warrant Authenticated or certified by the Warrant Agent hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Warrant Agent for cancellation, exercised pursuant to Section 3.1 or until the Time of Expiry; provided that where a new Warrant Certificate has been issued pursuant to Section 2.6 hereof to replace one which is lost, mutilated, stolen or destroyed, the Warrants represented by only one of such Warrant Certificates shall be counted for the purpose of determining the aggregate number of Warrants outstanding.

1.8 Currency

Unless otherwise stated, all dollar amounts referred to in this Indenture are in Canadian dollars.

1.9 Termination

This Indenture shall continue in full force and effect until the earlier of: (a) the Time of Expiry; and (b) the date that no Warrants are outstanding hereunder; provided that this Indenture shall continue in effect thereafter, if applicable, until the Company and the Warrant Agent have fulfilled all of their respective obligations under this Indenture.

**ARTICLE 2
ISSUE OF WARRANTS**

2.1 Issue of Warrants

Up to a maximum of 5,866,666 Warrants are hereby created and authorized to be issued hereunder entitling the registered holders thereof to acquire an aggregate of 5,866,666 Warrant Shares (subject to adjustment in accordance with Section 2.16) at the Exercise Price upon the terms and conditions herein set forth. Uncertificated Warrants shall be Authenticated by the Warrant Agent and deposited in CDS and Warrant Certificates evidencing the Warrants, if any, shall be executed by the Company, certified by or on behalf of the Warrant Agent and delivered by the Warrant Agent, as applicable, in accordance with a written direction of the Company, all in accordance with sections 2.3 and 2.4. Subject to adjustment in accordance with the provisions of this Indenture, each of the Warrants issued hereunder shall entitle the holder thereof to receive from the Company, at the Exercise Price, the number of Warrant Shares equal to the Exchange Basis in effect on the Exercise Date.

2.2 Form and Terms of Warrants

(1) The Warrants may be issued in either certificated or uncertificated form.

(2) All Warrants issued in certificated form shall be evidenced by a Warrant Certificate substantially in the form attached as Schedule A hereto and dated as of the date of issue, subject to the provisions of this Indenture, with such additions, variations and changes as may be required or permitted by the terms of this Indenture, and to give effect to any Warrants not being issued as Uncertificated Warrants, and which may from time to time be agreed upon by the Warrant Agent and the Company, and shall have such distinguishing letters and numbers as the Company may, with the approval of the Warrant Agent, prescribe. Except as hereinafter provided in this Article 2, all Warrants shall, save as to denominations, be of like tenor and effect. The Warrant Certificates may be engraved, printed, lithographed, photocopied or be partially in one form or another, as the Company may determine. No change in the form of the Warrant Certificate shall be required by reason of any adjustment made pursuant to this Article 2 in the number and/or class of securities or type of securities that may be acquired pursuant to the exercise of Warrants.

(3) All Warrants issued, sold or transferred to a U.S. Warrantholder, other than Warrants originally issued to an Original QIB Purchaser, must be in certificated form only, and must bear the applicable legend as set forth in subsection 2.7(4).

(4) Each Warrant authorized to be issued hereunder shall entitle the registered holder thereof to acquire (subject to sections 2.16, 2.17 and 2.18) upon due exercise and upon the transaction instruction or due execution of the exercise form endorsed on the Warrant Certificate, as applicable, or other instrument of exercise in such form as the Warrant Agent and/or the Company may from time to time prescribe and upon payment of the Exercise Price, one Warrant Share or such other kind and amount of shares or securities or property, calculated pursuant to the provisions of sections 2.16 and 2.17, as the case may be, at any time after the date of issuance of such Warrants and prior to the Time of Expiry, in accordance with the provisions of this Indenture.

(5) Fractional Warrants shall not be issued or otherwise provided for and shall be disregarded for all purposes and no cash amount will be payable in lieu thereof. If the exercise of any Warrant would result in a fraction of a Common Share being issued to any person, any such fraction shall be rounded down to the next whole number of Common Shares and no cash amount will be payable in lieu thereof.

(6) At any time prior to the Time of Expiry, upon the occurrence of an Acceleration Event the Company may exercise the Acceleration Right by delivering an Acceleration Notice within ten days of an Acceleration Event whereupon the Warrants will expire on the date specified in the Acceleration Notice which shall be no less than 30 calendar days following delivery of the Acceleration Notice.

2.3 Signing of Warrant Certificates

Warrant Certificates shall be signed by any one of the directors or executive officers of the Company and may, but need not be under the corporate seal of the Company or a reproduction thereof. The signature of any such director or officer may be mechanically reproduced in facsimile or other electronic format and Warrant Certificates bearing such facsimile or other electronic format signatures shall be binding upon the Company as if they had been manually signed by such director or officer. Notwithstanding that the person whose manual or electronic signature appears on any Warrant Certificate as a director or executive officer may no longer hold office at the date of issue of the Warrant Certificate or at the date of certification or delivery thereof, any Warrant Certificate signed as aforesaid shall, subject to Section 2.4, be valid and binding upon the Company and the registered holder thereof will be entitled to the benefits of this Indenture.

2.4 Authentication or Certification by the Warrant Agent

(1) No Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the registered holder to the benefit hereof or thereof until it has been certified by manual signature by or on behalf of the Warrant Agent and such certification by the Warrant Agent shall be conclusive evidence as against the Company that the Warrant so certified has been duly issued hereunder, is a valid and binding obligation of the Company and the holder is entitled to the benefits hereof.

(2) No Uncertificated Warrant shall be issued or, if issued, shall be valid for any purposes or entitle the holder to the benefits hereof and thereof until it has been Authenticated by the Warrant Agent and such Authentication shall be conclusive evidence as against the Company that the Uncertificated Warrant has been duly issued hereunder, is a valid and binding obligation of the Company and that the holder is entitled to the benefits hereof and thereof. 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.

(3) The certification of the Warrant Agent on the Warrant Certificates issued hereunder, or the Authentication of the Warrant Agent of the Uncertificated Warrants made hereunder, as applicable, shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or the Warrant Certificates (except the due certification thereof) or the Uncertificated Warrants (except the due Authentication thereof) as applicable, and the Warrant Agent shall in no respect be liable or answerable for or as to the performance by the Company of its obligations under this Indenture, the use made of the Warrant Certificates or Uncertificated Warrants, as applicable, or any of them or of the consideration therefor except as otherwise specified herein.

2.5 Warrantholder not a Shareholder, etc.

Nothing in this Indenture or the holding of a Warrant shall be construed as conferring upon a Warrantholder any right or interest whatsoever as a shareholder, including but not limited to the right to vote at, to receive notice of, or to attend meetings of shareholders or any other proceedings of the Company, nor entitle the holder to any right or interest in respect thereof except as herein and in the Warrants expressly provided.

2.6 Issue in Substitution for Lost Warrant Certificates

(1) If any Warrant Certificates issued and certified under this Indenture shall become mutilated or be lost, destroyed or stolen, the Company, subject to applicable law, and subsection 2.6(2), shall issue and thereupon the Warrant Agent shall certify and deliver a new Warrant Certificate of like denomination, date and tenor as the one mutilated, lost, destroyed or stolen in exchange for, 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 substituted Warrant Certificate shall be substantially in the form set out in Schedule A hereto and Warrants evidenced by it will entitle the holder thereof to the benefits hereof and shall rank equally in accordance with its terms with all other Warrant Certificates issued or to be issued hereunder.

(2) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.6 shall bear the reasonable cost of the issue thereof and in the case of mutilation shall, as a condition precedent to the issue thereof, deliver to the Warrant Agent the mutilated Warrant Certificate, and in the case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company 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 Company and to the Warrant Agent in their sole discretion and such applicant may be required to furnish an indemnity and surety bond in amount and form satisfactory to the Company and the

Warrant Agent in their sole discretion and shall pay the reasonable charges of the Company and the Warrant Agent in connection therewith.

2.7 Legends

(1) For all Warrants, the following legend shall be included:

“SUBJECT TO THE COMPANY’S ACCELERATION RIGHT, THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 4:30 P.M. (TORONTO TIME) ON [●], 2022 [**24 MONTHS FROM THE CONVERSION DATE**], AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.”

(2) For all Warrants registered in the name of CDS, the following legend shall be included:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITARY SERVICES INC. (“CDS”) TO TREASURY METALS INC. 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 SUCH OTHER NAME AS IS 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.”

(3) Neither the Warrants nor the Warrant Shares issuable upon exercise of the Warrants have been or will be registered under the U.S. Securities Act or under any United States state securities laws, and may not be offered, sold or otherwise disposed of in the United States, or to or for the account or benefit of a U.S. Person or a person in the United States, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available. Warrants and, if applicable, Warrant Shares issued to, or for the account or benefit of, a U.S. Warrantholder other than an Original QIB Purchaser (and any certificates issued in replacement thereof or in substitution therefor) must be issued only in certificated form, subject to the requirements of Section 3.5. Any certificates representing Warrants issued to a U.S. Warrantholder other than an Original QIB Purchaser, and, if applicable, any certificates representing Warrant Shares issued on exercise of Warrants issued to a U.S. Warrantholder other than an Original QIB Purchaser, and any certificates issued in replacement thereof or in substitution therefor, shall, until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws, bear legends in substantially the following form or such variations thereof as the Company may prescribe from time to time:

“THE SECURITIES REPRESENTED HEREBY [for Warrants add: AND THE SECURITIES DELIVERABLE UPON THE EXERCISE THEREOF] HAVE NOT BEEN 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. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. [for Warrant Shares add: 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.]”;

provided that, if the Warrants or, if applicable, the Warrant Shares are being sold outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and if the Company is a "foreign issuer" within the meaning of Regulation S at the time of issuance of such securities, this legend may be removed by the transferor providing a declaration, in substantially the form attached hereto as Schedule C (or such other form as the Company may reasonably prescribe), to the Warrant Agent or, if applicable, the transfer agent for the Company's Common Shares and if required by the Company, an opinion of counsel, of recognised standing reasonably satisfactory to the Company, that the proposed transfer may be effected without registration under the U.S. Securities Act. The Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

(4) Any certificates representing Warrants issued to a U.S. Warrantholder other than an Original QIB Purchaser, and any certificates issued in replacement thereof or in substitution therefor, shall also bear a legend in substantially the following form:

“THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. “UNITED STATES” AND “U.S. PERSON” ARE AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.”

(5) Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legends

contained in Section 2.7, or with the relevant securities laws or regulations, including, without limitation, Regulation S, and the Warrant Agent shall be entitled to assume that all transfers that are processed in accordance with this Indenture are legal and proper.

2.8 No Fractional Warrant Shares

Under no circumstances shall the Company be obliged to issue any fractional Warrant Shares or any cash or other consideration in lieu thereof upon the exercise of one or more Warrants. To the extent that the holder of one or more Warrants would otherwise have been entitled to receive on the exercise or partial exercise thereof a fraction of a Warrant Share, that holder may exercise that right in respect of the fraction only in combination with another Warrant or Warrants that in the aggregate entitle the holder to purchase a whole number of Warrant Shares; otherwise fractional Warrant Shares shall be rounded down to the nearest whole number of Warrant Shares without compensation therefor.

2.9 Cancellation of Warrants

All Warrants surrendered to the Warrant Agent pursuant to sections 2.6, 2.11(2), 2.13, 2.21 or 3.1 shall be cancelled by the Warrant Agent and the Warrant Agent shall record the cancellation of such Warrants on the register of holders maintained by the Warrant Agent pursuant to subsection 2.11(1). The Warrant Agent shall, if required by the Company, furnish the Company with a certificate identifying the Warrants so cancelled. All Warrants that have been duly cancelled shall be without any further force or effect whatsoever.

2.10 Warrants to Rank *Pari Passu*

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

2.11 Registration and Transfer of Warrants

(1) The Warrant Agent will create and keep at the principal stock transfer offices of the Warrant Agent in the City of Toronto, Ontario:

- (a) a register of holders 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 the Warrant Agent shall be entitled to rely on such register in connection with the exchange, transfer or exercise of any Warrant(s) pursuant to the terms of this Indenture or the terms thereof; and
- (b) a register of transfers in which all transfers of Warrants and the date and other particulars of each such transfer shall be entered.

(2) No transfer of any Warrant will be valid unless entered on the register of transfers referred to in subsection 2.11(1), and, in the case of a Warrant Certificate, upon surrender to the Warrant Agent of the Warrant Certificate evidencing such Warrant, and a duly completed and executed transfer form endorsed on the Warrant Certificate executed by the registered holder or their executors, administrators or other legal representatives or their attorney duly appointed by an

instrument in writing in form and execution satisfactory to the Warrant Agent, if applicable, and, upon compliance with such requirements and such other reasonable requirements as the Warrant Agent may prescribe, such transfer will be recorded on the register of transfers by the Warrant Agent.

(3) In the case of a Warrant Certificate, the transferee of any Warrant will, after surrender to the Warrant Agent of the Warrant Certificate evidencing such Warrant as required by subsection 2.11(2) and upon compliance with all other conditions in respect thereof required by this Indenture or by law, be entitled to be entered on the register of holders referred to in subsection 2.11(1) as the owner of such Warrant free from all equities or rights of set-off or counterclaim between the Company and the transferor or any previous holder of such Warrant, except in respect of equities or rights of which the Company is required to take notice by statute or by order of a court of competent jurisdiction.

(4) The Company will be entitled, and may direct the Warrant Agent, to refuse to recognize any transfer, or enter the name of any transferee, of any Warrant on the registers referred to in subsection 2.11(1), if such transfer would constitute a violation of (a) the Securities Laws of any applicable jurisdiction or the rules, regulations or policies of any regulatory authority having jurisdiction or (b) any restrictive legend on such Warrant. The Warrant Agent is entitled to assume compliance with all applicable Securities Laws unless otherwise notified in writing by the Company. No duty shall rest with the Warrant Agent to determine compliance of the transferee or transferor of any Warrant with applicable Securities Laws.

(5) If a Warrant Certificate tendered for transfer bears the legend set forth in subsection 2.7(3), the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and (A) the transfer is made to the Company or (B) a declaration in such form as the Company may from time to time prescribe, as may be satisfactory to the Company, is delivered to the Warrant Agent, and if required by the Company, the transferor provides an opinion of counsel of recognized standing, reasonably satisfactory to the Company that the transfer is in compliance with applicable state securities laws and the U.S. Securities Act.

2.12 Registers Open for Inspection

The registers referred to in subsection 2.11(1) shall be open at all reasonable times during business hours on a Business Day for inspection by the Company or any Warrantholder. The Warrant Agent shall, from time to time when requested to do so in writing by the Company and upon payment of its reasonable fees, furnish the Company with a list of the names and addresses of holders of Warrants entered in the register of holders kept by the Warrant Agent and showing the number of Warrants held by each such holder.

2.13 Exchange of Warrant Certificates

(1) Warrant Certificates may, upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for Warrant Certificates in any other authorized denomination representing in the aggregate an equal number of Warrants as the number of Warrants represented by the Warrant Certificates being exchanged. The Company shall sign and the Warrant Agent shall

certify, in accordance with sections 2.3 and 2.4, all Warrant Certificates necessary to carry out the exchanges contemplated herein.

(2) Warrant Certificates may be exchanged only at the principal stock transfer offices of the Warrant Agent in the City of Toronto, Ontario or at any other place that is designated by the Company with the approval of the Warrant Agent. Any Warrant Certificates tendered for exchange shall be surrendered to the Warrant Agent and cancelled.

(3) Warrant Certificates exchanged for Warrant Certificates that bear any of the legend(s) set forth in Section 2.7 shall bear the same legend(s).

(4) Except as otherwise herein provided, the Warrant Agent may charge Warrantholders requesting an exchange a reasonable sum for each Warrant Certificate issued; and payment of such charges and reimbursement of the Warrant Agent or the Company for any and all taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange as a condition precedent to such exchange.

2.14 Ownership of Warrants

The Company and the Warrant Agent and their respective agents may deem and treat the registered holder of any Warrant as the absolute owner of the Warrant represented thereby for all purposes and the Company and the Warrant Agent and their respective agents shall not be affected by any notice or knowledge to the contrary except as required by statute or order of a court of competent jurisdiction. The holder of any Warrant shall be entitled to the rights evidenced by that Warrant free from all equities or rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof and all persons may act accordingly and the receipt by any holder of the Warrant Shares or monies obtainable pursuant to the exercise of the Warrant shall be a good discharge to the Company and the Warrant Agent for the same and neither the Company nor the Warrant Agent shall be bound to inquire into the title of any holder.

2.15 Book-Based System Warrants

(1) Except as described above, and except as may be directed by the Company, registration of interests in and transfers of Warrants shall be made only through the Book-Based System. Other than as may be directed by the Company, the Warrants will be evidenced by a non-certificated inventory (“NCI”) deposit through the Book-Based System for an amount representing the aggregate number of such Warrants outstanding from time to time.

(2) Transfers of beneficial ownership in any Warrant represented by an NCI deposit will be effected only (i) with respect to the interest of a CDS Participant, through records maintained by CDS or its nominee for such Warrants, and (ii) with respect to the interest of any person other than a CDS Participant, through records maintained by CDS Participants.

(3) The rights of Beneficial Owners who hold security entitlements in respect of Warrants through the Book-Based System shall be limited to those established by applicable law and agreements between CDS and CDS Participants and between such CDS Participants and Beneficial Owners who hold security entitlements in respect of Warrants through the Book-Based

System and must be exercised through a CDS Participant in accordance with the rules and procedures of CDS.

- (4) If any of the following events occurs:
 - (a) CDS or the Company has notified the Warrant Agent that (A) CDS is unwilling or unable to continue as depository or (B) CDS ceases to be a clearing agency in good standing under applicable laws and, in either case, the Company is unable to locate a qualified successor depository within 90 days of delivery of such notice;
 - (b) the Company has determined, in its sole discretion, to terminate the Book-Based System in respect of such Uncertificated Warrants and has communicated such determination to the Warrant Agent in writing;
 - (c) the Company or CDS is required by applicable law to take the action contemplated in this subsection; or
 - (d) the Book-Based System administered by CDS ceases to exist,

then one or more definitive fully registered Warrant Certificates shall be executed by the Company and certified and delivered by the Warrant Agent to CDS in exchange for the Uncertificated Warrants held by CDS.

Fully registered Warrant Certificates issued and exchanged pursuant to this subsection 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 Uncertificated Warrants so exchanged. Upon exchange of Uncertificated Warrants for one or more Warrant Certificates in definitive form, such Uncertificated Warrants shall be cancelled by the Warrant Agent.

(5) Notwithstanding anything in this Indenture in terms of an NCI deposit, neither the Company nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for:

- (a) the records maintained by CDS relating to any ownership interests or any other interests in the Warrants or the depository 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 NCI deposit (other than CDS or its nominee);
- (b) maintaining, supervising or reviewing any records of CDS or any CDS Participant relating to any such interest; or
- (c) any advice or representation made or given by CDS or those contained in this Indenture 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 CDS Participant.

2.16 Adjustment of Exchange Basis

Subject to Section 2.17, the Exchange Basis shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(1) If and whenever, at any time after the date hereof and prior to the Time of Expiry, the Company shall:

- (i) issue Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Warrant Shares upon exercise of the Warrants or pursuant to the exercise, conversion or exchange of securities of the Company outstanding as of the date hereof), or
- (ii) subdivide, redivide or change its then outstanding Common Shares into a greater number of Common Shares, or
- (iii) reduce, combine or consolidate its then outstanding Common Shares into a lesser number of Common Shares,

(any of such events in these paragraphs (i), (ii) or (iii) being called a “**Common Share Reorganization**”), then the Exchange Basis in effect on the effective date of such subdivision, redivision or change, or reduction, combination or consolidation, or on the record date of such stock dividend or other distribution, as the case may be, shall be adjusted by multiplying the Exchange Basis in effect immediately prior to such effective or record date by a fraction:

- (a) the numerator of which shall be the total number of Common Shares outstanding on such date immediately after giving effect to such Common Share Reorganization (including, in the case where securities exercisable, exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had such securities been exercised, or exchanged for or converted into Common Shares on such record date, assuming in any case where such securities are not then convertible, exercisable or exchangeable but subsequently become so, that they were convertible, exercisable or exchangeable on the record date on the basis upon which they first become convertible, exercisable or exchangeable), and
- (b) the denominator of which shall be the total number of Common Shares outstanding on such date before giving effect to such Common Share Reorganization.

The resulting product, adjusted to the nearest 1/100th, shall thereafter be the Exchange Basis until further adjusted as provided in this Article 2.

Any Common Shares owned by or held for the account of the Company or any of its Subsidiaries or a partnership in which the Company is directly or indirectly a party to will be deemed not to be outstanding for the purpose of any computation. To the extent that any adjustment in the Exchange Basis occurs pursuant to this subsection 2.16(1) as a result of

the fixing by the Company of a record date for the distribution of securities exchangeable or exercisable for or convertible into Common Shares and the Common Share Reorganization does not occur or any conversion, exercise or exchange rights are not fully converted, exercised or exchanged, the Exchange Basis shall be readjusted immediately after the expiry of any relevant exchange or conversion right or the termination of the Common Share Reorganization, as the case may be, to the Exchange Basis that would then be in effect, based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(2) If and whenever, at any time after the date hereof and prior to the Time of Expiry, the Company shall fix a record date for the distribution to all or substantially all of the holders of its outstanding Common Shares of rights, options or warrants entitling them, for a period expiring not less than 21 days and not more than 90 days after such record date, to subscribe for or purchase Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares, at a price per share to the holder (or at an exchange, exercise or conversion price per share) of less than 95% of the Current Market Price on such record date (any of such events being called a “**Rights Offering**”), then the Exchange Basis shall be adjusted effective immediately after such record date for the Rights Offering by multiplying the Exchange Basis in effect immediately prior to such record date by a fraction:

- (a) the numerator of which shall be the number of Common Shares which would be outstanding after giving effect to the Rights Offering (assuming the exercise of all of the rights, options or warrants under the Rights Offering and assuming the exchange, exercise or conversion into Common Shares of all exchangeable, exercisable or convertible securities issued upon exercise of such rights, options or warrants, if any), and
- (b) the denominator of which shall be the aggregate of:
 - (i) the total number of Common Shares outstanding as of the record date for the Rights Offering, and
 - (ii) a number of Common Shares determined by dividing
 - (A) the amount equal to the aggregate consideration payable on the exercise of all of the rights, options and warrants under the Rights Offering plus the aggregate consideration, if any, payable on the exchange, exercise or conversion of the exchangeable or convertible securities issued upon exercise of such rights, options or warrants (assuming the exercise of all rights, options and warrants under the Rights Offering and assuming the exchange or conversion of all exchangeable or convertible securities issued upon exercise of such rights, options and warrants);

by

- (B) the Current Market Price as of the record date for the Rights Offering.

The resulting product, adjusted to the nearest 1/100th, shall thereafter be the Exchange Basis until further adjusted as provided in this Article 2. Any Common Shares owned by or held for the account of the Company or any of its Subsidiaries or a partnership in which the Company is directly or indirectly a party to will be deemed not to be outstanding for the purpose of any computation. If, at the date of expiry of the rights, options or warrants subject to the Rights Offering, less than all the rights, options or warrants have been exercised, then the Exchange Basis shall be readjusted effective immediately after the date of expiry to the Exchange Basis which would have been in effect on the date of expiry if only the rights, options or warrants issued had been those exercised. If at the date of expiry of the rights of exchange, exercise or conversion of any securities issued pursuant to the Rights Offering less than all of such securities have been exchanged or exercised for, or converted into, Common Shares, then the Exchange Basis shall be readjusted effective immediately after the date of expiry to the Exchange Basis which would have been in effect on the date of expiry if only the exchangeable, exercisable or convertible securities issued had been those securities actually exchanged or exercised for or converted into Common Shares.

(3) If and whenever, at any time after the date hereof and prior to the Time of Expiry, the Company shall fix a record date for the issuance or distribution to all or substantially all the holders of its outstanding Common Shares of:

- (i) shares of the Company of any class other than Common Shares; or
- (ii) rights, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares; or
- (iii) evidences of indebtedness; or
- (iv) cash, securities or any property or other assets,

and if such issuance or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a “**Special Distribution**”), the Exchange Basis shall be adjusted effective immediately after the record date for the Special Distribution by multiplying the Exchange Basis in effect on such record date by a fraction:

- (a) the numerator of which shall be the number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, and
- (b) the denominator of which shall be:
 - (A) the product of the number of Common Shares outstanding on such record date and the Current Market Price on such record date,

less

- (B) the fair market value, as determined by action by the board of directors acting reasonably and in good faith (whose determination shall, absent manifest error, be conclusive), to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or other assets issued or distributed in the Special Distribution,

provided that no such adjustment shall be made if the result of such adjustment would be to decrease the Exchange Basis in effect immediately before such record date. The resulting product, adjusted to the nearest 1/100th, shall thereafter be the Exchange Basis until further adjusted as provided in this Article 2. Any shares owned by or held for the account of the Company or its Subsidiaries or a partnership of which the Company is directly or indirectly a party to shall be deemed not to be outstanding for the purpose of any such computation.

(4) If and whenever, at any time after the date hereof and prior to the Time of Expiry, there shall be a reclassification of the Common Shares at any time outstanding or change or exchange of the Common Shares into other shares or into other securities (other than a Common Share Reorganization), or a consolidation, amalgamation, plan of arrangement or merger of the Company with or into any other corporation or other entity (other than a consolidation, amalgamation, plan of arrangement or merger which does not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or a transfer (other than to a Subsidiary) of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity (any of such events being herein called a “**Capital Reorganization**”), any Warrantholder who thereafter shall exercise their right to receive Warrant Shares pursuant to Warrant(s) shall be entitled to receive, and shall accept in lieu of the number of Warrant Shares to which such holder was theretofore entitled upon such exercise, the aggregate number of shares, other securities or other property resulting from the Capital Reorganization which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date or record date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Warrant Shares to which such holder was theretofore entitled upon exercise. If appropriate, adjustments shall be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Article 2 with respect to the rights and interests thereafter of Warrantholders to the end that the provisions set forth in this Article 2 shall 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 any Warrant. Any such adjustment shall be made by and set forth in an indenture supplemental hereto approved by the directors and by the Warrant Agent and entered into pursuant to the provisions of this Indenture and shall for all purposes be conclusively deemed to be an appropriate adjustment.

(5) Any adjustment to the Exchange Basis as set forth herein (except resulting from a Capital Reorganization) shall also include a corresponding adjustment to the Exercise Price which shall be calculated by multiplying the Exercise Price by a fraction: (a) the numerator of which shall be the Exchange Basis prior to the adjustment, and (b) the denominator of which shall be the Exchange Basis after the adjustment.

2.17 Rules Regarding Calculation of Adjustment of Exchange Basis

For the purposes of Section 2.16:

(1) The adjustments provided for in Section 2.16 shall be cumulative and such adjustments shall be made successively whenever an event referred to in Section 2.16 shall occur, subject to the following subsections of this Section 2.17.

(2) No adjustment in the: (a) Exchange Basis shall be required unless such adjustment would result in a change of at least 0.01 of a Warrant Share based on the prevailing Exchange Basis; or (b) Exercise Price shall be required unless such adjustment would result in a change of at least 1%, provided that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.

(3) No adjustment in the Exchange Basis shall be made in respect of any event described in Section 2.16, other than the events referred to in paragraphs (ii) and (iii) of subsection (1) thereof, if Warrantholders are entitled to participate in such event on the same terms, mutatis mutandis, as if Warrantholders had exercised their Warrants prior to or on the effective date or record date of such event, any such participation being subject to regulatory approval.

(4) No adjustment in the Exchange Basis shall be made pursuant to Section 2.16 in respect of the issue from time to time of Warrant Shares purchasable on exercise of the Warrants or pursuant to the exercise, conversion or exchange of securities of the Company outstanding as of the date hereof.

(5) If a dispute shall at any time arise with respect to adjustments provided for in Section 2.16, such dispute shall, absent manifest error, be conclusively determined by the Company's Auditors, or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors and any further determination, absent manifest error, shall be binding upon the Company, the Warrant Agent and the Warrantholders.

(6) If the Company shall set a record date to determine the holders of the Common Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution, or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution, or subscription or purchase rights, then no adjustment in the Exchange Basis shall be required by reason of the setting of such record date.

(7) In the absence of a resolution of the directors fixing a record date for a Rights Offering or Special Distribution, the Company shall be deemed to have fixed as the record date therefor the date on which the Rights Offering or Special Distribution is effected.

(8) If the purchase price provided for in any Rights Offering (the "**Rights Offering Price**") is decreased, the Exchange Basis shall forthwith be changed so as to increase the Exchange Basis to such Exchange Basis as would have been obtained had the adjustment to the Exchange Basis made pursuant to subsection 2.16(2) upon the issuance of such Rights Offering been made upon the basis of the Rights Offering Price as so decreased, provided that the provisions of this

subsection shall not apply to any decrease in the Rights Offering Price resulting from provisions in any such Rights Offering designed to prevent dilution if the event giving rise to such decrease in the Rights Offering Price itself requires an adjustment to the Exchange Basis pursuant to the provisions of Section 2.16.

(9) As a condition precedent to the taking of any action that would require any adjustment in any of the subscription rights pursuant to any of the Warrants, including the Exchange Basis, the Company shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Company have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares or other securities that all the holders of such Warrants are entitled to receive on the exercise of all the subscription rights attaching thereto in accordance with the provisions thereof.

(10) The Warrant Agent shall be entitled to act and rely on any adjustment calculations by the Company or the Company's Auditors.

2.18 Postponement of Subscription

In any case where the application of Section 2.16 results in an increase in the number of Common Shares that are issuable upon exercise of the Warrants taking effect immediately after the record date for a specific event, if any Warrant is exercised after that record date and prior to completion of such specific event, the Company may postpone the issuance to the Warrantholder of the Warrant Shares to which they are entitled by reason of such adjustment, but such Warrant Shares shall be so issued and delivered to that holder upon completion of that event, with the number of such Warrant Shares calculated on the basis of the number of Warrant Shares on the date that the Warrant was exercised, adjusted for completion of that event and the Company shall deliver to the person or persons in whose name or names the Warrant Shares are to be issued an appropriate instrument evidencing the right of such person or persons to receive such Warrant Shares and the right to receive any dividends or other distributions which, but for the provisions of this Section 2.18, such person or persons would have been entitled to receive in respect of such Warrant Shares from and after the date that the Warrant was exercised in respect thereof.

2.19 Notice of Adjustment

(1) At least 10 days prior to the effective date or record date, as the case may be, of any event which requires or might require adjustment pursuant to Section 2.16, the Company shall:

- (a) file with the Warrant Agent a certificate of the Company specifying the particulars of such event (including the record date or the effective date for such event) and, if determinable, the required adjustment and the computation of such adjustment; and
- (b) give notice to the Warrant Agent and the Warrantholders of the particulars of such event (including the record date or the effective date for such event) and, if determinable, the required adjustment.

(2) In case any adjustment for which a notice in subsection 2.19(1) has been given is not then determinable, the Company shall promptly after such adjustment is determinable:

- (a) file with the Warrant Agent a computation of such adjustment; and
- (b) give notice to the Warrantholders of the adjustment.

(3) The Warrant Agent may, absent manifest error, act and rely upon certificates and other documents filed by the Company pursuant to this Section 2.19 for all purposes of the adjustment.

2.20 No Action after Notice

The Company covenants with the Warrant Agent that it will not take any other corporate action which might deprive a Warrantholder of the opportunity of exercising the rights of acquisition pursuant thereto during the period of 10 days after the giving of the notice set forth in subsection 2.19(1) and paragraph (b) of subsection 2.19(2).

2.21 Optional Purchases by the Company

Subject to applicable law and prior approval of the TSX, if required, the Company may from time to time purchase on any stock exchange (if then listed), in the open market, by private agreement or otherwise any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the board of directors of the Company, 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 Company in its sole discretion may determine. The Warrant Certificates representing the Warrants purchased pursuant to this Section 2.21 shall forthwith be delivered to and cancelled by the Warrant Agent.

2.22 Protection of Warrant Agent

Subject to Article 8, the Warrant Agent shall not:

- (a) at any time be under any duty or responsibility to any registered holder of Warrants to determine whether any facts exist that may require any adjustment contemplated by this Article 2, nor to verify the nature and extent of any such adjustment when made or the method employed in making the same;
- (b) be accountable with respect to the validity or value or the kind or amount of any Warrant Shares that may at any time be issued or delivered upon the exercise of the Warrants;
- (c) be responsible for any failure of the Company to make any cash payment 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 2; or
- (d) incur any liability or responsibility whatsoever or be in any way responsible for the consequence of any breach on the part of the Company of any of the

representations, warranties or covenants of the Company or any acts or deeds of the agents or servants of the Company.

ARTICLE 3 EXERCISE OF WARRANTS

3.1 Right of Exercise.

Subject to the provisions hereof, each Registered Warrantholder may exercise the right conferred on such holder to subscribe for and purchase one (1) Warrant Share for each Warrant after the issue date thereof and prior to the Time of Expiry and in accordance with the conditions herein; provided however, that if a Warrant Certificate tendered for exercise bears the legend set forth in subsection 2.7(4), such exercise must be exempt from the registration requirements under the U.S. Securities Act and applicable state securities laws and in accordance with the conditions set forth in subsection 3.2(3).

3.2 Method of Exercise of Warrants

(1) The registered holder of any Warrant may exercise the rights thereby conferred on them to acquire all or any part of the Warrant Shares to which such Warrant entitles the holder, by surrendering the Warrant Certificate representing such Warrants to the Warrant Agent at any time prior to the Time of Expiry at its principal stock transfer offices in the City of Toronto, Ontario (or at such additional place or places as may be decided by the Company from time to time with the approval of the Warrant Agent), with a duly completed and executed exercise form of the registered holder or their executors, administrators or other legal representative or their attorney duly appointed by an instrument in writing in the form and manner satisfactory to the Warrant Agent, substantially in the form endorsed on the Warrant Certificate specifying the number of Warrant Shares subscribed for together with a certified cheque, bank draft or money order in lawful money of Canada, payable to or to the order of the Company in an amount equal to the Exercise Price multiplied by the number of Warrant Shares subscribed for. A Warrant Certificate with the duly completed and executed exercise form and payment of the Exercise Price shall be deemed to be surrendered only upon personal delivery thereof to or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent.

(2) Any exercise form referred to in subsection 3.2(1) shall be signed by the Warrantholder, or their executors, or administrators or other legal representative or their attorney duly appointed by an instrument in writing in the form and manner satisfactory to the Warrant Agent; and shall specify the person(s) in whose name such Warrant Shares are to be issued, the address(es) of such person(s) and the number of Warrant Shares to be issued to each person, if more than one is so specified. If any of the Warrant Shares subscribed for are to be issued to (a) person(s) other than the Warrantholder, the signatures set out in the exercise form referred to in subsection 3.2(1) shall be guaranteed by a participating Canadian Schedule I chartered bank or a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program, and (b) the Warrantholder shall pay to the Company or the Warrant Agent all applicable transfer or similar taxes and the Company shall not be required to issue or deliver certificates evidencing Warrant Shares unless or until such Warrantholder shall have paid to the Company or

the Warrant Agent on behalf of the Company the amount of such tax or shall have established to the reasonable satisfaction of the Company that such tax has been paid or that no tax is due.

(3) In addition to completing the exercise form referred to in subsection 3.2(1), a U.S. Warrantholder (except for an Original QIB Purchaser exercising Warrants pursuant to subsection 3.2(5) and subsection 3.2(6)) must (a) provide a completed and executed U.S. Purchaser Letter or (b) an opinion of counsel of recognised standing in form and substance reasonably satisfactory to the Company that the exercise is exempt from the registration requirements of applicable securities laws of any state of the United States and the U.S. Securities Act; provided however that, for greater certainty, in the case of a Warrantholder that is an Original QIB Purchaser, such Warrantholder will not be required to deliver a U.S. Purchaser Letter, U.S. QIB Letter or an opinion of counsel in connection with the due exercise of the Warrants at a time when the representations, warranties and covenants made by the Warrantholder in the U.S. QIB Letter remain true and correct at the time of exercise, and the Warrantholder represents to the Company as such.

(4) If, at the time of exercise of the Warrants, in accordance with the provisions of subsection 3.2(1), there are any trading restrictions on the Warrant Shares pursuant to Securities Laws or stock exchange requirements, the Company shall, on the advice of counsel, endorse any certificates representing the Warrant Shares to such effect. The Warrant Agent is entitled to assume compliance with all Securities Laws unless otherwise notified in writing by the Company.

(5) A Beneficial Owner who desires to exercise their Uncertificated Warrants, must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto), on behalf of the Beneficial Owner at any time prior to the Time of Expiry, a written notice of the Beneficial Owner's intention to exercise Warrants (the "**Exercise Notice**"). Forthwith upon receipt by CDS of such notice, as well as payment for the Exercise Price, CDS shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (the "**Confirmation**") in a manner acceptable to the Warrant Agent, including by electronic means through the Book-Based System. CDS will initiate the exercise by way of the Confirmation and forward the aggregate Exercise Price electronically to the Warrant Agent and the Warrant Agent will execute the exercise by causing the issuance to CDS through the Book-Based System of the Warrant Shares to which the exercising Beneficial Owner is entitled pursuant to the exercise. Any expense associated with the preparation and delivery of Exercise Notices will be for the account of the Beneficial Owner exercising the Warrants.

(6) An electronic exercise of the Warrants initiated by the CDS Participant through a book-based registration system, including the Book-Based System, shall constitute a representation to both the Company and the Warrant Agent:

- (a) that the Beneficial Owner at the time of exercise of such Warrants:
 - (i) is not in the United States,
 - (ii) (ii) is not a U.S. Person and is not exercising such Warrants on behalf of a U.S. Person or a person in the United States, and

- (iii) (iii) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; or
- (b) is a U.S. Warrantholder that is an Original QIB Purchaser, and the representations, warranties and covenants made by the U.S. Warrantholder in the U.S. QIB Letter remain true and correct at the time of exercise, in which case:
 - (i) an electronic exercise of the Warrants initiated by the Book Entry Participant through a book-based registration system, including the Book-Based System, shall constitute a representation to both the Company and the Warrant Agent that following the exercise of such Warrants, the Beneficial Owner, together with any person or company acting jointly or in concert with the Beneficial Owner, will not in the aggregate beneficially own, or exercise control or direction over that number of Common Shares which is greater than 9.9% of the total issued and outstanding Common Shares, immediately after giving effect to such exercise on a partially-diluted basis. For greater certainty, the Warrant Agent will have no responsibility for monitoring the beneficial ownership level of the Common Shares held by U.S. Warrantholders that are Original QIB Purchasers and will have no liability in regards to the determinations made of whether or not a U.S. Warrantholder that is an Original QIB Purchaser, together with any person or company acting jointly or in concert with the Beneficial Owner, would in the aggregate beneficially own, or exercise control or direction over that number of Common Shares which is greater than 9.9% of the total issued and outstanding Common Shares on a partially-diluted basis, immediately after giving effect to an electronic exercise of Warrants initiated by the Book Entry Participant through a book-based registration system, including the Book-Based System; and
 - (ii) if the CDS Participant is not able to make or deliver the foregoing representations by initiating the electronic exercise of the Warrants, then such Warrants shall be withdrawn from the book-based registration system, including the Book-Based System by the CDS Participant and an individually registered Warrant Certificate shall be issued by the Warrant Agent to such Beneficial Owner or CDS Participant and the exercise procedures set forth in subsection 3.2(1) shall be followed.

(7) By causing a CDS Participant to deliver notice to CDS, a Beneficial Owner shall be deemed to have irrevocably surrendered their Warrants so exercised and appointed such CDS Participant to act as their exclusive settlement agent with respect to the exercise and the receipt of Warrant Shares in connection with the obligations arising from such exercise.

(8) Any notice 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 CDS 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 Company or Warrant Agent to the CDS Participant or the Beneficial Owner.

3.3 Effect of Exercise of Warrants

(1) Upon compliance by the Warrantholder with the provisions of Section 3.2, the Warrant Shares subscribed for shall be deemed to have been issued and the person to whom such Warrant Shares are to be issued shall be deemed to have become the holder of record of such Warrant Shares on the Exercise Date unless the registers of the Company for the Common Shares shall be closed on such date, in which case the Warrant Shares subscribed for shall be deemed to have been issued and such person shall be deemed to have become the holder of record of such Warrant Shares on the date on which such registers are reopened. The Warrant Agent will have no responsibility for monitoring the beneficial ownership level of the Common Shares held by any Warrantholder and will have no liability in regards to determinations of whether or not any Warrantholder, together with any person or company acting jointly or in concert with the Beneficial Owner, in the aggregate beneficially own, or exercise control or direction over a number of Common Shares which is greater than 9.9% of the total issued and outstanding Common Shares, immediately after giving effect to such exercise on a partially-diluted basis.

(2) Within three Business Days following the due exercise of a Warrant pursuant to Section 3.1, and if requested by the Company forthwith after the Time of Expiry, the Warrant Agent shall deliver to the Company a notice setting forth the particulars of all Warrants exercised, if any, and the persons in whose names the Warrant Shares are to be issued (as applicable) and the addresses of such holders of the Warrant Shares.

(3) Within three Business Days of the due exercise of a Warrant pursuant to Section 3.1, the Company shall cause the Transfer Agent to issue, within such three Business Day period, to CDS through the Book-Based System the Warrant Shares to which the exercising Warrantholder is entitled pursuant to the exercise or mail to the person in whose name the Warrant Shares so subscribed for are to be issued, as specified in the exercise form completed on the Warrant Certificate, at the address specified in such exercise form, a certificate or certificates for the Warrant Shares to which the Warrantholder is entitled and, if applicable, shall cause the Warrant Agent to mail a Warrant Certificate representing any Warrants not then exercised.

3.4 Subscription for less than Entitlement

The holder of any Warrant may subscribe for and purchase a whole number of Warrant Shares that is less than the number that the holder is entitled to purchase pursuant to a surrendered Warrant. In such event, the holder thereof shall be entitled to receive a new Warrant Certificate, if applicable, in respect of the balance of Warrants that were not then exercised.

3.5 U.S. Restrictions; Legended Certificates.

(1) Other than as provided in subsection 3.5(2), (a) Warrants may not be exercised within the United States, or by or on behalf of any U.S. Person or any person in the United States; and (b) no Warrant Shares issued upon exercise of Warrants may be delivered to any address in the United States.

(2) Notwithstanding subsection 3.5(1), Warrants may be exercised in the United States, or for the account or benefit of a U.S. Person or a person in the United States, and Warrant Shares issued upon exercise of any such Warrants may be delivered to an address in the United States, provided that (a) the Person exercising the Warrants is an Accredited Investor, and (b) delivers a completed and executed U.S. Purchaser Letter, or provides a legal opinion in form and substance satisfactory to the Company which confirms that the issuance of the Warrant Shares is in compliance with the U.S. Securities Act and applicable state securities laws; provided however, that, for greater certainty, in the case of a Warrantholder that is an Original QIB Purchaser, such Warrantholder will not be required to deliver a U.S. Purchaser Letter, U.S. QIB Letter or an opinion of counsel in connection with the due exercise of the Warrants at a time when the representations, warranties and covenants made by the Warrantholder in the U.S. QIB Letter remain true and correct at the time of exercise and the Warrantholder represents to the Company as such.

(3) Warrant Shares, issued to, or for the account or benefit of, a U.S. Warrantholder as indicated on the exercise form duly completed and executed by such U.S. Warrantholder (and any certificates issued in replacement thereof or in substitution therefor) must be issued only in individually certificated form, unless the U.S. Warrantholder is an Original QIB Purchaser exercising Warrants pursuant to subsection 3.2(5) and subsection 3.2(6) (provided that the representations, warranties and covenants made by an Original QIB Purchaser in the U.S. QIB Letter remain true and correct at the time of exercise and the Warrantholder represents to the Company as such). Certificates representing Shares issued upon the exercise of Warrants, pursuant to box 2 or 3 on the Exercise Notice, shall bear the legend set forth in subsection 2.7(3).

3.6 Expiration of Warrant

After the Time of Expiry, all rights under any Warrant in respect of which the right of subscription and purchase herein and therein provided for shall not theretofore have been exercised shall wholly cease and terminate and such Warrant shall be void and of no effect.

ARTICLE 4 COVENANTS

4.1 General Covenants of the Company

The Company represents, warrants and covenants with the Warrant Agent for the benefit of the Warrant Agent and the Warrantholders that:

(1) The Company will at all times, so long as any Warrants remain outstanding, maintain its existence, unless otherwise inconsistent with the fiduciary duties of the board of directors of the Company, and will carry on and conduct its business in a prudent manner in accordance with industry standards and good business practice, and will keep or cause to be kept proper books of account in accordance with applicable law until the Time of Expiry.

(2) The Company is duly authorized to create and issue the Warrants to be issued hereunder and the Warrants, when issued and Authenticated or certified, as applicable, will be legal, valid, binding and enforceable obligations of the Company.

(3) The Company will use its commercially reasonable efforts to maintain the listing of the Common Shares on the TSX or such other recognized stock exchange or quotation system, so long as any Warrants remain outstanding, and to have the Warrant Shares issued pursuant to the exercise of the Warrants listed and posted for trading on the TSX, or such other recognized stock exchange or quotation system, as expeditiously as possible.

(4) The Company will use commercially reasonable efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) in each of the provinces of Canada in which it is currently a reporting issuer, not in default of the requirements of the applicable Securities Laws of such province until the Time of Expiry.

(5) The Company will allot and reserve and keep available a sufficient number of Warrant Shares for issuance upon the exercise of Warrants issued by the Company.

(6) The Company will cause the Warrant Shares from time to time subscribed for pursuant to the exercise of Warrants issued by the Company hereunder, in the manner herein provided, to be duly issued in accordance with the Warrants and the terms hereof.

(7) The Company will cause the certificates representing the Warrant Shares from time to time to be acquired, pursuant to the Warrants in the manner herein provided, to be duly issued and delivered in accordance with the Warrants and the terms hereof.

(8) All Warrant Shares that shall be issued by the Company upon exercise of the rights provided for herein shall be issued as fully paid and non-assessable Common Shares.

(9) The Company will perform and carry out all of the acts or things to be done by it as provided in this Indenture.

(10) The Company will promptly advise the Warrant Agent and the Warrantholders in writing of any breach or default under the terms of this Indenture no later than five Business Days following the occurrence of such breach or default.

(11) The Company will use its commercially reasonable efforts to cause the Warrant Agent to keep open the register of Warrantholders during the Warrant Agent’s regular business hours and will not take any action or omit to take any action which would have the effect of preventing the Warrantholders from receiving any of the Warrant Shares issuable upon exercise of the Warrants.

4.2 Securities Qualification Requirements

(1) If, in the opinion of counsel, any instrument is required to be filed with, or any permission, order or ruling is required to be obtained from, any securities regulatory authority or any other step is required under any federal or provincial law of Canada before the Warrant Shares may be issued or delivered to a Warrantholder, the Company covenants that it will use its best efforts to file such instrument, obtain such permission, order or ruling or take all such other actions, at its expense, as is required or appropriate in the circumstances.

(2) The Company will give written notice of the issue of Warrant Shares pursuant to the exercise of Warrants, in such detail as may be required, to each securities regulatory authority in each jurisdiction in which there is legislation requiring the giving of any such notice.

4.3 Warrant Agent's Remuneration and Expenses

The Company 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 and disbursements of the Warrant Agent in the administration or execution of the duties and obligations hereby created (including the reasonable compensation and the disbursements of its counsel and all other advisers, experts, accountants 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 or disbursement in connection with or related to or required to be made as a result of the gross negligence, wilful misconduct, bad faith or fraud of the Warrant Agent.

4.4 Performance of Covenants by Warrant Agent

Subject to Section 8.7, if the Company shall fail to perform any of its covenants contained in this Indenture and the Company has not rectified such failure within 10 Business Days after either giving notice of such default pursuant to subsection 4.1(10) or receiving written notice from the Warrant Agent of such failure, the Warrant Agent may notify the Warrantholders of such failure on the part of the Company or may itself perform any of the said covenants capable of being performed by it, but shall be under no obligation to provide such notice or perform said covenants. All reasonable sums expended or disbursed by the Warrant Agent in so doing shall be repayable as provided in Section 4.3. No such performance, expenditure or advance by the Warrant Agent shall be deemed to relieve the Company of any default hereunder or of its continuing obligations under the covenants herein contained.

ARTICLE 5 ENFORCEMENT

5.1 Suits by Warrantholders

Subject to Section 6.10, all or any of the rights conferred upon a Warrantholder by the terms of the Warrants held by such holder and/or this Indenture may be enforced by such Warrantholder by appropriate legal proceedings but without prejudice to the right that 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 holders of the Warrants from time to time outstanding. The Warrant Agent shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may reasonably be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Warrantholders.

5.2 Limitation of Liability

The obligations hereunder (including without limitation under subsection 8.7(5)) are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future directors or shareholders of the Company or any of the past, present

or future officers, employees or agents of the Company, but only the property of the Company (or any successor person) shall be bound in respect hereof.

ARTICLE 6 MEETINGS OF WARRANTHOLDERS

6.1 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 Company or of a Warranholders' Request, convene a meeting of the Warranholders provided that the Warrant Agent has been provided with sufficient funds and is indemnified to its reasonable satisfaction by the Company or by the Warranholders signing such Warranholders' Request against the costs, charges, expenses and liabilities that may be incurred in connection with the calling and holding of such meeting. If within 15 Business Days after the receipt of a written request of the Company or a Warranholders' Request, funding and indemnity given as aforesaid the Warrant Agent fails to give the requisite notice specified in Section 6.2 to convene a meeting, the Company or such Warranholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario or at such other place as may be approved or determined by the Warrant Agent.

6.2 Notice

At least 14 days' prior notice of any meeting of Warranholders shall be given to the Warranholders at the expense of the Company in the manner provided for in Section 9.2 and a copy of such notice shall be delivered to the Warrant Agent unless the meeting has been called by it, and to the Company unless the meeting has been called by it. Such notice shall state the date, time and place of the meeting, the general nature of the business to be transacted and shall contain such information as is reasonably necessary to enable the Warranholders 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 6. The notice convening any such meeting may be signed by an appropriate officer of the Warrant Agent or of the Company or the person designated by such Warranholders, as the case may be.

6.3 Chairman

The Warrant Agent may nominate in writing an individual (who need not be a Warranholder) to be chairman of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes after the time fixed for the holding of the meeting, the Warranholders present in person or by proxy shall appoint an individual present to be chairman of the meeting. The chairman of the meeting need not be a Warranholder.

6.4 Quorum

Subject to the provisions of Section 6.11, at any meeting of the Warranholders a quorum shall consist of two Warranholders present in person or represented by proxy and representing at least 20% of the aggregate number of Warrants then outstanding. If a quorum of the Warranholders shall not be present within one-half hour from the time fixed for holding any meeting, the meeting, if summoned by the Warranholders or on a Warranholders' 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 to the extent possible and, subject to the provisions of Section 6.11, no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting that might have been dealt with at the original meeting in accordance with the notice calling the same. At the adjourned meeting the Warrantheolders present in person or represented by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that there may not be two or more persons present that represent at least 20% of the aggregate number of Warrants then unexercised and outstanding. No business shall be transacted at any meeting, except an adjourned meeting as described above, unless a quorum is present at the commencement of business.

6.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Warrantheolders 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.

6.6 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.

6.7 Poll and Voting

On every extraordinary resolution, and when demanded by the chairman or by one or more of the Warrantheolders acting in person or by proxy on any other question submitted to a meeting and after a vote by show of hands, 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 Warrantheolder or as proxy for one or more absent Warrantheolders, or both, shall have one vote. On a poll, each Warrantheolder 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 Warrant then held by such holder. A proxy need not be a Warrantheolder. 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 the chairman.

6.8 Regulations

Subject to the provisions of this Indenture, the Warrant Agent or the Company with the approval of the Warrant Agent may from time to time make and from time to time vary such regulations as it shall consider necessary or appropriate:

- (a) for the deposit of instruments appointing proxies at such place and time as the Warrant Agent, the Company or the Warranholders convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (b) for the deposit of instruments appointing proxies at some approved place other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed or forwarded via facsimile before the meeting to the Company 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;
- (c) for the form of instrument appointing a proxy and the manner in which the form of proxy may be executed; and
- (d) generally for the calling of meetings of Warranholders and the conduct of business thereat including setting a record date for Warranholders entitled to receive notice of or to vote at such meeting.

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 Warranholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 6.9), shall be Warranholders or persons holding proxies of Warranholders.

6.9 Company, Warrant Agent and Counsel may be Represented

The Company, the Warranholders and the Warrant Agent, by their respective directors, officers and employees and the counsel for each of the Company, the Warranholders and the Warrant Agent may attend any meeting of the Warranholders and speak thereat but shall not be entitled to vote unless in their capacities as Warranholders or proxies therefor.

6.10 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 Warranholders at a meeting shall have the power, exercisable from time to time by extraordinary resolution:

- (a) to agree to any modification, alteration, compromise or arrangement of the rights of Warranholders and/or the Warrant Agent in its capacity as warrant agent hereunder (subject to the Warrant Agent's approval) or on behalf of the Warranholders against the Company, whether such rights arise under this Indenture or the Warrants or otherwise;

- (b) to amend, modify or repeal any extraordinary resolution previously passed or sanctioned by the Warrantheolders;
- (c) to direct or authorize the Warrant Agent (subject to the Warrant Agent receiving funding and indemnity to its satisfaction) to enforce any of the covenants on the part of the Company contained in this Indenture or the Warrants or to enforce any of the rights of the Warrantheolders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, authorize and direct the Warrant Agent to waive any default on the part of the Company in complying with any provisions of this Indenture or the Warrants either unconditionally or upon any conditions specified in such extraordinary resolution;
- (e) to restrain any Warrantheolder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any of the covenants on the part of the Company contained in this Indenture or the Warrants or to enforce any of the rights of the Warrantheolders;
- (f) to direct any Warrantheolder who, as such, has brought any suit, action or proceeding to stay or discontinue or otherwise deal with any such suit, action or proceeding, upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantheolder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in this Indenture or any ancillary or supplemental instrument which may be agreed to by the Company, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) with the consent of the Company, 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 Company.

6.11 Meaning of “Extraordinary Resolution”

(1) The expression “**extraordinary resolution**” when used in this Indenture means, subject as hereinafter in this Section 6.11 and in Section 6.14 provided, a resolution proposed at a meeting of Warrantheolders duly convened for that purpose and held in accordance with the provisions of this Article 6 at which there are present in person or by proxy at least two Warrantheolders representing at least 20% of the aggregate number of all the then outstanding Warrants and passed by the affirmative votes of Warrantheolders representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll for such resolution.

(2) If, at any meeting called for the purpose of passing an extraordinary resolution, Warranholders representing at least 20% of the aggregate number of all the then outstanding Warrants are not present in person or by proxy within one-half hour after the time appointed for the meeting, then the meeting, if convened by Warranholders or on a Warranholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 10 Business Days later, and to such place and time as may be appointed by the chairman. Not less than three Business Days prior notice shall be given of the time and place of such adjourned meeting in the manner provided in sections 9.1 and 9.2. Such notice shall state that at the adjourned meeting the Warranholders present in person or represented 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 Warranholders present in person or represented 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 6.11(1) shall be an extraordinary resolution within the meaning of this Indenture notwithstanding that there may not be two or more Warranholders representing at least 20% of all the then outstanding Warrants present in person or represented by proxy at such adjourned meeting.

(3) 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.

6.12 Powers Cumulative

It is hereby declared and agreed that any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warranholders 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 Warranholders to exercise such powers or combination of powers then or thereafter from time to time.

6.13 Minutes

Minutes of all resolutions and proceedings at every meeting of Warranholders as aforesaid shall be made and duly entered in books to be provided for that purpose by the Warrant Agent at the expense of the Company and any minutes as aforesaid, if signed by the chairman of the meeting at which resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Warranholders, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every 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, to have been duly passed and taken.

6.14 Instruments in Writing

All actions that may be taken and all powers that may be exercised by the Warranholders at a meeting held as provided in this Article 6 also may be taken and exercised by Warranholders representing a majority, or in the case of an extraordinary resolution at least 66 $\frac{2}{3}$ %, of the aggregate number of all the then outstanding Warrants by an instrument in writing signed

in one or more counterparts by such Warranholders 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.

6.15 Binding Effect of Resolutions

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article 6 at a meeting of Warranholders shall be binding upon all Warranholders, whether present at or absent from such meeting, and every instrument in writing signed by Warranholders in accordance with Section 6.14 shall be binding upon all the Warranholders, whether signatories thereto or not, and each and every Warranholder 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. In the case of an instrument in writing, the Warrant Agent shall give notice in the manner contemplated in sections 9.1 and 9.2 of the effect of the instrument in writing to all Warranholders and the Company as soon as is reasonably practicable.

6.16 Holdings by the Company or Subsidiaries of the Company Disregarded

In determining whether Warranholders are present at a meeting of Warranholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Warranholders’ Request or other action under this Indenture, Warrants owned legally or beneficially by the Company or its Subsidiaries or in partnership of which the Company is directly or indirectly a party to shall be disregarded. The Company shall provide, upon the written request of the Warrant Agent, a certificate as to the registration particulars of any Warrants held by the Company or its Subsidiaries or in partnership of which the Company is directly or indirectly a party.

ARTICLE 7
SUPPLEMENTAL INDENTURES AND SUCCESSOR COMPANIES

7.1 Provision for Supplemental Indentures for Certain Purposes

From time to time the Company (if properly authorized by its board of directors) and the Warrant Agent may, subject to the provisions hereof, and they shall, when so required hereby, 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) providing for the issuance of additional Warrants hereunder and any consequential amendments hereto as may be required by the Warrant Agent, relying on the advice (but for certainty, not an opinion) of counsel;
- (b) setting forth adjustments in the application of Article 2;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of counsel are necessary or advisable, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of counsel, prejudicial to the interests of the Warranholders as a group;

- (d) giving effect to any extraordinary resolution passed as provided in Article 6;
- (e) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of counsel, prejudicial to the interests of the Warranholders as a group;
- (f) adding to or amending the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrants and making any modification in the form of the Warrant Certificate that does not affect the substance thereof;
- (g) amending any of the provisions of this Indenture or relieving the Company from any of the obligations, conditions or restrictions herein contained, provided that no such amendment or relief shall be or become operative or effective if, in the opinion of the Warrant Agent, relying on the advice of counsel, such amendment or relief impairs any of the rights of the Warranholders as a group or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any supplemental indenture that 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 clerical omissions herein, provided that, in the opinion of the Warrant Agent, relying on the advice of counsel, the rights of the Warrant Agent and the Warranholders as a group are in no way prejudiced thereby.

7.2 Successor Companies

In the case of the amalgamation, consolidation, arrangement, merger or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another person (a “**successor company**”), the successor company resulting from the amalgamation, consolidation, arrangement, merger or transfer (if not the Company) shall be bound by the provisions hereof and all obligations for the due and punctual performance and observance of each and every covenant and obligation contained in this Indenture to be performed by the Company and the successor company shall by supplemental indenture satisfactory in form and substance to the Warrant Agent and executed and delivered by the successor company to the Warrant Agent, expressly assume those obligations.

ARTICLE 8 CONCERNING THE WARRANT AGENT

8.1 Indenture Legislation

(1) 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.

(2) The Company 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 benefit of Applicable Legislation.

8.2 Rights and Duties of Warrant Agent

(1) The Warrant Agent accepts the duties and responsibilities under this Indenture, solely as custodian, bailee and agent. No trust is intended to be, or is or will be, created hereby and the Warrant Agent shall owe no duties hereunder as a trustee.

(2) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall act honestly and in good faith and shall exercise the 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, or require any other person to indemnify the Warrant Agent against liability for its own gross negligence, wilful misconduct, bad faith or fraud.

(3) The Warrant Agent shall not be bound to do or take any act, action or proceeding for the enforcement of any of the obligations of the Company under this Indenture unless and until it shall have received a Warranholders' Request specifying the act, action or proceeding that the Warrant Agent is requested to take. 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 Warranholders hereunder shall be conditional upon the Warranholders furnishing, when required by notice in writing by the Warrant Agent, sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent and its counsel to protect and hold harmless the Warrant Agent, its officers, directors, employees, agents, successors and assigns 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 risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

(4) The Warrant Agent may, before commencing any act, action or proceeding, or at any time during the continuance thereof require the Warranholders at whose instance it is acting to deposit with the Warrant Agent the Warrants held by them, for which Warrants the Warrant Agent shall issue receipts.

(5) Every provision of this Indenture that, by its terms, relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation, this Section 8.2 and Section 8.3.

(6) 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 hereunder 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 specifically set out the default desired to be brought to the attention of the Warrant Agent and in the absence of such notice the Warrant Agent may for all purposes of this Indenture conclusively

assume that no default has occurred or been made in the performance or observance of the representations, warranties and covenants, agreements or conditions herein contained. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

(7) In this Indenture, whenever confirmations or instructions are required to be given to the Warrant Agent, in order to be valid, such confirmations and instructions shall be in writing.

8.3 Evidence, Experts and Advisers

(1) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Company 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 Company.

(2) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, act and rely absolutely as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports, written requests, consents, or orders of the Company, certificates of the Company 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. The Warrant Agent shall be under no responsibility in respect of the validity of this Indenture or the execution and delivery hereof by or on behalf of the Company or in respect of the validity or the execution of any Warrant Certificate by the Company and issued hereunder, nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Indenture or in any such Warrant Certificate; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any securities to be issued upon the right to acquire provided for in this Indenture and/or in any Warrant or as to whether any securities will when issued be duly authorized or be validly issued and fully paid and non-assessable.

(3) Whenever Applicable Legislation requires that evidence referred to in subsection 8.3(1) be in the form of a statutory declaration, the Warrant Agent may accept the statutory declaration in lieu of a certificate of the Company required by any provision hereof. Any such statutory declaration may be made by one or more of the directors or officers of the Company and may be relied upon by the Warrant Agent in good faith without further inquiry.

(4) Proof of the execution of an instrument in writing, including a Warrantholders' Request, by any Warrantholder may be made by a certificate of a notary public or other person 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 and in respect of a corporate Warrantholder, shall include a certificate of incumbency of such Warrantholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.

(5) The Warrant Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, or other paper document believed by it to be genuine and to have been signed, sent or

presented by or on behalf of the proper party or parties. The Warrant Agent shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter or other paper document received in facsimile or e-mail form.

(6) The Warrant Agent may employ or retain such counsel, accountants, engineers, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any counsel and shall not be responsible for any misconduct on the part of any of them who has been selected with due care by the Warrant Agent. Any reasonable remuneration paid by the Warrant Agent shall be paid by the Company in accordance with Section 4.3.

(7) 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 Company or the Warrant Agent, in relation to any matter arising in fulfilling its duties and obligations hereof.

(8) The Warrant Agent may, as a condition precedent to any action to be taken by it under this Indenture, require such opinions, statutory declarations, reports, certificates or other evidence as it, acting reasonably, considers necessary or advisable in the circumstances.

(9) The Warrant Agent is not required to expend or place its own funds at risk in executing its duties and obligations.

8.4 Securities, Documents and Monies Held by Warrant Agent

Any securities, documents of title, monies or other instruments that may at any time be held by the Warrant Agent subject to the duties and obligations hereof, for the benefit of the Company, may be placed in the deposit vaults of the Warrant Agent or of any Schedule I Canadian chartered bank for safekeeping with any such bank. All interest or other income received by the Warrant Agent in respect of such deposits and investments, if any, shall, subject to Section 4.4, belong to the Company and shall be paid to the Company upon discharge of this Indenture.

8.5 Actions by Warrant Agent to Protect Interests

Subject to the provisions of this Indenture and Applicable Legislation, the Warrant Agent shall have the 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.

8.6 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 duties and obligations of this Indenture or otherwise.

8.7 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:

(1) The Warrant Agent shall not be liable for or by reason of any representations, statements of fact or recitals in this Indenture or in the Warrants (except the representation contained in Section 8.9 or in the certificate of the Warrant Agent on the Warrants) or be required to verify the same and all such statements of fact or recitals are and shall be deemed to be made by the Company (except the representation contained in Section 8.9 or in the certificate of the Warrant Agent on the Warrants).

(2) 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.

(3) The Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof.

(4) The Warrant Agent shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequence of any breach on the part of the Company of any of the covenants or warranties herein contained or of any acts of any directors, officers, employees, agents or servants of the Company.

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

(6) If any of the funds provided to the Warrant Agent hereunder are received by it in the form of an uncertified cheque or bank draft, the Warrant Agent shall be entitled to delay the release of such funds and the related Warrant Shares until such uncertified cheque has cleared the financial institution upon which the same is drawn.

(7) The forwarding of a cheque or the sending of funds by wire transfer by the Warrant Agent will satisfy and discharge the liability of any amounts due to the extent of the sum represented thereby unless such cheque is not honoured on presentation, provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Warrant

Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it, will issue to such payee a replacement cheque for the amount of such cheque.

(8) 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 judgement, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline. Further, should the Warrant Agent, in its sole judgement, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Company 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 10-day period, then such resignation shall not be effective.

(9) The Warrant Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, bad faith or willful misconduct.

8.8 Replacement of Warrant Agent

(1) The Warrant Agent may resign its appointment and be discharged from all further duties and liabilities hereunder by giving to the Company not less than 60 days prior notice in writing or such shorter prior notice as the Company may accept as sufficient. The Warrantholders by extraordinary resolution shall have the 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 Company shall forthwith appoint a new Warrant Agent unless a new Warrant Agent has already been appointed by the Warrantholders; failing such appointment by the Company, the retiring Warrant Agent or any Warrantholder may apply to a judge of the Province of Ontario at the Company's expense, on such notice as such judge may direct, for the appointment of a new Warrant Agent; but any new Warrant Agent so appointed by the Company 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 8.8 shall be a corporation authorized to carry on the business of a transfer agent or a trust company in the Province of Ontario and, if required by Applicable Legislation of any other province, in such other province. 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 without any further assurance, conveyance, act or deed; but there shall be immediately executed, at the expense of the Company, all such conveyances or other instruments as may, in the opinion of counsel, be necessary or advisable for the purpose of assuring the same to the new Warrant Agent, provided that any resignation or removal of the Warrant Agent and appointment of a successor Warrant Agent shall not become effective until the successor Warrant Agent shall have executed an appropriate instrument accepting such appointment and, at the request of the Company, the predecessor Warrant Agent, upon payment of its outstanding remuneration and expenses, shall execute and

deliver to the successor Warrant Agent an appropriate instrument transferring to such successor Warrant Agent all rights and powers of the Warrant Agent hereunder and all securities, documents of title and other instruments and all monies and properties held by the Warrant Agent hereunder.

(2) Upon the appointment of a successor Warrant Agent, the Company shall promptly notify the Warrantholders thereof in the manner provided for in Section 9.2.

(3) Any corporation into or with which the Warrant Agent may be merged or consolidated or amalgamated, or to which all or substantially all of the corporate trust business is sold or any corporation succeeding to the corporate trust business of the Warrant Agent, shall be the successor to the Warrant Agent hereunder without any further act on its part or of any of the parties hereto, provided that such corporation would be eligible for appointment as a new Warrant Agent under subsection 8.8(1).

(4) Any Warrants Authenticated or certified but not delivered by a predecessor Warrant Agent may be Authenticated or certified by the new or successor Warrant Agent in the name of the predecessor or the new or successor Warrant Agent.

8.9 Conflict of Interest

(1) The Warrant Agent represents to the Company that at the time of execution and delivery hereof no material conflict of interest exists which it is aware of in the Warrant Agent's role hereunder and agrees that in the event of a material conflict of interest arising which it becomes aware of hereafter it will, within 90 days after ascertaining that it has such a material conflict of interest, either eliminate the same or resign its appointment hereunder. If any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrants shall not be affected in any manner whatsoever by reason thereof.

(2) Subject to subsection 8.9(1), the Warrant Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company and generally may contract and enter into financial transactions with the Company or any Subsidiary without being liable to account for any profit made thereby.

8.10 Acceptance of Duties and Obligations

The Warrant Agent hereby accepts the duties and obligations in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and agrees to hold all rights, interests and benefits contained herein on behalf of those persons who become holders of Warrants from time to time issued under this Indenture.

8.11 Warrant Agent not to be Appointed Receiver

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver or receiver and manager or liquidator of all or any part of the assets or undertaking of the Company or any Subsidiary or any partnership of which the Company is directly or indirectly involved.

8.12 Authorization to Carry on Business

The Warrant Agent represents to the Company that it is registered to carry on the business of a transfer agent and warrant agent under Applicable Legislation in the Province of Ontario.

8.13 Securities and Exchange Commission Certification

(1) The Company confirms that as at the date of execution of this Indenture it does not have a class of securities registered pursuant to Section 12 of the U.S. Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.

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

**ARTICLE 9
GENERAL**

9.1 Notice to the Company and the Warrant Agent

(1) Unless herein otherwise expressly provided, any notice to be given hereunder to the Company or the Warrant Agent shall be deemed to be validly given if delivered, if sent by registered letter, postage prepaid or if transmitted by facsimile or email to the following addresses or facsimile numbers:

(a) If to the Company, to:

TREASURY METALS INC.
130 King Street West, Suite 3680, P.O. Box 99
Toronto, Ontario M5X 1B1

Attention: Greg Ferron, Chief Executive Officer
Email: [CONFIDENTIAL INFORMATION – REDACTED]

(b) If to the Warrant Agent, to:

TSX TRUST COMPANY
301 – 100 Adelaide Street West
Toronto, Ontario M5H 4H1

Attention: Vice President, Trust Services
Facsimile: (416) 361-0470
Email: **[CONFIDENTIAL INFORMATION – REDACTED]**

and any notice given in accordance with the foregoing shall be deemed to have been received on the date of delivery if that date is a Business Day or, if mailed, on the fifth Business Day following the date of the postmark on such notice or, if transmitted by facsimile or email, on the next Business Day following the date of transmission.

(2) The Company or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in subsection 9.1(1) 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 Company or the Warrant Agent, as the case may be, for all purposes of this Indenture. A copy of any notice of change of address given pursuant to this subsection 9.1(2) shall be available for inspection at the principal stock transfer offices of the Warrant Agent in the City of Toronto, Ontario by Warranholders during normal business hours.

(3) 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 Company hereunder could reasonably be considered unlikely to reach its destination, the notice shall be valid and effective only if it is delivered to an officer of the party to which it is addressed or if it is delivered to that party at the appropriate address provided in subsection 9.1(1) by facsimile, email or other means of prepaid, transmitted or recorded communication and any notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery to the officer or if delivered by facsimile, email or other means of prepaid, transmitted, recorded communication on the first Business Day following the date of the sending of the notice by the person giving the notice.

9.2 Notice to the Warranholders

(1) Any notice to the Warranholders under the provisions of this Indenture shall be deemed to be validly given if the notice is sent by prepaid mail or, if delivered by hand, to the holders at their addresses appearing in the register of holders. Any notice so delivered shall be deemed to have been received on the date of delivery if that date is a Business Day or the Business Day following the date of delivery if such date is not a Business Day or on the third Business Day if delivered by mail. All notices may be given to whichever one of the Warranholders (if more than one) is named first in the appropriate register hereinbefore mentioned, and any notice so given shall be sufficient notice to all Warranholders and any other persons (if any) interested in such Warrants. Accidental error or omission in giving notice or accidental failure to mail notice to any Warranholder will not invalidate any action or proceeding founded thereon.

(2) If, by reason of strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders could reasonably be considered unlikely to reach its destination, the notice may be given in a news release disseminated through a newswire service, filed on SEDAR and posted on the Company's website; provided that in the case of a notice convening a meeting of the holders of Warrants, the Warrant Agent may require such additional publications of that notice, in Toronto, Ontario or in other cities or both, as it may deem necessary for the reasonable notification of the holders of Warrants or to comply with any applicable requirement of law or any stock exchange. Any notice so given shall be deemed to have been given on the day on which it has been published in all of the cities in which publication was required.

9.3 Force Majeure

No party hereto shall be liable to the others, 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, 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 9.3.

9.4 Privacy

Despite any other provision of this Indenture, no party hereto shall take or direct any action that would contravene, or cause the other to contravene, applicable federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**"). The Company shall, prior to transferring or causing to be transferred personal information to the Warrant Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Warrant Agent agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Company or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

9.5 Third Party Interests

The Company represents to the Warrant Agent that any account to be opened by, or interest to held by the Warrant Agent in connection with this Indenture, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended

to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.

9.6 Discretion of Directors

Any matter provided herein to be determined by the directors in their sole discretion and determination so made will be conclusive.

9.7 Satisfaction and Discharge of Indenture

Upon the earlier of the Time of Expiry or the date by which there shall have been delivered to the Warrant Agent for exercise or cancellation in accordance with the provisions hereof all Warrants theretofore Authenticated or certified hereunder, this Indenture, except to the extent that Warrant Shares and any certificates therefor have not been issued and delivered hereunder or the Company has not performed any of its obligations hereunder, shall cease to be of further effect in respect of the Company, and the Warrant Agent, on written demand of and at the cost and expense of the Company, and upon delivery to the Warrant Agent of a certificate of the Company stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with and upon payment to the Warrant Agent of the expenses, fees and other remuneration payable to the Warrant Agent, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture; provided that if the Warrant Agent has not then performed any of its obligations hereunder any such satisfaction and discharge of the Company's obligations hereunder shall not affect or diminish the rights of any Warrantholder or the Company against the Warrant Agent.

9.8 Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders

Nothing in this Indenture or the Warrant Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the holders from time to time of the Warrants any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

9.9 Indenture to Prevail

To the extent of any discrepancy or inconsistency between the terms and conditions of this Indenture and the Warrant Certificate, the terms of this Indenture will prevail.

9.10 Assignment

Except as provided in Section 7.2 and subsection 8.8(3), this Indenture nor any benefits or burdens under this Indenture shall be assignable by the Company or the Warrant Agent without the prior written consent of the other party, such consent not to be unreasonably withheld. Subject to the foregoing, this Indenture shall enure to the benefit of and be binding upon the Company and the Warrant Agent and their respective successors (including any successor by reason of amalgamation) and permitted assigns.

9.11 Counterparts and Formal Date

This Indenture may be simultaneously executed in several counterparts and by electronic means, 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 shall be deemed to bear the date set out at the top of the first page of this Indenture.

(Signature page follows)

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

TREASURY METALS INC.

Per: _____
Authorized Signing Officer

TSX TRUST COMPANY

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer

SCHEDULE A
FORM OF WARRANT CERTIFICATE

SUBJECT TO THE COMPANY'S ACCELERATION RIGHT, THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 4:30 P.M. (TORONTO TIME) ON [●], 2022 [24 MONTHS FROM THE CONVERSION DATE], AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

For all Warrants registered in the name of the CDS, the following legend shall be included:

(INSERT IF BEING ISSUED TO CDS) UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO TREASURY METALS 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 SUCH OTHER NAME AS IS 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.

For all Warrants issued to U.S. Warrantholders, also include the following legend:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN 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. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY: (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THESE WARRANTS MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THE SHARES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT.

**WARRANTS TO PURCHASE COMMON SHARES
OF TREASURY METALS INC.**

(a corporation incorporated pursuant to the laws of Ontario)

CUSIP No. [●]

ISIN No. [●]

Warrant Certificate Number: [●]

Representing [●] Warrants to
purchase Common Shares

THIS CERTIFIES that, for value received, the registered holder hereof, [●] (the "holder") is entitled at any time before 4:30 p.m. (Toronto time) on [●], 2022 [**the date which is 24 months from the Conversion Date**] (the "**Expiry Time**"), subject to the Acceleration Right (as defined below), to acquire the number of common shares ("**Common Shares**") of Treasury Metals Inc. (the "**Company**"), as presently constituted, by surrendering to TSX Trust Company (the "**Warrant Agent**") at its principal office in Toronto, Ontario, this Warrant Certificate with the duly completed and executed Exercise Form endorsed on the back of this Warrant Certificate, and accompanied by payment of \$1.80 per Common Share (subject to adjustment in certain events) (the "**Warrant Exercise Price**") by certified cheque, bank draft or money order in lawful money of Canada payable to, or to the order of, the Company at par at the above-mentioned office of the Warrant Agent, subject to adjustment in certain events. The holder of this Warrant Certificate may purchase less than the number of Common Shares which he is entitled to purchase on the exercise of the Warrants represented by this Warrant Certificate, in which event a new Warrant Certificate representing the Warrants not then exercised will be issued to the holder.

In this Warrant Certificate, unless there is something in the subject matter or context inconsistent therewith:

"**Acceleration Event**" means, if at any time before the Time of Expiry, the closing trading price of the Common Shares equals or exceeds \$3.00 for a period of twenty consecutive trading days;

"**Acceleration Notice**" means the notice of acceleration deliverable by the Company to the Warrant Agent and the Warranholders upon the Company's exercise of the Acceleration Right, which notice of acceleration shall be delivered to the Warrant Agent and the Warranholders in accordance with Article 9 of the Warrant Indenture and via a news release disseminated through a newswire service and filed on SEDAR, and which notice shall provide details regarding the acceleration of the Time of Expiry; and

“**Acceleration Right**” means, the right of the Company to accelerate the Time of Expiry to a date that not less than 30 calendar days following delivery of the Acceleration Notice, which right may be exercised by the Company by delivery of an Acceleration Notice within 10 days of the occurrence of an Acceleration Event.

The Warrants evidenced hereby are exercisable on or before the Expiry Time, after which time the Warrants evidenced hereby shall be deemed to be void and of no further force or effect.

This Warrant Certificate represents Warrants of the Company issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the “**Warrant Indenture**”) dated as of [●], 2020 [the **Conversion Date**], between the Company and the Warrant Agent, as may be amended from time to time, which contains particulars of the rights of the holders of the Warrants and the Company and of the Warrant Agent in respect thereof and the terms and conditions upon which the Warrants are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder of this Warrant Certificate by acceptance hereof assents. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Warrant Indenture. A copy of the Warrant Indenture will be available for inspection at the principal office of the Company in Toronto, Ontario. **In the event of any conflict between the provisions contained in this Warrant Certificate and the provisions of the Warrant Indenture, the provisions of the Warrant Indenture shall prevail.**

Upon acceptance hereof, the holder hereof hereby expressly waives the right to receive any fractional Common Shares upon the exercise hereof in full or in part and further waives the right to receive any cash or other consideration in lieu thereof. The Warrants represented by this Warrant Certificate shall be deemed to have been surrendered, and payment by certified cheque, bank draft or money order shall be deemed to have been made only upon personal delivery thereof or, if sent by post or other means of transmission, upon actual receipt thereof by the Warrant Agent at its office in the City of Toronto, Ontario.

Upon due exercise of the Warrants represented by this Warrant Certificate and payment of the Warrant Exercise Price, the Company shall cause to be issued to the person(s) in whose name(s) the Common Shares so subscribed for (provided that if the Common Shares are to be issued to a person other than the registered holder of this Warrant Certificate, the holder’s signature on the Exercise Form herein shall be guaranteed by a participating Schedule I Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program and the holder shall pay to the Company or the Warrant Agent all applicable transfer or similar taxes and the Company shall not be required to issue or deliver certificates evidencing the Common Shares unless or until the holder shall have paid the Company or the Warrant Agent the amount of such tax (or shall have satisfied the Company that such tax has been paid or that no tax is due)) are to be issued, the number of Common Shares to be issued to such person(s) and such person(s) shall become a holder in respect of such Common Shares with effect from the date of such exercise, and upon due surrender of this Warrant Certificate and all other documentation required, the Warrant Agent shall cause the issuance of a certificate(s) representing such Common Shares to be issued within three Business Days after the exercise of the Warrants (or portion thereof) represented hereby.

At any time prior to the Time of Expiry, upon the occurrence of an Acceleration Event the Company may exercise the Acceleration Right by delivering an Acceleration Notice within ten days of an Acceleration Event whereupon the Warrants will expire on the date specified in the Acceleration Notice which shall be not less than 30 calendar days after the date of such Acceleration Notice.

Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities laws. These 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 this security and the Common Shares issuable upon exercise of this security have been registered under the U.S. Securities Act and applicable state securities legislation, or an exemption from such registration requirements is available. Certificates representing Shares issued in the United States or to U.S. Persons will bear a legend restricting the transfer and exercise of such securities under applicable United States federal and state securities laws. “**United States**” and “**U.S. person**” are as defined in Regulation S under the U.S. Securities Act.

The holder acknowledges that the Warrants represented by this Warrant Certificate and the Common Shares issuable upon exercise hereof may be offered, sold or otherwise transferred only in compliance with all applicable securities laws.

No transfer of any Warrant will be valid unless entered on the register of transfers, upon surrender to the Warrant Agent of the Warrant Certificate evidencing such Warrant, duly endorsed by, or accompanied by a transfer form or other written instrument of transfer in form satisfactory to the Warrant Agent executed by the registered holder or their executors, administrators or other legal representatives or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent. Subject to the provisions of the Warrant Indenture and upon compliance with the reasonable requirements of the Warrant Agent, Warrant Certificates may be exchanged for Warrant Certificates representing in the aggregate an equal number of Warrants. The Company and the Warrant Agent may treat the registered holder of this Warrant Certificate for all purposes as the absolute owner hereof. The holding of the Warrants represented by this Warrant Certificate shall not constitute the holder hereof a holder of Common Shares nor entitle him to any right or interest in respect thereof except as herein and in the Warrant Indenture expressly provided.

The Warrant Indenture provides for adjustment in the number of Common Shares to be delivered upon exercise of the right of purchase hereby granted and to the Warrant Exercise Price in certain events therein set forth.

The Warrant Indenture contains provisions making binding upon all holders of Warrants outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by the Warrantholders holding a specified percentage of the then outstanding Warrants.

The Warrants and the Warrant Indenture shall be governed by and performed, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada

applicable therein and shall be treated in all respects as Ontario contracts. Time shall be of the essence hereof and of the Warrant Indenture.

The Company may from time to time at any time prior to the Expiry Time purchase any of the Warrants by private agreement or otherwise.

This Warrant Certificate shall not be valid for any purpose until it has been certified by or on behalf of the Warrant Agent for the time being under the Warrant Indenture.

All dollar amounts herein are expressed in the lawful money of Canada.

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of this [●] day of [●].

TREASURY METALS INC.

By: _____
Authorized Signing Officer

Certified this [●] day of [●].

TSX TRUST COMPANY

By: _____
Authorized Signing Officer

EXERCISE FORM

TO: TREASURY METALS INC.
 c/o TSX TRUST COMPANY
 301 – 100 Adelaide Street West
 Toronto, Ontario M5H 4H1

The undersigned holder of the within Warrants hereby irrevocably exercises the right of such holder to be issued and hereby subscribes for _____ Common Shares of Treasury Metals Inc. (the “**Company**”) at the Warrant Exercise Price referred to in the attached Warrant Certificate on the terms and conditions set forth in such certificate and the Warrant Indenture and encloses herewith a certified cheque, bank draft or money order in lawful money of Canada payable to, or to the order of, the Company at par in payment in full of the subscription price of the Common Shares hereby subscribed for.

Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the warrant indenture between the Company and TSX Trust Company dated [●], 2020 (the “**Warrant Indenture**”).

(Please check the ONE box applicable):

- 1. The undersigned certifies that it (i) is not in the United States and is not a “U.S. Person”, within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), (ii) is not exercising this Warrant for the account or benefit of any U.S. Person or any person in the United States, (iii) did not execute or deliver this Exercise Form within the United States and (iv) has in all other aspects complied with the terms of Regulation S under the U.S. Securities Act; OR

- 2. The undersigned holder (a) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the agreement pursuant to which it purchased the Subscription Receipts that were exchanged for units of which the Warrants formed a constituent part, and (b) is, and such disclosed principal, if any, is and Original QIB Purchaser that continues to be a Qualified Institutional Buyer as defined in Rule 144A under the U.S. Securities Act at the time of exercise of these Warrants, and the representations and warranties of the holder made in the U.S. QIB Letter remain true and correct as of the date of exercise of these Warrants; OR

- 3. if the undersigned holder is (i) a holder in the United States, (ii) a U.S. Person, (iii) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) executing or delivering this exercise form in the United States or (v) requesting delivery of the underlying Common Shares in the United States, the undersigned holder has delivered to the Company and the Company’s transfer agent (a) a completed and executed U.S. Purchaser Letter in substantially the form attached to the Warrant Indenture as Schedule “B”, or (b) an opinion of counsel (which will not be sufficient unless it is in form and substance

reasonably satisfactory to the Company) to the effect that with respect to the Common Shares to be delivered upon exercise of the Warrants, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available.

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

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF COMMON SHARES

(Please print. If securities are issued to a person other than the registered Warrantholder, the holder must pay to the Warrant Agent all applicable taxes and the signature of the holder must be guaranteed by a participating Schedule I Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program).

DATED this _____ day of _____, 20__.

Signature of Warrantholder

Signature Guarantee

Print name

Address

- Please check this box if the securities are to be delivered at the office where these Warrants are surrendered, failing which the securities will be mailed. Due to the COVID-19 outbreak, pick-up at the office of the Warrant Agent may not be possible. Warrantholders selecting this option should contact the Warrant Agent to confirm availability of pick-up.

NOTES:

1. Certificates will not be registered or delivered to an address in the United States unless Box 2 or 3 above is checked.
2. If Box 3 is checked, holders are encouraged to contact the Company in advance to determine that the legal opinion tendered in connection with exercise will be satisfactory in form and substance to the Company.

TRANSFER FORM

TO: TREASURY METALS INC.
 c/o TSX TRUST COMPANY
 301 – 100 Adelaide Street West
 Toronto, Ontario M5H 4H1

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

(Transferee)

(Address)

_____ Warrants represented by this Warrants Certificate and hereby irrevocably constitutes and appoints _____ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Warrant Agent.

In the case of a Warrant Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one only of the following must be checked):

- (A) the transfer is being made only to Treasury Metals Inc. (the “**Company**”);
- (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and in compliance with any applicable local securities laws and regulations and the holder has provided herewith a declaration in substantially the form attached as Schedule “C” to the Warrant Indenture or in such form as the Company may prescribe from time to time, or
- (C) the transfer is being made within the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and the undersigned has furnished to the Company and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company to such effect.

In the case of a Warrant Certificate that does not contain a U.S. restrictive legend, if the proposed transfer is to, or for the account or benefit of, a U.S. Person or a person in the United States, the undersigned hereby represents, warrants and certifies that the transfer of the Warrants is being completed pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws, in which case the undersigned has furnished to the Company and the Warrant Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company to such effect.

If transfer is to, or for the account or benefit of, a U.S. Person or a person in the United States, check this box.

In the event this transfer of the Warrants represented by this Warrant Certificate is to, or for the account or benefit of, a U.S. Person or a person in the United States, the undersigned acknowledges and agrees that the Warrant Certificate(s) representing such Warrants issued in the name of the transferee will be endorsed with the legend required by Section 2.7(3) and 2.7(4) of the Indenture.

Warrants shall only be transferable in accordance with the Warrant Indenture and all applicable laws.

DATED this ____ day of _____, 20____.

SPACE FOR GUARANTEES OF SIGNATURES (BELOW)

)
)
) _____
) Signature of Transferor
)
)
)
)
)
)
)
) _____
) Guarantor's Signature/Stamp) Name of Transferor

REASON FOR TRANSFER – For US Residents only (where the individual(s) or corporation receiving the securities is a US resident). please select only one (see instructions below).

Gift Estate Private Sale Other (Or No Change In Ownership)

Date of Event (Date of Gift, Death or Sale):

			/			/				
--	--	--	---	--	--	---	--	--	--	--

Value Per Warrant on the Date of Event:

\$.			<input type="checkbox"/> CAD <u>OR</u> <input type="checkbox"/> USD
----	--	--	--	---	--	--	---

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures

are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada or the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words “Medallion Guaranteed”, with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words “Signature Guaranteed”, sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a “Signature & Authority to Sign Guarantee” Stamp affixed to the transfer (as opposed to a “Signature Guaranteed” Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.
- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

OR

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by an authorized officer of Royal Bank of Canada, Scotia Bank or TD Canada Trust whose sample signature(s) are on file with the transfer agent, or by a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”, “MEDALLION GUARANTEED” OR “SIGNATURE & AUTHORITY TO SIGN GUARANTEE”, all in accordance with the transfer agent’s then current guidelines and requirements at the time of transfer. For corporate holders, corporate signing resolutions, including certificate of incumbency, will also be required to accompany the transfer unless there is a “SIGNATURE & AUTHORITY TO SIGN GUARANTEE” Stamp affixed to the Form of Transfer obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a “MEDALLION GUARANTEED” Stamp affixed to the Form of Transfer, with the correct prefix covering the face value of the certificate.

REASON FOR TRANSFER – FOR US RESIDENTS ONLY

Consistent with US IRS regulations, TSX Trust Company is required to request cost basis information from US securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE B

FORM OF U.S. PURCHASER CERTIFICATION UPON EXERCISE OF WARRANTS

TO: TREASURY METALS INC.
 c/o TSX TRUST COMPANY
 301 – 100 Adelaide Street West
 Toronto, Ontario M5H 4H1

The undersigned is delivering this letter in connection with the purchase of common shares (the “**Common Shares**”) of Treasury Metals Inc., a corporation incorporated under the laws of the Province of Ontario (the “**Company**”), upon the exercise of warrants of the Company (“**Warrants**”), issued under the warrant indenture dated as of [●], 2020 between the Company and TSX Trust Company.

The undersigned hereby confirms that:

- (a) the undersigned is an “accredited investor” (satisfying one or more of the following criteria set forth in Rule 501 (a) of Regulation D under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) – please check all that apply):

- Any bank as defined in Section 3(a)(2) of the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934 or any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; any investment company registered under the U.S. Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees if such plan has total assets in excess of US\$5,000,000; any employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of US\$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are “accredited investors,” as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act (which definition, as it applies to certain natural persons, has been amended by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act);
- Any private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940;
- Any organization described in Section 501(c)(3) of the U.S. Internal Revenue Code, corporation, limited liability company, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000;

- Any trust with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment);
 - Any director, executive officer or general partner of the Company;
 - A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds US\$1,000,000 (**note:** for the purposes of calculating net worth: (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale and purchase of securities contemplated by the accompanying Warrant Exercise Form, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of the sale and purchase of securities contemplated by the accompanying Warrant Exercise Form exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);
 - Any natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or
 - Any entity in which each of the equity owners meets the requirements of one of the above categories - **if this category is selected you must identify each equity owner and provide statements from each demonstrating how they qualify as an accredited investor.**
- (b) the undersigned is purchasing the Common Shares for the undersigned's own account for investment purposes;
- (c) the undersigned has such knowledge and experience in financial and business matters that the undersigned is capable of evaluating the merits and risks of purchasing the Common Shares;
- (d) the undersigned is not acquiring the Common Shares with a view to distribution thereof or with any present intention of offering or selling any of the Common Shares, except (A) to the Company, (B) outside the United States in accordance with Rule 904 under the U.S. Securities Act, or (C) in accordance with Rule 144 under the U.S. Securities Act, if available, and in compliance with applicable state securities laws;
- (e) the undersigned acknowledges that the undersigned has had access to such financial and other information as the undersigned has deemed necessary in connection with the undersigned's decision to exercise the Warrants and purchase the Common Shares;
- (f) the undersigned acknowledges that the undersigned is not purchasing the Common Shares as a result of any general solicitation or general advertising, including

advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising; and

- (g) the funds representing the purchase price for the Common Shares which will be advanced by the undersigned to the Company will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “**PATRIOT Act**”), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned’s name and other information relating to the exercise of the Warrants and the undersigned’s subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the purchase price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and we shall promptly notify the Company if we discover that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith.

The undersigned understands that the Common Shares are being offered in a transaction not involving any public offering within the United States within the meaning of the U.S. Securities Act, and that the Common Shares have not been and will not be registered under the U.S. Securities Act.

The undersigned further understands that any Common Shares acquired by us will be in the form of definitive physical certificates and that such certificates will bear a legend reflecting the fact that we will not offer, sell or otherwise transfer any of the Common Shares, directly or indirectly, unless (i) the sale is to the Company; (ii) the sale is made outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act; or (iii) the sale is made (A) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws or (B) pursuant to a transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, and in the case of each of (A) and (B), the seller has furnished to the Company an opinion to such effect from counsel of recognized standing reasonably satisfactory to the Company prior to such offer, sale or transfer.

The undersigned acknowledges that you will rely upon our confirmations, acknowledgements and agreements set forth herein, and the undersigned agrees to notify you promptly in writing if any of the undersigned's representations or warranties herein ceases to be accurate or complete.

DATED this ____ day of _____, 20__.

Signature of individual (if purchaser is an individual)

Authorized signatory (if purchaser is not an individual)

Name of Purchaser (please print)

Name of authorized signatory (please print)

Official capacity of authorized signatory (please print)

SCHEDULE C

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: [Warrant Agent/Registrar and transfer agent for the shares] of Treasury Metals Inc. (the “**Corporation**”)

The undersigned (A) acknowledges that the sale of the _____ [warrants/common shares in the capital] of the Corporation represented by certificate number _____ or held in Direct Registration System (DRS) account number _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and (B) certifies that (1) the undersigned is not an “affiliate” (as defined in Rule 405 under the U.S. Securities Act) of the Corporation (except solely by virtue of being an officer or director of the Corporation) or a “distributor”, as defined in Regulation S, or an affiliate of a “distributor”; (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, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts 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 such 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 under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

X _____
Signature of individual (if Seller **is** an individual)

X _____
Authorized signatory (if Seller **is not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____ (the "Seller") contained in the foregoing Declaration for Removal of Legend, dated _____, 20__, with regard to the sale, for such Seller's account, of _____ [warrants/common shares] (the "Securities") of the Corporation represented by certificate number _____ or held in Direct Registration System (DRS) account number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Corporation shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Date: _____

Name of Firm

By: _____
Authorized Signatory

Schedule “D”

Form of Declaration for Removal of Legend

TO: [Subscription Receipt Agent/Registrar and transfer agent for the shares] of Treasury Metals Inc.
(the “Corporation”)

The undersigned (A) acknowledges that the sale of the _____ [Subscription Receipts/common shares in the capital] of the Corporation represented by certificate number _____ or held in Direct Registration System (DRS) account number _____, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and (B) certifies that (1) the undersigned is not an “affiliate” (as defined in Rule 405 under the U.S. Securities Act) of the Corporation (except solely by virtue of being an officer or director of the Corporation) or a “distributor”, as defined in Regulation S, or an affiliate of a “distributor”; (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, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged in any directed selling efforts 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 such 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 under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated: _____

X _____
Signature of individual (if Seller is an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)

We have read the representations of our customer _____ (the "Seller") contained in the foregoing Declaration for Removal of Legend, dated _____, 20__, with regard to the sale, for such Seller's account, of _____ common shares (the "Securities") of the Corporation represented by certificate number _____ or held in Direct Registration System (DRS) account number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Corporation shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Date: _____

Name of Firm

By: _____
Authorized Signatory

**Schedule “E”
Form of Conversion Notice**

CONVERSION NOTICE

TO: TSX TRUST COMPANY

Reference is made to the subscription receipt agreement dated as of July 7, 2020 (the “**Subscription Receipt Agreement**”) between Treasury Metals Inc. (the “**Company**”), TSX Trust Company (the “**Subscription Receipt Agent**”) and Haywood Securities Inc. (the “**Lead Underwriter**”), on its own behalf and on behalf of PI Financial Corp., Sprott Capital Partners LP and Canaccord Genuity Corp. (together with the Lead Underwriter, the “**Underwriters**”). Unless otherwise defined herein, words and terms with the letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement.

The Subscription Receipt Agent is hereby notified that the Conversion Date occurred as of [●], 2020, and, accordingly, the Subscription Receipt Agent is hereby irrevocably directed and authorized to, in accordance with Section 3.2(b) of the Subscription Receipt Agreement, cause the transfer agent of the Common Shares to issue the Unit Shares to the [**Subscription Receiptholders**] and cause the warrant agent under the Warrant Indenture to issue the Warrants to the [**Subscription Receiptholders**].

This Conversion Notice may be delivered by PDF via e-mail, is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

DATED this ____ day of _____, 2020.

TREASURY METALS INC.

By: _____

Name: ●

Title: ●