WARRANT INDENTURE

Providing for the Creation and Issue of

Up to 10,905,171 Warrants

BETWEEN

POINT LOMA RESOURCES LTD.

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA

Dated as of October 25, 2018

TABLE OF CONTENTS

Page

THIS WARRANT INDENTURE is made as of the ____ day of October, 2018

BETWEEN:

POINT LOMA RESOURCES LTD., a corporation existing under the laws of the Province of Alberta

(the "**Corporation**")

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company existing under the laws of Canada

(the "**Warrant Agent**")

WHEREAS:

A. In connection with the public offering by the Corporation of 10,905,171 units of the Corporation (which includes 1,422,413 units issuable upon the exercise of an over-allotment option) pursuant to a short form prospectus dated October 16, 2018 (the "**Offering**"), the Corporation is proposing to create and issue an aggregate of 10,905,171 Warrants upon the terms and conditions set forth in this Indenture;

B. One Warrant will, subject to adjustment as provided for in this Indenture, entitle the holder to acquire one Common Share upon payment of the Exercise Price upon the terms and conditions set forth in this Indenture;

C. All necessary acts and deeds have been undertaken and performed to make the Warrants when created and issued as provided in this Indenture, legal, valid and binding upon the Corporation, with the benefits set forth in, and subject to the terms of, this Indenture; and

D. The foregoing recitals are made as representations and statements of fact of the Corporation and not by the Warrant Agent;

NOW THEREFORE, THIS INDENTURE WITNESSETH that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, the Corporation hereby appoints the Warrant Agent as trustee for the Warrantholders, to hold the rights, interests and benefits contained herein of and on behalf of those persons who from time to time become holders of Warrants issued pursuant to this Indenture, and the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 <u>Definitions</u>

In this Indenture, including the recitals and schedules hereto and in all indentures supplemental hereto, the following words and terms will have the indicated meanings:

(a) "**Adjustment Period**" has the meaning ascribed thereto in subsection 4.1(a);

(b) "**Applicable Legislation**" means such provisions of any statute of the United States, Canada or of a province thereof, and the regulations under any such named or other statute, including Securities Laws, relating to warrant indentures or to the rights, duties and obligations of corporations and of trustees under warrant indentures to the extent that such provisions are at the time in force and as are applicable to this Indenture;

(c) "**Applicable Procedures**" means (i) with respect to any transfer or exchange of beneficial ownership interests in, or the exercise of, a Warrant, the applicable rules, procedures or practices of the Depository and the Warrant Agent in effect at the time of such transfer, exchange or exercise, and (ii) with respect to any issuance, deposit or withdrawal of the Warrants from or to an electronic position evidencing a beneficial ownership interest in the Warrants, the rules, procedures or practices followed by the Depository and the Warrant Agent at the time of such issuance, deposit or withdrawal;

(d) "**Authenticated**" means (a) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized officer of the Warrant Agent, (b) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant as required by Section 2.7 are entered in the register of holders of Warrants, "Authenticate", "Authenticating" and "Authentication" have the appropriate correlative meanings;

(e) "**Beneficial Owner**" means a person that has a beneficial interest in a Warrant;

(f) "**Book-Entry Only System**" means the book-based securities transfer system administered by CDS in accordance with its operating rules and procedures in force from time to time;

(g) "**Business Day**" means a day other than a Saturday, Sunday or other statutory holiday in Calgary, Alberta;

(h) "**Closing Date**" means the date of the issuance of the Warrants;

(i) "**Common Shares**" means fully paid and non-assessable common shares in the capital of the Corporation as presently constituted;

(j) "**Corporation's Auditors**" means a firm of chartered accountants duly appointed as auditors of the Corporation;

(k) "**Counsel**" means a barrister or solicitor or a firm of barristers and solicitors, which may include counsel for the Corporation, retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent, acting reasonably;

(l) "**Current Market Price**" of the Common Shares at any date means the price per share equal to the volume weighted average trading price at which the Common Shares have traded on the Exchange or, if the Common Shares are not then listed on the TSXV, on such other Canadian stock exchange on which the

Common Shares are listed as may be selected by the Directors for such purpose or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any 20 consecutive Trading Days ending on the last Trading Day before such date; provided that the weighted average trading price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive Trading Days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the-counter market, then the Current Market Price shall be determined by a firm of independent chartered accountants selected by the directors;

(m) "**Depository**" or "**CDS**" means CDS Clearing and Depository Services Inc., or its successor, or any other depository offering a book-based securities registration and transfer system similar to that administered by CDS which the Corporation, with the consent of the Warrant Agent, acting reasonably, may designate;

(n) "**director**" means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;

(o) "**Effective Date**" means the date of this Indenture;

(p) "**Exercise Date**" means, with respect to any Warrant the date on which such Warrant is surrendered for exercise pursuant to Section 3.1;

(q) "**Exercise Price**" means $0.39 for each Common Share, subject to adjustment in accordance with the provisions of Section 4.1;

(r) "**Expiry Date**" means the date that is 24 months following the Closing Date;

(s) "**Expiry Time**" means 5:00 p.m. (Calgary time) on the Expiry Date;

(t) "**extraordinary resolution**" has the meaning set forth in Section 7.11;

(u) "**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;

(v) "**Offering**" has the meaning ascribed thereto in the recitals of this Indenture;

(w) "**Participant**" means a person recognized by the Depository as a participant in the Book-Entry Only System;

(x) "**person**" means an individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative or any unincorporated organization;

(y) “**QIB Purchaser”** means a Qualified Institutional Buyer who first purchased Units on the date of original issuance of the Units and who, in connection with such purchase, executed a United States Subscribers Representation Letter in the form attached to the U.S. Placement Memorandum for the offering of Units to Qualified Institutional Buyers pursuant to Rule 144A under the U.S. Securities Act;

(z) “**Rights Offering**” has the meanings ascribed thereto in Section 4.1(b) hereof;

(aa) “**Regulation S**” means Regulation S promulgated by the SEC under the U.S. Securities Act;

(bb) “**SEC**” means the United States Securities and Exchange Commission;

(cc) “**Securities Laws**” means the securities laws, regulations, rules, rulings and orders and the blanket rulings and policies and written interpretations of, and multilateral or national instruments adopted by, the Securities Regulators and the policies and rules of any applicable stock exchange or quotation or stock reporting system, including the TSXV;

(dd) “**Securities Regulators**” means the securities commissions or other securities regulatory authorities of all of the Selling Jurisdictions or the relevant Selling Jurisdictions as the context requires;

(ee) “**Selling Jurisdictions**” means each of the provinces of Canada except Quebec;

(ff) “**Shareholder**” means a holder of record of one or more Common Shares;

(gg) “**Subsidiary of the Corporation**” or “**Subsidiary**” means any corporation of which more than fifty (50%) percent of the outstanding Voting Shares are owned, directly or indirectly, by or for the Corporation;

(hh) “**Successor Corporation**” has the meaning set forth in Section 8.2;

(ii) “**this Warrant Indenture**”, “**this Indenture**”, “**herein**”, “**hereby**” and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions “**Article**”, “**Section**”, “**subsection**” and “**paragraph**” followed by a number mean and refer to the specified article, section, subsection or paragraph of this Indenture;

(jj) “**Trading Day**” with respect to a stock exchange means a day on which such stock exchange is open for business and with respect to the over-the-counter market means a day on which shares may be traded through the facilities of such over-the-counter market;

(kk) “**TSXV**” means the TSX Venture Exchange;

(ll) “**U.S. Person**” means a “U.S. person” as set forth in Rule 902 of Regulation S;

(mm) “**U.S. Purchaser**” means (a) any U.S. Person that purchased Warrants, (b) any person that purchased Warrants for the account or benefit of any U.S. Person or any person in the United States, (c) any purchaser of Warrants that received an offer of the Warrants while in the United States, or (d) any person that was in the United States at the time the purchaser's buy order was made or the subscription agreement for Warrants was executed or delivered;

(nn) "**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended;

(oo) "**U.S. Securities Exchange Act**" means the *United States Securities Exchange Act of 1934,* as amended;

(pp) "**Uncertificated Warrant**" means any Warrant which is not a Warrant Certificate;

(qq) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

(rr) "**U.S. Placement Memorandum**" means the U.S. private placement memorandum dated October 16, 2018, distributed to the QIB Purchasers;

(ss) "**Voting Shares**" means shares of the capital stock of any class of any corporation carrying voting rights under all circumstances, provided that, for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of an event will not be considered Voting Shares, whether or not such event will have occurred, nor will any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of any such event; and

(tt) "**Warrant Agency**" means the principal office of the Warrant Agent in the City of Calgary, Alberta, or such other places as may be so designated in accordance with subsection 3.1(f);

(uu) "**Warrant Agent**" means Computershare Trust Company of Canada or its successors from time to time in the trust hereby created;

(vv) "**Warrant Certificate**" means a certificate in substantially the form set forth in Schedule "A", issued on or after the Effective Date to evidence the Warrants;

(ww) "**Warrants**" means the Warrants created, issued and to be issued, countersigned, and certified hereunder as a Warrant Certificate and/or Uncertificated Warrant held through the Book-Entry Only System on a no certificate issued basis, and for the time being outstanding entitling the holders thereof to acquire up to 10,905,171 Common Shares (subject to adjustment as herein provided) prior to the Expiry Time and, where the context so requires, also means the Warrants issued and Authenticated hereunder, whether by way of Warrant Certificate or Uncertificated Warrant;

(xx) "**Warrantholders**" or "**holders**" means the persons who, on or after the Effective Date, are registered owners of the Warrants;

(yy) "**Warrantholders' Request**" means an instrument signed in one or more counterparts by Warrantholders holding in the aggregate not less than 25% of the Warrants outstanding at the relevant time, requesting that the Warrant Agent take some action or proceeding specified in such instrument;

(zz) "**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the Corporation**" and "**certificate of the Corporation**" mean, respectively, a written order, request, consent or certificate signed in the name of the Corporation by its Chief Executive Officer or Chief Financial Officer, and may consist of one or more instruments so executed.

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 Indenture into Articles and Sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Indenture or any provision hereof.

1.4 Day not a Business Day

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

1.5 Time of the Essence

Time will be of the essence in all respects in this Indenture.

1.6 Currency

Except as otherwise provided, all dollar amounts herein and in the Warrant Certificates are expressed in Canadian dollars.

1.7 No Strict Construction

The language used in this Indenture is the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against either party.

1.8 Severability

If, in any jurisdiction, any provision of this Indenture or its application to either party or circumstance is restricted, prohibited or unenforceable, such provision will, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Indenture and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

1.9 English Language Only

The parties to this Indenture hereby agree and request that this Indenture, and any documents related hereto, including, without limitation, the Warrant Certificates, be drafted only in the English language.

1.10 Conflicts

In the event of any conflict or inconsistency between the provisions of this Indenture and the Warrant Certificates, the provisions of this Indenture will govern.

ARTICLE 2
THE WARRANTS

2.1 Creation and Issue of Warrants

A maximum of 10,905,171 Warrants (subject to adjustment as herein provided) are hereby created and authorized to be issued in accordance with the terms and conditions hereof. Upon the issue of the Warrants, one or more Warrant Certificates may be executed by the Corporation and delivered to the Warrant Agent or certified by the Warrant Agent upon the written direction of the Corporation and delivered by the Warrant Agent to the Corporation or to the order of the Corporation pursuant to a written direction of the Corporation, without any further act of or formality on the part of the Corporation and without the Warrant Agent receiving any consideration therefor, or the Warrants may be deposited by the Warrant Agent directly with the Depository through the Book-Entry Only System. The Depository will issue a customer confirmation, which is to include all applicable legends, as directed by the Corporation, with respect to any Warrants deposited by the Warrant Agent directly with the Depository through the Book-Entry Only System.

2.2 Form of Warrants

(a) The Warrants may be issued in both certificated and uncertificated form. The Warrant Certificates (including all replacements issued in accordance with this Indenture) will be substantially in the form set out in Schedule "A" for the Warrants, will be dated the date of issuance of the Warrant Certificates and will bear such legends and distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe.

(b) Subject to subsection 2.15(d), except in certain limited circumstances, including where a Warrant Certificate requires the addition of a legend under applicable securities laws of the United States (including without limitation, Warrant Certificates representing Warrants issued in the United States pursuant to Rule 506 of Regulation D under the U.S. Securities Act), (i) Warrants will be issued and registered to the Depository, and will be deposited directly with the Depository pursuant to a direct Book-Entry Only System, (ii) no Warrant Certificates evidencing the Warrants will be issued to Warrantholders; and (iii) Warrantholders will receive only a customer confirmation, which is to include all applicable legends, from the applicable registered dealer who is a Participant and from or through whom a beneficial interest in the Warrant is held. Beneficial Holders of Warrants issued in uncertificated form evidenced by a security entitlement in respect of Warrants in the Book- Entry Only System who desires to exercise his or her Warrants must do so by causing a Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository.

(c) The Warrant Certificates may be engraved, lithographed or printed (the expression "**printed**", including for purposes hereof, mechanically, photographically, photostatically or electronically reproduced, typewritten or other written material), or partly in one form and partly in another, as the Warrant Agent may determine.

2.3 Terms of Warrants

(a) Subject to the applicable conditions for exercise set out in Article 3 having been satisfied, each Warrant shall entitle each Warrantholder thereof, upon exercise at any time after issuance and prior to the Expiry Time, to acquire one (1) Common Share upon payment of the Exercise Price.

(b) No fractional Warrants shall be issued or otherwise provided for hereunder and Warrants may only be exercised in a sufficient number to acquire whole numbers of Common Shares.

(c) Each Warrant will entitle the holder thereof to such other rights and privileges as set forth in this Indenture.

(d) The number of Common Shares which may be purchased pursuant to the Warrants and the Exercise Price therefor shall be adjusted upon the events and in the manner specified in Section 4.1.

2.4 Warrantholder not a Shareholder

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

2.5 Warrants to Rank Pari Passu

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

2.6 Signing of Warrant Certificates

The Warrant Certificates will be signed by any two (2) directors or officers of the Corporation and need not be under seal. The signatures of such directors or officers may be mechanically reproduced by way of photocopy or facsimile and Warrant Certificates bearing such photocopy or facsimile signatures will, subject to Section 2.7, be binding upon the Corporation as if they had been manually signed by such directors or officers. Notwithstanding that any person whose manual or facsimile signature appears on any Warrant Certificate as a director or officer may no longer hold office at the date of such Warrant Certificate or at the date of certification or delivery thereof, any Warrant Certificate signed as aforesaid will, subject to Section 2.7, be valid and binding upon the Corporation and the holder thereof will be entitled to the benefits of this Indenture.

2.7 Certification by the Warrant Agent

(a) Until receipt of a written order by the Corporation, no Warrant Certificate will be issued or, if issued, will be valid for any purpose or entitle the holder thereof to the benefit of this Indenture until it has been certified by manual signature by or on behalf of the Warrant Agent substantially in the form set out in Schedule “A” , and such certification by the Warrant Agent upon any such Warrant Certificate will be conclusive evidence as against the Corporation that the said Warrant Certificate so certified has been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(b) No Uncertificated Warrant shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Indenture, until it has been Authenticated by entry on the register of the particulars of the Uncertificated Warrant. Such entry on the register of the particulars of an Uncertificated Warrant shall be conclusive evidence that such Uncertificated Warrant is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Indenture. The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture. Such Authentication shall be conclusive evidence that such Uncertificated Warrant has been duly issued hereunder and that the holder or holders are entitled to the benefits of this Indenture. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In case of differences between the register at any time and any other time the register at the later time shall be controlling, absent manifest error and such Uncertificated Warrants are binding on the Corporation.

(c) The certification of the Warrant Agent on Warrant Certificates issued hereunder or the Authentication by the Warrant Agent of any Uncertificated Warrants will 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 as to the performance by the Corporation of its obligations hereunder, and the Warrant Agent will in no respect be liable or answerable for the use made of the Warrant Certificates or any of them or of the consideration therefor except as otherwise specified herein.

2.8 Issue in Substitution for Warrant Certificates Lost, etc.

(a) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law and to Section 2.8(b), will issue, and thereupon the Warrant Agent will certify and deliver, a new Warrant Certificate of like denomination and tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen

Warrant Certificate, and the substituted Warrant Certificate will be in a form approved by the Warrant Agent and the Corporation and the Warrants evidenced thereby will be entitled to the benefits hereof and will rank equally, in accordance with their terms, with all other Warrants created or to be created hereunder.

(b) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.8 will bear the cost of the issue thereof and in case of loss, destruction or theft will, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Corporation and to the Warrant Agent in their sole discretion, and such applicant will also be required to furnish an indemnity and surety bond in such amount and form as the Corporation and the Warrant Agent may, in their discretion, consider necessary or desirable and will pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.9 <u>Exchange of Warrant Certificates</u>

(a) Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for one or more other Warrant Certificate or Warrant Certificates representing the same aggregate number of Warrants, as represented by the Warrant Certificate or Warrant Certificates tendered for exchange.

(b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation, with the approval of the Warrant Agent. Any Warrant Certificate tendered for exchange will be surrendered to and cancelled by the Warrant Agent.

2.10 <u>Charges for Exchange or Transfer</u>

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

2.11 <u>Transfer and Ownership of Warrants</u>

(a) Subject to Section 2.15, the Warrants may only be transferred on the register maintained at the Warrant Agency by the holder or its legal representative or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent and the Corporation only upon surrendering to the Warrant Agent the Warrant Certificate or Warrant Certificates representing the Warrants to be transferred, together with a payment representing any transfer fees charged by the Warrant Agent and upon compliance with:

(i) the conditions set forth in this Indenture;

(ii) such reasonable requirements as the Warrant Agent may prescribe;

(iii) if applicable, the rules and procedures of the Depositary; and

(iv) all Applicable Legislation and applicable requirements of regulatory authorities, including the Securities Regulators,

and such transfer will be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, unless such Warrants have been deposited into the Book Entry Only System, the Warrant Agent will issue to the transferee one or more Warrant Certificates representing the Warrants transferred.

(b) Subject to Section 2.15, the Corporation and the Warrant Agent will deem and treat the registered owner of any Warrant Certificate as the beneficial owner thereof for all purposes and neither the Corporation nor the Warrant Agent will be affected by any notice to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

(c) Subject to the provisions of this Indenture and applicable law, the Warrantholders will be entitled to the rights and privileges attaching to the Warrants, as applicable. The issuance of Common Shares by the Corporation upon the exercise of Warrants by any Warrantholder, in accordance with the terms and conditions herein contained, will discharge all responsibilities of the Corporation and the Warrant Agent with respect to such exercised Warrants and neither the Corporation nor the Warrant Agent will be bound to enquire into the title of any such holder.

(d) Neither the Warrants nor the Common Shares issuable upon exercise thereof have been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States unless pursuant to a registration statement or pursuant to an exemption from registration under the U.S. Securities Act

2.12 Assumption by Transferee and Release of Transferor

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

2.13 Registration of Warrants

Subject to Section 2.15, the Warrant Agent will keep at the Warrant Agency: (i) a register of Warrantholders in which will be entered in alphabetical order the names and addresses of the holders of the Warrants and particulars of such warrants held by them; and (ii) a register of transfers in which all transfers of the Warrants and the date and other particulars of each transfer will be entered. Branch registers will also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. Such registers will at all reasonable times be open for inspection by the Corporation and/or any Warrantholder. The Warrant Agent will from time to time, when requested to do so by the Corporation, upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Warrantholders showing the number of the Warrants held by each such Warrantholder.

The register shall be available for inspection by the Corporation and or any Warrantholder during the Warrant Agent's regular business hours on a Business Day and upon payment to the Warrant Agent of its reasonable fees. Any Warrantholder exercising such right of inspection shall first provide an affidavit in form satisfactory to the Corporation and the Warrant Agent stating the name and address of the Warrantholder and agreeing not to use the information therein except in connection with an effort to call a meeting of Warrantholders or to influence the voting of Warrantholders at any meeting of Warrantholders.

Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Warrant Agent to make such minor error corrections and (ii) agreed to pay to the Warrant Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent plus interest, at an appropriate then prevailing rate of interest to the Warrant Agent), sustained by the Corporation or the Warrant Agent as a proximate result of such error if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Corporation or to the Warrant Agent.

2.14 <u>U.S. Securities Act and U.S. Securities Exchange Act</u>

(a) The Warrants and the Common Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws.

(b) Each Warrant Certificate issued pursuant to subsection 2.15(k) and representing Warrants originally issued to a U.S. Purchaser pursuant to Regulation D under the U.S. Securities Act, and each certificate issued in exchange therefor or in substitution thereof, shall bear the following legend:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT

PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, PLEDGE OR TRANSFER AND AS MAY BE REQUIRED IN THE DISCRETION OF THE ISSUER, FURNISHED TO THE ISSUER AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE ISSUER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

(c) The Corporation 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. Securities Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act. The Corporation covenants that in the event that (i) any class of its securities will become registered pursuant to Section 12 of the U.S. Securities Exchange Act or the Corporation will incur a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act, or (ii) any such registration or reporting obligation will be terminated by the Corporation in accordance with the U.S. Securities Exchange Act, the Corporation will promptly deliver to the Warrant Agent an officer’s certificate (in a form provided by the Warrant Agent) notifying the Warrant Agent of such registration or termination and such other information as the Warrant Agent may reasonably require at the time. The Corporation acknowledges that the Warrant Agent is relying upon the foregoing representations and covenants in order to meet certain SEC obligations with respect to those clients who are subject to reporting obligations under the U.S. Securities Exchange Act.

2.15 <u>Book-Entry Only System and Issue of Certificates</u>

(a) Subject to subsection 2.15(k), unless the Book-Entry Only System is terminated, the Warrant Certificates will only be issued in uncertificated form and deposited in the Book-Entry Only System.

(b) Unless the Book-Entry Only System is terminated or required to do so by applicable law, owners of the beneficial interests in Warrants deposited in the Book-Entry Only System will not receive or be entitled to receive Warrant Certificates in definitive form and will not be considered registered owners or holders thereof under this Indenture or any supplemental indenture except in circumstances where the Depository resigns or is removed from its responsibility and the Warrant Agent is unable or does not wish to locate a qualified successor. Except as otherwise provided for herein, beneficial interests in the Warrants will be represented only through the Book-Entry Only System. Transfers of beneficial ownership in any Warrant in the Book-Entry Only System between Participants will be effected only in accordance with the rules and procedures of the Depository.

(c) All references herein to actions by, notices given or payments made to Warrantholders will, where Warrants are held through the Depository, refer to actions taken by, or notices given or payments made to, the Depository upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Warrantholders evidencing a specified percentage of the aggregate Warrants outstanding, such direction or consent may be given by holders of Warrants acting through the Depository and the Participants owning Warrants evidencing the requisite percentage of the Warrants.

(d) The rights of Beneficial Owners will be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and Beneficial Owners and must be exercised through a Participant in accordance with the rules and procedures of the Depository. Each of the Warrant Agent and the Corporation may deal with the Depositary for all purposes (including the making of payments) as the authorized representative of the respective Warrantholders and such dealing with the Depositary shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.

(e) For so long as Warrants are held through the Depository, if any notice or other communication is required to be given to Warrantholders, the Warrant Agent will give such notices and communications to the Depository.

(f) Unless the Book-Entry Only System is terminated or required to do so by applicable law, and subject to subsections 2.15(i) and 2.15(j), neither the Corporation nor the Warrant Agent will be under any obligation to deliver to any Participant or Beneficial Owner, nor will any Participant or Beneficial Owner have any right to require the delivery of, Warrant Certificates in definitive form or other instrument evidencing any interest in the Warrants and will not be considered registered owners or holders thereof under this Indenture.

(g) If any Warrant is deposited in the Book-Entry Only System and any of the following events occurs:

(i) the Depository or the Corporation has notified the Warrant Agent that (A) the Depository is unwilling or unable to continue or is removed from its responsibility as depository, or (B) the Depository ceases to be a clearing agency in good standing under applicable laws and, in either case, the Corporation is unable to locate a qualified successor depository within 90 days receipt of such notice;

(ii) the Corporation has determined, in its sole discretion, with the consent of the Warrant Agent, to terminate the Book-Entry Only System and has communicated such determination to the Warrant Agent in writing;

(iii) the Corporation or the Depository is required by applicable law to take the action contemplated in this subsection 2.15(g);

(iv) the Book-Entry Only System administered by the Depository ceases to exist,

(v) the Warrant is to be Authenticated to or for the account or benefit of a person in the United States or a U.S. Person; or

(vi) such registration is effected in accordance with the internal procedures of the Depository and the Warrant Agent,

then one or more definitive fully registered Warrant Certificates will be executed by the Corporation and countersigned and delivered by the Warrant Agent to the Depository.

(h) Fully registered Warrant Certificates issued and exchanged pursuant to subsection 2.15(g) will be registered in such names and in such denominations as the Depository will instruct the Warrant Agent, provided that the aggregate number of Warrants represented by such Warrant Certificates will be equal to the aggregate number of Warrants represented by the Warrants deposited in the Book-Entry Only System so exchanged.

(i) Notwithstanding anything herein or in the terms of the Warrant Certificates to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof will have any responsibility or liability for (i) the records maintained by the Depository relating to any ownership interests or any other interests in the Warrants or the depository system maintained by the Depository, or payments made by the Depository or its nominee on account of any ownership interest or any other interest of any person in any Warrant, (ii) for maintaining, supervising or reviewing any records of the Depository or any 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, procedures and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant. Nothing herein will prevent the owners of beneficial interests in Warrants from voting such Warrants using duly executed proxies or voting instruction forms, as applicable.

(j) The provisions of Section 2.11 with respect to the transfer of Warrants and the provisions of Section 2.13 with respect to the registration of Warrants are subject to the provisions of this Section 2.15.

(k) Notwithstanding anything to the contrary contained herein, any Warrants originally issued to a U.S. Purchaser in accordance with Regulation D under the U.S. Securities Act will be represented by definitive Warrant Certificates and fully registered in such names and denominations as the Corporation will instruct the Warrant Agent.

2.16 Location and Residence of Warrantholders

A Warrantholder will be deemed to be, and the Corporation and the Warrant Agent may treat, for such purposes, the subscriber for the Warrants in question as the Warrantholder, and the Warrantholder will be deemed to be located and resident in the jurisdiction provided as the address of such subscriber as set forth in the subscription agreement for such Warrants or the address of the purchaser of the Warrants as set forth in the forms filed on issuance of the Warrants or such other filing required under applicable Securities Laws in respect of a transfer of the Warrants. If the Corporation and the Warrant Agent will not have been provided with a copy of such form or other filing required under applicable Securities Laws in respect of a transfer of beneficial ownership, then the original subscriber will be treated for all purposes hereunder to be the Beneficial Owner of the Warrants, as applicable.

2.17 Cancellation of Surrendered Warrants

All Warrant Certificates surrendered to the Warrant Agent in accordance with the provisions of this Indenture will be cancelled by the Warrant Agent and, if requested in writing by the Corporation, the Warrant Agent will furnish the Corporation with a cancellation certificate identifying each Warrant Certificate so cancelled, the number of Warrants represented thereby and the number of Common Shares, if any, issued pursuant to the exercise of such Warrants.

ARTICLE 3
EXERCISE OF WARRANTS

3.1 Method of Exercise of Warrants

(a) The holder of any Warrant Certificates may exercise the right conferred on such holder to acquire Common Shares (as evidenced by such Warrant Certificate) by surrendering to the Warrant Agent at the Warrant Agency, after the Effective Date and prior to the Expiry Time, the Warrant Certificate with (i) a duly completed and executed exercise form and (ii) a certified cheque, bank draft or money order in lawful money of Canada payable to or to the order of the Corporation at par in the city where such Warrant Certificate is surrendered for exercise, in an amount equal to the product obtained by multiplying the Exercise Price by the number of Common Shares subscribed for pursuant to such Warrant Certificate. A Warrant Certificate with the duly completed and executed exercise form referred to in this subsection 3.1(a) will be deemed to be surrendered only upon personal delivery thereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the Warrant Agency.

(b) Any exercise form referred to in subsection 3.1(a) will be signed by the Warrantholder and will specify:

   (i) the number of Common Shares which the holder wishes to acquire (being not more than the number of Common Shares which the holder is entitled to acquire pursuant to the Warrant Certificate(s) surrendered);

   (ii) the person or persons in whose name or names such Common Shares are to be issued;

   (iii) the address or addresses of such person or persons; and

   (iv) the number of Common Shares to be issued to each such person if more than one person is so specified.

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Warrantholder, the Warrantholder will provide a duly executed form of transfer and pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or stamp taxes or government or other charges and the Corporation will not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder has paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or charge or will have established to the satisfaction of the Corporation that such tax or charge has been paid or that no tax is due.

(c) A Beneficial Owner of Warrants issued in uncertificated form evidenced by a security entitlement in respect of Warrants in the Book-Entry Only System who desires to exercise his or her Warrants must do so by causing a Participant to deliver to the Depository on behalf of the entitlement holder, notice of the owner's intention to exercise Warrants in a manner acceptable to the Depository. Forthwith upon receipt by the Depository of such notice, as well as payment for the aggregate Exercise Price, the Depository shall deliver to the Warrant Agent confirmation of its intention to exercise Warrants (a "Confirmation") in a manner acceptable to the Warrant Agent, including by electronic means through a Book-Entry Only System, including CDSX. An electronic exercise of the Warrants initiated by the Participant through the Book-Entry Only System shall constitute a representation to both the Corporation and the Warrant Agent that the beneficial owner at the time of exercise of such Warrants (a) is not in the United States; (b) 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; (c) did not acquire the Warrants in the Unites States or on behalf of, or for the account or benefit of a U.S. Person or a person in the United States; (d) did not receive an offer to exercise the Warrant in the United States; (e) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; and (f) has, in all other respects, complied with the terms of Regulation S in connection with such exercise. If the Participant is not able to make or deliver the foregoing representation by initiating the electronic exercise of the Warrants, then such Warrants shall be withdrawn from the book based registration system, including CDSX, by the Participant and an individually registered Warrant Certificate shall be issued by the Warrant Agent to such Beneficial Owner or Participant and the exercise procedures set forth in Section 3.1(a) shall be followed. For greater certainty, Warrants held by QIB Purchasers shall be withdrawn from the book entry registration system, including CDSX, prior to their exercise by such QIB Purchasers.

(d) By causing a Participant to deliver notice to the Depository, a Warrantholder shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such Participant to act as his or her exclusive settlement agent with respect to the exercise and the receipt of Common Shares in connection with the obligations arising from such exercise.

(e) Any notice which the Depository determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a Participant to exercise or to give effect to the settlement thereof in accordance with the Warrantholder's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the Participant or the Warrantholder.

(f) In connection with the exchange of Warrant Certificates and the exercise of Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the principal offices of the Warrant Agent in Calgary, Alberta as the agency at which Warrant Certificates may be surrendered for exchange or transfer or at which Warrants may be exercised and the Warrant Agent has accepted such appointment. The Corporation may, with the approval of the Warrant Agent, from time to time designate alternate or additional places as the Warrant Agency and will give notice to the Warrant Agent of any change of the Warrant Agency.

(g) Any Warrant with respect to which a Confirmation is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrants shall terminate and be cancelled.

(h) Exercise forms and Confirmations must be delivered to the Warrant Agent at any time during the Warrant Agent's actual business hours on any Business Day prior to the Expiry Time. Any exercise form or Confirmations received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day.

3.2 Effect of Exercise of Warrants

(a) Upon compliance by the holder of any Warrant Certificate with the provisions of Section 3.1, and subject to Section 3.3, the Common Shares to be issued upon the exercise of the Warrants will be deemed to have been issued and the person or persons to whom such Common Shares are to be issued will be deemed to have become the holder or holders of record of such Common Shares within three (3) business days of the Exercise Date, unless the transfer registers of the Corporation will be closed on such date, in which case the Common Shares to be issued upon the exercise of the Warrants will be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Common Shares on the date on which such transfer registers are reopened.

(b) Subject to adjustment in accordance with Article 4, within three (3) Business Days after the Exercise Date of a Warrant as set forth above, the Corporation will cause to be mailed to the person or persons in whose name or names the Common Shares have been issued upon the exercise of Warrants as specified in the exercise form, at the address specified in such exercise form or, if so specified in such exercise form, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares.

3.3 Partial Exercise of Warrants; Fractions

(a) The holder of any Warrants may exercise its right to acquire Common Shares in part and may thereby acquire a number of Common Shares less than the aggregate number which the holder is entitled to acquire pursuant to the Warrant Certificate(s) surrendered in connection therewith, provided that, in no event will fractional Common Shares be issued with regard to the applicable Warrants exercised. In the event of any acquisition of a number of Common Shares less than the number which the holder is entitled to acquire, the holder of the

Warrants will, upon exercise thereof, be entitled to receive, without charge therefor, a new Warrant Certificate or Warrant Certificates representing the balance of the Common Shares which such holder was entitled to acquire pursuant to the surrendered Warrant Certificate(s) and which were not then acquired.

(b) Notwithstanding anything contained in this Indenture, including any adjustment provided for in Article 4, the Corporation will not be required, upon the exercise of any Warrants to issue fractions of Common Shares or to issue certificates which evidence a fractional Common Share. Any fractional Common Shares will be rounded down to the nearest whole Common Share.

3.4 Cancellation of Surrendered Warrants

All Warrant Certificates surrendered will be returned to the Warrant Agent for cancellation and, after the expiry of any period of retention prescribed by Applicable Legislation, and in accordance with the Warrant Agent’s ordinary business practice, destroyed by the Warrant Agent. Upon the request of the Corporation, the Warrant Agent will furnish to the Corporation a destruction certificate identifying the Warrant Certificates so destroyed and the number of Warrants, evidenced thereby, the number of Common Shares issued pursuant to such Warrants and the details of any Warrant Certificates issued in substitution or exchange for such Warrant Certificates destroyed.

3.5 Accounting and Recording

(a) The Warrant Agent will promptly account to the Corporation with respect to Warrants exercised. Any securities or other instruments from time to time received by the Warrant Agent, will be received in trust for, and will be segregated and kept apart by the Warrant Agent in trust for, the Corporation.

(b) The Warrant Agent will record the particulars of Warrants exercised, which will include the date of exercise and the names and addresses of the persons who become holders of Common Shares on the exercise and Exercise Date in respect thereof. The Warrant Agent will provide within five (5) Business Days, upon written request of the Corporation, particulars in writing to the Corporation regarding the exercise of such Warrants.

3.6 Expiration of Warrants

Immediately after the Expiry Time, all rights under any Warrants not exercised or deemed to be exercised in accordance with the terms and conditions of this Indenture will cease and terminate and such Warrants will be void and of no further force or effect.

3.7 Securities Restrictions

(a) Notwithstanding anything herein contained, Warrants and Common Shares will only be issued pursuant to the transfer or exercise of any Warrant in compliance with Applicable Legislation of any applicable jurisdiction and, without limiting the generality of the foregoing, in respect of any Warrants transferred or exercised for Common Shares the certificates representing the issued Warrants or Common Shares, as the case may be, will bear such legends as may, in the opinion of Counsel to the Corporation, be necessary in order to avoid a violation of Applicable Securities Laws or other Applicable Legislation of such jurisdiction or to comply with the requirements of any stock exchange on which the Common Shares are listed, provided that if, at any time, in the opinion of Counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such Warrants or Common Shares, as the case may be, in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Warrant Agent in exchange for a certificate which does not bear such legend.

(b) If the Warrant Certificate representing Warrants exercised in accordance with this Article 3 bears the legend set forth in subsection 2.14(b), or the exercise of the Warrants is being effected by a U.S. Person or person within the United States or by or on behalf of any person in the United States or U.S. Person, then any certificate representing Common Shares issued upon such exercise shall bear the following legend:

> "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, PLEDGE OR TRANSFER AND AS MAY BE REQUIRED IN THE DISCRETION OF THE ISSUER, FURNISHED TO THE ISSUER AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE ISSUER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S at a time when the Corporation is a "foreign issuer" as defined in Rule 902(e) of Regulation S at the time of sale, and in compliance with Canadian local laws and regulations, the legend may be removed by providing the Corporation's transfer agent with a duly executed declaration in substantially the form set forth as Schedule "B" attached hereto (or in such other form as the Corporation may prescribe from time to time) and, if required by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such U.S. legend is no longer required pursuant to the requirement of the U.S. Securities Act or state securities laws; and

provided, further, that if any of the Common Shares are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the above legend may be removed by delivery to the Corporation's transfer agent of an opinion of counsel, of recognized standing in form and substance satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws; and

provided, further, that Warrants may be exercised by a U.S. Person or person in the United States or by or on behalf of a person in the United States or U.S. Person, without the above legend having to be affixed to the certificate representing Common Shares issued upon such exercise, provided that the person exercising the Warrants is a QIB Purchaser with respect to those Warrants and signs and delivers a letter substantially in the form attached hereto as Schedule "C".

ARTICLE 4
ADJUSTMENT OF NUMBER OF COMMON SHARES

4.1 Adjustment of Number of Common Shares

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

(a) if and whenever at any time from the date hereof and up to and including the Expiry Time (the "**Adjustment Period**"), the Corporation will:

(i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares, or

(ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares; or

(iii) issue Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of stock dividend,

(any of such events in Section 4.1(a)(i), (ii) or (iii) being called a "**Common Share Reorganization**") then the Exercise Price shall be adjusted after the effective date or record date of such Common Share Reorganization, and shall in the case of the events referred to in (i) or (iii) above be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (ii) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such

Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this Section 4.1(a) shall occur. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(a), the Exchange Rate shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(b) if and whenever at any time during the Adjustment Period, the Corporation 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 or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus 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 the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(b), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates referred to in this Section 4.1(b) are fixed within a period of 25 Trading Days, such adjustment will be made successively as if each of such record dates occurred on the earliest of such record dates;

(c) if and whenever at any time during the Adjustment Period the Corporation 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) securities of any class, whether of the Corporation or any other entity(other than Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any property or other assets then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Corporation (whose determination shall be conclusive), of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price; and Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this Section 4.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment;

(d) if and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Section 4.1(a), or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Warrantholder who has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Warrantholder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Warrant Agent, relying on advice of Counsel, to give effect to or to evidence the provisions of this Section 4.1(d), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Section 4.1(d) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.1 and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

(e) in any case in which this Section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Warrantholder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Warrantholder an appropriate instrument evidencing such Warrantholder’s right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such Warrantholder would, but for the provisions of this Section 4.1(c) have become the holder of record of such additional Common Shares pursuant to Section 4.1;

(f) in any case in which Section 4.1(a)(iii), Section 4.1(b) or Section 4.1(c) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Warrantholders of the outstanding Warrants receive, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in Section 4.1(a)(iii), Section 4.1(b) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in Section 4.1(c), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrant having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be;

(g) the adjustments provided for in this Section 4.1 are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 4.1, provided that, notwithstanding any other provision of this Section 4.1, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect; provided, however, that any adjustments which by reason of this Section 4.1(g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; and

(h) after any adjustment pursuant to this Section 4.1, the term "**Common Shares**" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Warrantholder is entitled to receive upon the exercise of his Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1 upon the full exercise of a Warrant.

4.2 Entitlement to Shares on Exercise of Warrant

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

4.3 No Adjustment for Certain Transactions.

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or in connection with (a) any share incentive plan or restricted share plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued at the date hereof.

4.4 Determination by Corporation's Auditors

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question will be conclusively determined by the Corporation's Auditors or if they are unable or unwilling to act, such independent nationally recognized chartered accountants as may be selected by the directors of the Corporation acting reasonably, who will have access to all necessary records of the Corporation, and such determination, absent any manifest error, will be binding upon the Corporation, the Warrant Agent, all Warrantholders and all other persons interested therein.

4.5 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants including the number of Common Shares which are to be received upon the exercise thereof, the Corporation will take any corporate action which may, in the opinion of Counsel to the Corporation, be necessary to ensure that the Corporation has sufficient authorized capital and to ensure that the Corporation may validly and legally issue, as fully paid and non-assessable shares, all of the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions of this Indenture.

4.6 Certificate of Adjustment

The Corporation will, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 4, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring such adjustment or readjustment and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate will be supported by a certificate of the Corporation's Auditors verifying such calculation. The Warrant Agent may rely upon such certificate and any other documents filed by the Corporation pursuant to this Section 4.6.

4.7 Notice of Special Matters

The Corporation covenants with the Warrant Agent that, so long as any Warrant remains outstanding, it will give notice, in accordance with Article 10, to the Warrant Agent and to the Warrantholders of its intention to fix the record date that is prior to the Expiry Date, for the issuance of rights, options (other than pursuant to any stock option or stock purchase plan in force from time to time for officers, directors, employees or consultants of the Corporation) or warrants (other than the Warrants) or Common Shares by way of a stock dividend to all or substantially all of the holders of its outstanding Common Shares. Such notice will specify the particulars of such event and the record date for such event, provided that the Corporation will only be required to specify in the notice such particulars of the event as will have been fixed and determined on the date on which the notice is given. The notice will be given in each case not less than fourteen (14) days prior to such applicable record date.

4.8 No Action after Notice

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the holder of a Warrant of the opportunity to exercise its right of acquisition pursuant thereto during the period of fourteen (14) days after the giving of the certificate or notices referred to in Sections 4.6 and 4.7.

4.9 Participation by Warrantholder

No adjustment will be made pursuant to this Article 4 if the Warrantholders are entitled to participate in any event described in this Article 4 on the same terms, *mutatis mutandis*, as if the Warrantholders had exercised their Warrants prior to, or on the effective date or record date of, such event.

4.10 Other Actions

In the event that the Corporation, after the date hereof, will take any action affecting the Common Shares other than action described in Section 4.1, which in the opinion of the directors of the Corporation would materially affect the rights of Warrantholders and/or the Exercise Price, the number of Common Shares which may be acquired upon exercise of the Warrants will be adjusted in such manner and at such time, by action of the directors, in their sole discretion as they may determine to be equitable in the circumstances, provided that no such adjustment will be made unless prior approval of the Underwriters and any stock exchange on which the Common Shares are listed for trading has been obtained, if required by any such stock exchange.

4.11 Protection of Warrant Agent

(1) The Warrant Agent:

(a) will not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) will not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;

(c) will be entitled to act and rely on any adjustment calculation of the Corporation or the Corporation's Auditors;

(d) will not be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(e) will not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, trustees, officers, employees, agents or servants of the Corporation.

(2) The Warrant Agent will be entitled to act and rely on any adjustment calculation of the Corporation/directors or the Corporation auditors.

ARTICLE 5
RIGHTS AND COVENANTS OF THE CORPORATION

5.1 Optional Purchases by the Corporation

Subject to compliance with applicable Securities Laws and the receipt of any necessary approvals of applicable regulatory authorities, the Corporation may from time to time purchase, by private contract or otherwise, any of the Warrants. Any such purchase will be made at the lowest price or prices at which, in the opinion of the directors of the Corporation, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. In the case of Certificated Warrants, Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Warrant Agent and reflected accordingly on the register of Warrants. In the case of Uncertificated Warrants, the Warrants purchased pursuant to this Section 5.1 shall be reflected accordingly on the register of Warrants and in accordance with procedures prescribed by the Depository under the book entry registration system. Any Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 will forthwith be delivered to and cancelled by the Warrant Agent. No Warrants will be issued in replacement thereof.

5.2 General Covenants

The Corporation covenants with the Warrant Agent that so long as any Warrants remain outstanding:

(a) it is duly authorized to create and issue the Warrants when issued and countersigned as herein provided, will be valid and enforceable obligations of the Corporation;

(b) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue the Common Shares, upon the exercise of the Warrants;

(c) it will cause the Common Shares and the certificates representing the Common Shares from time to time acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof;

(d) all Common Shares which will be issued upon exercise of the Warrants will be fully paid and non-assessable;

(e) it will use its commercially reasonable efforts to maintain its corporate existence or the corporate existence of any Successor Corporation and carry on its business in the ordinary course, consistent with past practices;

(f) it will use its commercially reasonable efforts to maintain its status as a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and not be in default in any material respect of the applicable requirements of the applicable securities laws of each of the Selling Jurisdictions;

(g) it will use its commercially reasonable efforts to ensure that the Warrants and the Common Shares and all outstanding Common Shares outstanding or issuable from time to time continue to be or are listed and posted for trading on the TSXV or such other stock exchange on which the Common Shares are listed and posted for trading;

(h) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in such jurisdictions in which it is presently or in which it becomes a reporting issuer and those filings required in connection with the issuance of the Warrants;

(i) it will do, or cause to be done, all things necessary to preserve and keep in full force and effect its corporate existence, provided however that (subject to Article 4 and Section 8.2) nothing will prevent the amalgamation, arrangement, consolidation, merger or sale of, or other business combination involving, the Corporation;

(j) it will not pay or give any consideration or other remuneration to any person in respect of the exercise of the Warrants except for administrative or professional services or for services performed by a registered dealer;

(k) it will provide to Warrantholders copies of all documentation (excluding voting instruments such as proxies) required to be provided by applicable law to registered holders of Common Shares, as if such Warrantholders were registered shareholders of the Corporation;

(l) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture;

(m) it will execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, all other acts, deeds and assurances in law as the Warrant Agent may reasonably require for the better accomplishing and effecting the intentions and provisions of this Indenture; and

(n) it will promptly notify the Warrant Agent and the Warrantholders in writing of any default under the terms of this Warrant Indenture which remains unrectified for more than five (5) Business Days following its occurrence.

5.3 Warrant Agent's Remuneration and Expenses

The Corporation covenants that it will pay to the Warrant Agent (in advance as may be required from time to time) reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its counsel and all other advisors and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder will be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's gross negligence, wilful misconduct or fraud. 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 Warrant Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

5.4 Securities Qualification Requirements

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, the Securities Regulators or any other step is required under any federal or provincial law of the Selling Jurisdictions before any Common Shares which a Warrantholder is entitled to acquire pursuant to the exercise of any Warrant may properly and legally be issued upon due exercise thereof, the Corporation covenants that it will use its commercial best efforts to make such filing, obtain such permission, order or ruling and take all such action, at its expense, as is required or appropriate in the circumstances.

5.5 Performance of Covenants by Warrant Agent

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

5.6 Enforceability of Warrants.

The Corporation covenants and agrees that it is duly authorized to create and issue the Warrants to be issued hereunder and that the Warrants, when issued and Authenticated as herein provided, will be valid and enforceable against the Corporation in accordance with the provisions hereof and the terms hereof and that, subject to the provisions of this Indenture, the Corporation will cause the Common Shares from time to time acquired upon exercise of Warrants issued under this Indenture to be duly issued and delivered in accordance with the terms of this Indenture.

ARTICLE 6
ENFORCEMENT

6.1 Suits by Warrantholders

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

6.2 Suits by the Corporation.

The Corporation shall have the right to enforce full payment of the Exercise Price of all Common Shares issued by the Warrant Agent to a Registered Warrantholder hereunder and shall be entitled to demand such payment from the Registered Warrantholder or alternatively to instruct the Warrant Agent to cancel the share certificates and amend the securities register accordingly.

6.3 Immunity of Shareholders, etc.

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

6.4 Waiver of Default

Upon the happening of any default hereunder:

(a) the Warrantholders may, by extraordinary resolution as provided in Section 7.10, by notice or requisition in writing, instruct the Warrant Agent to waive any default hereunder and the Warrant Agent will upon receipt of any such notice waive the default upon such terms and conditions as will be prescribed in such notice or requisition; or

(b) the Warrant Agent will have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, if, in the Warrant Agent's opinion, relying on the opinion of Counsel, the same will have been cured or adequate provision made therefor,

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

ARTICLE 7
MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings

The Warrant Agent may at any time, from time to time, and will on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Warrantholders who signed such Warrantholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, call and convene a meeting of the Warrantholders. In the event of the Warrant Agent failing to so call a meeting within seven (7) days after receipt of such written request of the Corporation or such Warrantholders' Request and indemnity and funding given as aforesaid, the Corporation or the Warrantholders who signed such Warrantholders' Request, as the case may be, may call and convene such meeting. Every such meeting will be held in the City of Calgary or at such other place as may be approved or determined by the Warrant Agent.

7.2 Notice

At least twenty-one (21) days prior notice of any meeting of Warrantholders will be given to the Warrantholders in the manner provided for in Section 10.2 and a copy of such notice will be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice will state the time when and the place where the meeting is to be held, will state briefly the general nature of the business to be transacted thereat and will contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter or matters to be brought before the meeting, but it will not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7.

7.3 Chairman

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

7.4 Quorum

Subject to the provisions of Section 7.11, at any meeting of the Warrantholders a quorum will consist of Warrantholders present in person or by proxy and holding at least 25% of the aggregate number of the then outstanding Warrants provided that at least two (2) persons entitled to vote thereat are personally present. If a quorum of the Warrantholders will not be present within thirty (30) minutes from the time fixed for holding any meeting, the meeting, if summoned by the Warrantholders or on a Warrantholders' Request, will be dissolved; but in any other case the meeting will be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it will be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business will be transacted at any meeting of Warrantholders unless a quorum is present at the commencement of the meeting. At the adjourned meeting the Warrantholders present in person or by proxy will form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 25% of the aggregate number of the then outstanding Warrants.

7.5 Power to Adjourn

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

7.6 Show of Hands

Every question submitted to a meeting of Warrantholders will 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 will 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 will be conclusive evidence of the fact.

7.7 Poll and Voting

(a) On every extraordinary resolution, and on any other question submitted to a meeting of Warrantholders and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in person or by proxy and holding at least 5% of the aggregate number of Warrants then outstanding, a poll will be taken in such manner as the chairman will direct. Questions other than those required to be determined by extraordinary resolution will be decided by a majority of the votes cast on the poll, whereby each Warrantholder will be entitled to one vote in respect of each whole Warrant then held or represented by it.

(b) On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxyholder for one or more absent Warrantholders, or both, will have one vote. On a poll, each Warrantholder present in person or represented by a proxyholder duly appointed by instrument in writing will be entitled to one vote in respect of each Warrant then held or represented by him. A proxyholder need not be a Warrantholder. The chairman of any meeting will be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants if any, held or represented by him.

7.8 Regulations

The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it thinks fit for the setting of the record date for a meeting of Warrantholders for the purpose of determining Warrantholders entitled to receive notice of and to vote 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. Except as such regulations may provide, the only persons who will be recognized at any meeting as a Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), will be Warrantholders or their counsel, or proxyholders of Warrantholders.

7.9 Corporation and Warrant Agent May be Represented

The Corporation and the Warrant Agent, by their respective directors, officers and employees, and the Counsel for the Corporation and for the Warrant Agent may attend any meeting of the Warrantholders, but will have no vote as such, unless in their capacity as a Warrantholder or as a proxy for a Warrantholder.

7.10 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Warrantholders at the meeting will, subject to the provisions of Section 7.11, have the power, exercisable from time to time by extraordinary resolution (as defined in Section 7.11):

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Warrant Agent in its capacity as trustee hereunder (subject to the Warrant Agent's prior consent, acting reasonably) or on behalf of the Warrantholders against the Corporation whether such rights arise under this Indenture or the Warrant Certificates or otherwise;

(b) to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Warrantholders;

(c) to direct or to authorize the Warrant Agent, subject to Section 9.2(b) hereof, to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;

(e) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders;

(f) to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in the Warrant Certificates or this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successors in office and to appoint a new trustee or trustees to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution

(a) The expression "**extraordinary resolution**" when used in this Indenture means, subject to as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7, at which there are present in person or by proxy Warrantholders holding at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative votes of Warrantholders holding not less than 66 2/3% of the aggregate number of the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution.

(b) If, at the meeting of Warrantholders at which an extraordinary resolution is to be considered, Warrantholders holding at least 25% of the aggregate number of the then outstanding Warrants are not present in person or by proxy within thirty (30) minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, will be dissolved, but in any other case it will stand adjourned to such day, being not less than fifteen (15) or more than sixty (60) days later, and to such place and time as may be determined by the chairman. Not less than ten (10) days' prior notice will be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice will state that at the adjourned meeting the Warrantholders 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. At the adjourned meeting the Warrantholders present in person or by proxy will form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 7.11(a) will be an "extraordinary resolution" within the meaning of this Indenture notwithstanding that Warrantholders holding at least 25% of the aggregate number of the then outstanding Warrants are not present in person or by proxy at such adjourned meeting.

(c) Votes on an extraordinary resolution will always be given on a poll and no demand for a poll on an extraordinary resolution will be necessary.

7.12 **Powers Cumulative**

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warrantholders by extraordinary resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time will not be deemed to exhaust the right of the Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

7.13 **Minutes**

Minutes of all resolutions and proceedings at every meeting of Warrantholders will be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings 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 will have been made will be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken will be deemed to have been duly passed and taken.

7.14 **Instruments in Writing**

All actions which may be taken and all powers that may be exercised by the Warrantholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warrantholders holding at least 66 2/3% of the aggregate number of the then outstanding Warrants by an instrument in writing signed in one or more counterparts by such Warrantholders in person or by attorney duly appointed in writing, and the expression "extraordinary resolution" when used in this Indenture will include an instrument so signed.

7.15 Binding Effect of Resolutions

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

7.16 Holdings by Corporation or Subsidiaries Disregarded

In determining whether Warrantholders holding the required number of Warrants are present at a meeting of Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Warrantholders' Request or other action under this Indenture, Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation will be disregarded in accordance with the provisions of Section 10.3.

ARTICLE 8
SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes

From time to time with the prior approval of the TSXV or any other stock exchange on which the Common Shares are listed, if such approval is required, the Corporation (when authorized by action of the directors) and the Warrant Agent, may, subject to the provisions hereof, and they will, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter will form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 4;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel of the Corporation, are necessary or advisable in the circumstances, provided that the same are not in the opinion of the Warrant Agent (relying upon the opinion of Counsel) prejudicial to the interests of the Warrantholders;

(c) giving effect to any extraordinary resolution passed as provided in Article 7;

(d) adding to, deleting or altering the provisions hereof in respect of the transfer of the Warrants making provision for the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

(e) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief will be or become operative or effective only if, in the opinion of the Warrant Agent (relying upon the opinion of Counsel), such modification or relief in no way prejudices any of the rights of the

Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same will become operative;

(f) 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 opinion of Counsel, prejudicial to the interests of the Warrantholders; and

(g) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the opinion of Counsel, the rights of the Warrant Agent and of the Warrantholders are in no way prejudiced thereby.

8.2 Successor Corporations

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

ARTICLE 9
CONCERNING THE WARRANT AGENT

9.1 Legislation

(a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement will prevail.

(b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent

(a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent will act honestly and in good faith with a view to the best interests of the Warrantholders and will exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture will be construed to relieve the Warrant Agent and its officers, directors, employees and agents from liability for their respective gross negligence, or wilful misconduct, fraud or bad faith.

(b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder will be conditional upon the Warrantholders furnishing, when required by a notice of the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent and its officers, directors, employees and agents against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(c) None of the provisions contained in this Indenture will require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.

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

(e) 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, to this Section 9.2 and to Section 9.3.

9.3 Evidence, Experts and Advisors

(a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation will furnish to the Warrant Agent such additional evidence of compliance with any provisions hereof, in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation will deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited will, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(d) Proof of the execution of an instrument in writing, including a Warrantholders' Request, by any Warrantholder may be made by the certificate of a notary public, or other officer with similar powers, stating that the person signing such instrument acknowledged to it 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 the case of a Warrantholder that is a corporation, will include a certificate of incumbency of such Warrantholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.

(e) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisors as it may reasonably require for the purpose of 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 will not be responsible for any misconduct or negligence on the part of any such experts or advisors who have been appointed with due care by the Warrant Agent. The Corporation will pay or reimburse the Warrant Agent for any reasonable remuneration, expenses, disbursements and advances of such Counsel, accountant, appraiser or other expert or advisor.

9.4 Documents, Monies, etc. Held by Warrant Agent

Until released in accordance with this Indenture, any funds received hereunder shall be kept in segregated records of the Warrant Agent and the Warrant Agent shall place the funds in segregated trust accounts of the Warrant Agent at one or more of the Canadian Chartered Banks listed in Schedule 1 of the *Bank Act* (Canada) (**"Approved Bank**"). All amounts held by the Warrant Agent pursuant to this Agreement shall be held by the Warrant Agent for Corporation and the delivery of the funds to the Warrant Agent shall not give rise to a debtor-creditor or other similar relationship. The amounts held by the Warrant Agent pursuant to this Agreement are at the sole risk of Corporation and, without limiting the generality of the foregoing, the Warrant Agent shall have no responsibility or liability for any diminution of the funds which may result from any deposit made with an Approved Bank pursuant to this section, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default). The parties hereto acknowledge and agree that the Warrant will have acted prudently in depositing the funds at any Approved Bank, and that the Warrant Agent is not required to make any further inquiries in respect of any such bank. The Warrant Agent may hold cash balances constituting part or all of such monies and need not, invest same; the Warrant Agent shall not be liable to account for any profit to any parties to this Indenture or to any other person or entity.

9.5 Actions by Warrant Agent to Protect Interest

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

9.6 Warrant Agent Not Required to Give Security

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

9.7 Protection of Warrant Agent

Except as provided in Section 9.2, by way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed that the Warrant Agent will not:

(a) be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representation contained in Section 9.9 or in the certification of the Warrant Agent on the Warrant Certificates) or be required to verify the same, but all such statements (other than those relating specifically to the Warrant Agent) or recitals are and will be deemed to be made by the Corporation;

(b) be bound to give notice to any person or persons of the execution hereof;

(c) incur any liability or responsibility whatsoever, or be in any way responsible, for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(d) at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(e) nothing herein contained will 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;

(f) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant; or

(g) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates representing Common Shares 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 Article 4; or

(h) notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant 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.

9.8 Replacement of Warrant Agent; Successor by Merger

(a) The Warrant Agent may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than thirty (30) days prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by extraordinary resolution will have power at any time to remove the existing Warrant Agent and to appoint a new trustee. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation will forthwith appoint a new trustee unless a new trustee has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Warrantholder may apply to a court in the Province of Alberta on such notice as such court may direct, at the Corporation's expense, for the appointment of a new trustee; but any new trustee so appointed by the Corporation or by the court will be subject to removal as aforesaid by the Warrantholders. Any new trustee appointed under this Section 9.8 will be a corporation authorized to carry on the business of a trust company in the Province of Alberta and British Columbia and, if required by the Applicable Legislation of any other provinces, in such other provinces. On any such appointment the new trustee will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent under this Indenture without further assurance, conveyance, act or deed, provided that there be executed, at the expense of the Corporation, all such conveyances or other instruments as may, in the opinion of Counsel, be necessary or advisable for the purpose of assigning such powers, rights, duties and responsibilities to the new Warrant Agent, including, without limitation, an appropriate instrument executed by the new Warrant Agent accepting such appointment and, at the request of the Corporation, the predecessor Warrant Agent will, upon payment of its outstanding remuneration and expenses, execute and deliver to the new Warrant Agent an appropriate instrument transferring to such new Warrant Agent all rights and powers of the Warrant Agent hereunder.

(b) Upon the appointment of a successor trustee, the Corporation will promptly notify the Warrantholders thereof in the manner provided for in Section 10.2.

(c) Any corporation into which or with which the Warrant Agent may be merged, consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent will be a party, or any corporation succeeding to the trust business of the Warrant Agent will be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor trustee under subsection 9.8(a).

(d) Any Warrant Certificates certified but not delivered by a predecessor trustee may be certified by the successor trustee in the name of the predecessor or successor trustee.

(e) The parties hereto acknowledge that the Warrant Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about the Corporation and holders of the Warrants, and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(i) to provide the services required under this Indenture and other services that may be requested from time to time;

(ii) to help the Warrant Agent manage its servicing relationships with such individuals;

(iii) to meet the Warrant Agent's legal and regulatory requirements; and

(iv) if Social Insurance Numbers are collected by the Warrant Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Indenture for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Warrant Agent shall make available on its website, www.computershare.com, or upon request, including revisions thereto. The Warrant Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.

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

9.9 <u>Conflict of Interest</u>

The Warrant Agent represents to the Corporation that to the best of its knowledge at the time of execution and delivery hereof no material conflict of interest exists between its role as a trustee 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 duties hereunder to a successor Warrant Agent approved by the Corporation and meeting the requirements set forth in subsection 9.8(a). Notwithstanding the foregoing provisions of this subsection 9.9, if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificates shall not be affected in any manner whatsoever by reason thereof.

9.10 <u>Acceptance of Trust</u>

The Warrant Agent hereby accepts the warrant agency declared and provided for in this Indenture and agrees to perform the same upon the terms and conditions herein set forth.

9.11 <u>Warrant Agent Not to be Appointed Receiver</u>

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

9.12 <u>Reliance by the Warrant Agent</u>

The Warrant Agent may act on the opinion or advice obtained from Counsel to the Warrant Agent and will, provided it acts in good faith in reliance thereon, not be responsible for any loss occasioned by doing so nor will it incur any liability or responsibility for determining in good faith not to act upon such opinion or advice. The Warrant Agent will be protected in acting and relying reasonably upon any written notice, direction, instruction, order, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document (collectively referred to as the "**Documents**") furnished to it and signed by any person required to or entitled to execute and deliver to the Warrant Agent any such Documents in connection with this Warrant Indenture, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information therein contained, which it in good faith believes to be genuine.

9.13 Indemnity of Warrant Agent

The Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Warrant Agent, whether groundless or otherwise, arising from or out of any act, omission or error of the Warrant Agent, provided that the Corporation shall not be required to indemnify the Warrant Agent in any circumstances where there has been a failure by the Warrant Agent or its employees or agents to act honestly and in good faith or in the event of the gross negligence, wilful misconduct, fraud or bad faith of the Warrant Agent or its employees or agents and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture.

9.14 Anti-Money Laundering

The Warrant Agent will retain the right not to act and will not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist legislation or economic sanctions legislation, regulation or guideline. Further, should the Warrant Agent, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist legislation or economic sanctions legislation, regulation or guideline, then it will have the right to resign on 10 days prior written notice sent to the Corporation provided that: (i) the Warrant Agent's written notice will 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 will not be effective.

ARTICLE 10
GENERAL

10.1 Notice to the Corporation and the Warrant Agent

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent will be deemed to be validly given if delivered, sent by registered letter, postage prepaid or faxed:

If to the Corporation:

Point Loma Resources Ltd.
2000, 350 7th Avenue S.W.
Calgary, AB T2P 3N9

Attention: Randall Boyd
Telephone: [Redacted Text]

with a copy to:

McCarthy Tétrault LLP
Suite 4000 – 421 7th Avenue S.W.
Calgary, AB T2P 4K9

Attention: Gordon Cameron
Telephone: [Redacted Text]
Fax: 403-260-3501

If to the Warrant Agent:

Computershare Trust Company of Canada
600, 530 – 8th Avenue S.W.
Calgary, AB T2P 3S8

Attention: Manager, Corporate Trust
Telephone: 403-267-6598
Email: corporatetrust.calgary@computershare.com

and any such notice delivered or faxed in accordance with the foregoing will be deemed to have been received on the date of delivery, on the next Business Day following the date it was faxed, or, if mailed, on the third (3rd) Business Day following the date of the postmark on such notice.

(b) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in subsection 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, will be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice will be valid and effective only if it is delivered or faxed to the named officer of the party to which it is addressed.

10.2 <u>Notice to Warrantholders</u>

(a) Unless otherwise provided herein, any notice to the Warrantholders under the provisions of this Indenture will be valid and effective if faxed, sent by letter, postage prepaid or delivered addressed to such holders at their addresses appearing on the register referred to above and will be deemed to have been effectively given on the date of delivery or, if mailed, on the date that is three (3) Business Days following actual posting of the notice or, if faxed, on the next Business Day following the date of transmission provided that its contents are transmitted and received completely and accurately. Accidental error or omission in giving notice or accidental failure to mail notice to any holder will not invalidate any action or proceeding provided therein.

(b) If, by reason of any interruption of mail service, actual or threatened, any notice to be given to the Warrantholders by the Warrant Agent or the Corporation would be unlikely to reach its destination in the ordinary course of mail, such notice will be valid and effective only if published once (i) in the national edition of The Globe & Mail or the National Post; and (ii) in such other place or places and manner, if any, as the Warrant Agent may require. Any notice given to Warrantholders by publication will be deemed to have been given on the last day on which publication will have been effected.

10.3 Ownership of Warrants

The Corporation and the Warrant Agent may deem and treat the registered owner of any Warrant Certificate as the absolute owner of the Warrant represented thereby for all purposes, and the Corporation and the Warrant Agent will not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder will be entitled to the rights evidenced by such Warrant Certificate free from all equities or rights of setoff or counterclaim between the Corporation and the original or any intermediate holder of the Warrants and all persons may act accordingly and the issuance thereto in accordance with the terms hereof pursuant thereto will be a good discharge to the Corporation and the Warrant Agent for the same and the Corporation and the Warrant Agent will not be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Evidence of Ownership

The Corporation and the Warrant Agent may deem and treat the Registered Warrantholders as the absolute owner thereof for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Registered Warrantholder of the Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.5 Counterparts

This Indenture may be executed by facsimile and 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 their date of execution they will be deemed to be executed as of the date hereof.

10.6 <u>Satisfaction and Discharge of Indenture</u>

Upon the earlier of:

(a) the date by which there will have been delivered to the Warrant Agent a written order for the exercise, cancellation or destruction of all Warrant Certificates theretofore certified hereunder, or

(b) the Expiry Time,

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

10.7 <u>Provisions of Indenture and Warrants for the Sole Benefit of Parties and Warrantholders</u>

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

10.8 <u>Warrants Owned by the Corporation or its Subsidiaries – Certificate to be Provided</u>

For the purpose of disregarding any Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation in Section 7.16, the Corporation will provide to the Warrant Agent, from time to time and upon request of the Warrant Agent, a certificate of the Corporation setting forth, as at the date of such certificate:

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

(b) the number of Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation,

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

10.9 <u>Representation Regarding Third Party Interests</u>

The Corporation hereby 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 the

Corporation, 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 the Corporation hereby agrees to complete, execute and deliver forthwith to the Warrant Agent a declaration, in the Warrant Agent's prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

10.10 Power to Amend

With the prior approval of the TSXV or any other stock exchange of which the Common Shares are listed, all and any provisions of this Indenture and the Warrant Certificates may from time to time be amended by agreement between the Corporation and the Warrant Agent on its own behalf and on behalf of the Warrantholders in any respect which they deem necessary or desirable, with notice to but without the need for any additional consent by or on behalf of the Warrantholders, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained herein or in any manner which the Corporation and the Warrant Agent on its own behalf and on behalf of the Warrantholders may deem necessary or expedient and which does not in the opinion of the Warrant Agent, relying upon the opinion of Counsel, materially prejudice the rights exercisable by extraordinary resolution of the Warrantholders within the meaning of and in accordance with the procedures set forth in Article 7 hereof and any such amendments will be binding on all Warrantholders from and after the effective date thereof. If this Indenture is so amended, reference herein to this Indenture will, unless the context otherwise requires, be construed, as from the date from which such amendment is expressed to be made, as references to this Indenture and so amended.

10.11 Waiver

Each of the parties hereto will have the right to waive any of its rights under this Indenture, in whole or in part, in its absolute discretion, and any such right once waived may thereafter, subject to the terms of the waiver, be reasserted by such party at any time and enforced pursuant to the terms of this Indenture.

10.12 Force Majeure

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

10.13 Governing Law

This Indenture and the Warrant Certificates will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and will be treated in all respects as Alberta contracts. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the province of Alberta with respect to all matters arising out of this Indenture and the transactions contemplated herein.

IN WITNESS WHEREOF the parties hereto have executed this Indenture under the hands of their proper officers as of the date first above written.

POINT LOMA RESOURCES LTD.

Per: *(signed) "Terry Meek"*

Terry Meek
President and Chief Executive Officer

Per: *(signed) "Randall Boyd"*

Randall Boyd
Chief Financial Officer

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: *(signed) "Beatriz Fedozzi"*

Name: Beatriz Fedozzi,

Title: Corporate Trust Officer

Per: *(signed) "Laura Leong"*

Name: Laura Leong

Title: Corporate Trust Officer

SCHEDULE "A"
FORM OF WARRANT CERTIFICATE FOR WARRANTS

THIS IS SCHEDULE "A" to the Warrant Indenture made as of October 25, 2018 between POINT LOMA RESOURCES LTD. and COMPUTERSHARE TRUST COMPANY OF CANADA, as Warrant Agent

---

[Include the following legend on Warrant Certificates issued pursuant to subsection 2.14(b) of the Indenture only:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, PLEDGE OR TRANSFER AND AS MAY BE REQUIRED IN THE DISCRETION OF THE ISSUER, FURNISHED TO THE ISSUER AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE ISSUER. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

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

CUSIP No. 730559119
ISIN No. CA7305591199
WARRANT
POINT LOMA RESOURCES LTD.
(Incorporated under the *Business Corporations Act* (Alberta))

WARRANT CERTIFICATE NO. ●

Certificate for ____________________ WARRANTS, entitling the holder to acquire, subject to adjustment as provided for in the Indenture (as such term is defined below), one Common Share for each Warrant represented hereby.

THIS IS TO CERTIFY THAT, for value received,

●

(the "**holder**") is entitled to acquire in the manner and subject to the restrictions and adjustments set forth herein and in the Indenture (as such term is defined below), at any time and from time to time prior to 5:00 p.m. (Calgary time) (the "**Expiry Time**") on October 25, 2020 (the "**Expiry Date**"), one common share (a "**Common Share**") of Point Loma Resources Ltd. (the "**Corporation**").

The Warrants represented by this certificate are created and issued under and pursuant to a Warrant Indenture (the "**Indenture**") made as of October 25, 2018 between the Corporation and Computershare Trust Company of Canada (the "**Warrant Agent**"). Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the holders of the Warrants and the terms and conditions upon which the Warrants are, or are to be, issued and held, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth. By acceptance hereof, the holder assents to all provisions of the Indenture. In the event of any conflict between the provisions of this Warrant Certificate and the Indenture, the terms of the Indenture will govern. The Corporation will furnish to the holder, on request and upon payment of a reasonable charge for photocopying and postage, a copy of the Indenture.

Whenever used herein capitalized terms not defined in this Warrant Certificate but defined in the Indenture will have the meanings ascribed thereto in the Indenture.

The right to acquire Common Shares may be exercised by the holder prior to the Expiry Time as set forth above by:

(a) duly completing and executing the Exercise Form attached hereto; and

(b) surrendering this Warrant Certificate, with the Exercise Form, to the Warrant Agent at its principal offices in the City of Calgary, Alberta, together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Corporation in an amount equal to the aggregate Exercise Price (as defined below) of the Common Shares subscribed for.

Subject to the terms of the Indenture, the surrender of this Warrant Certificate, the duly completed Exercise Form and payment as provided above will be deemed to have been effected only on personal delivery thereof to, or if sent by mail or other means of transmission on actual receipt thereof by, the Warrant Agent at its principal office as set out above.

Subject to adjustment thereof in the events and in the manner set forth in the Indenture, the exercise price payable for each Common Share upon the exercise of Warrants shall be $0.39 per Common Share (the "**Exercise Price**").

The Common Shares acquired upon exercise of this Warrant Certificate will be registered in accordance with the registration instructions specified by the holder in the Exercise Notice.

Upon the exercise of these Warrants, the person or persons in whose name or names the Common Shares issuable upon exercise of the Warrants are to be issued will be deemed for all purposes (except as provided in the Indenture hereinafter referred to) to be the holder or holders of record of such Common Shares and the Corporation covenants that it will (subject to the provisions of the Indenture) cause a certificate or certificates representing such Common Shares to be delivered or mailed to the person or persons listed in the register of Warrantholders kept by the Warrant Agent or at the address or addresses specified in the Exercise Form within three (3) business days of the date such Warrants are surrendered.

The registered holder of these Warrants may acquire any lesser number of Common Shares than the total number of Common Shares that may be acquired upon the exercise of the Warrants represented by this Warrant Certificate. In such event, the holder will be entitled to receive a new Warrant Certificate for the balance of the Common Shares which may be acquired. No fractional Common Shares will be issued.

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

The Indenture contains provisions for the adjustment of the Exercise Price payable for each Common Share upon the exercise of Warrants and the number of Common Shares issuable upon the exercise of Warrants in the events and in the manner set forth therein.

The Indenture also provides that all holders of Warrants will be bound by any resolution passed at a meeting of the holders held in accordance with the provisions of the Indenture and by resolutions signed by the holders of Warrants holding a specified percentage of Warrants.

In the event of any discrepancy between anything contained in this Warrant Certificate and the terms and conditions of the Indenture, the terms and conditions of the Indenture shall govern.

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

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

The holder understands and acknowledges that the Warrants and the Common Shares issuable hereunder 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, and that Warrants originally issued in the United States or to, or for the account or benefit of, a person in the United States or a U.S. person are, and any Common Shares issued upon exercise of such Warrants will be, "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act. "United States" and "U.S. person" have the respective meanings assigned in Regulation S ("**Regulation S**") under the U.S. Securities Act. The Warrants may not be exercised in the United States, or by or on behalf of, or for the account or benefit of, a U.S. person or a person in the United States, unless (i) this Warrant and such Common Shares have been registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available and the requirements set forth in the Exercise Form have been satisfied. "United States" and "U.S. person" are as defined in Regulation S under the U.S. Securities Act.

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

Time will be of the essence hereof.

This Warrant Certificate will be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officers as of October 25, 2018.

POINT LOMA RESOURCES LTD.

Per: ______________________________

Authorized Signatory

Certified by

COMPUTERSHARE TRUST COMPANY OF CANADA

Warrant Agent

Per: ______________________________

Authorized Signatory

TRANSFER OF WARRANTS

NOTE: WARRANTS MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH APPLICABLE LAW.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfer to

______________________________	______________________________
(full name of Transferee)	(address of Transferee)

____________________ Warrants of Point Loma Resources Ltd. (the "**Corporation**") registered in the name of the undersigned on the records maintained by Computershare Trust Company of Canada represented by the Warrant Certificate attached and irrevocably appoints _________________________ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned certifies that all applicable Canadian and foreign securities laws and requirements of regulatory authorities respecting the transfer of the said securities have been complied with. Without limiting the foregoing, if the Warrant Certificate bears a legend restricting the transfer of the Warrants except pursuant to an exemption from registration under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), this form of Transfer of Warrants must be accompanied by a Form of Declaration for Removal of Legend in the form attached as Schedule "B" to the Indenture (or such other form as the Corporation may prescribe from time to time), or, at the discretion of the Corporation, a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the transfer is exempt from registration under the U.S. Securities Act and applicable state securities laws.

DATED the ______ day of _______________, 20___.

●	●
Per: ______________________________	Per: ______________________________
Signature of Guaranteed	(Signature of Warrantholder)

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:		
●/●/●	$●	☐	☐
		CAD **OR**	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 and 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 certificates(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.

REASON FOR TRANSFER – FOR US RESIDENTS ONLY

Consistent with US IRS regulations, Computershare 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).

EXERCISE FORM

TO: POINT LOMA RESOURCES LTD.

AND TO: COMPUTERSHARE TRUST COMPANY OF CANADA

The undersigned hereby exercises the right pursuant to the Warrants represented by this Warrant Certificate to acquire ____________________ (A) Common Shares ("**Common Shares**") of Point Loma Resources Ltd., in accordance with and subject to the provisions of the Warrant Indenture dated October 25, 2018 between Point Loma Resources Ltd. and Computershare Trust Company of Canada (the "**Indenture**") (or such other number of Common Shares to which such Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the Indenture).

Exercise Price Payable: ____
((A) multiplied by $0.39, subject to adjustment)

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Indenture.

The Common Shares are to be issued as follows:

Name: ____

Address: ____

Social Insurance Number: ____

Number of Common Shares: ____

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

The undersigned represents that it is (check one (only) box):

☐ A. (i) not in the United States; (ii) not a U.S. Person and is not exercising such Warrant on behalf of a U.S. Person or a person in the United States; and (iii) is not executing this exercise form in the United States. For purposes hereof, "United States" and "U.S. Person" shall have the meanings given to such terms in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); or

☐ B. is a U.S. Purchaser and an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws is available for the exercise of the Warrants, and attached hereto is a written opinion of U.S. counsel or other evidence in form and substance reasonably satisfactory to the Corporation to that effect; or

☐ C. a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act who first purchased Units exercisable for Common Shares and Warrants on the date of original issuance of the Units and is completing the “Form of Letter to be Delivered by QIB Purchaser Upon Exercise of Warrants”, substantially in the form attached as Schedule “C” to the Indenture, a copy of which is available upon request from the Warrant Agent.

The undersigned acknowledges that if Box B is checked, the Common Shares issued upon exercise are required to be represented by certificates that bear a U.S. restrictive legend.

DATED the ______ day of _______________, 20____.

● ●

Per: ______________________________ Per: ______________________________

Signature of Guaranteed (Signature of Warrantholder or Authorized Representative)

____

Print full name

____

Title of Capacity of Authorized Representative

____

Daytime Phone Number

NOTES:

1. SECURITIES RECEIVED ON THE EXERCISE OF THE WARRANTS 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, AND MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION OR EXCLUSION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

2. COMMON SHARES WILL BE ISSUED IN THE NAME OF THE REGISTERED HOLDER AND DELIVERED TO THE ADDRESS OF THE REGISTERED HOLDER AS IT APPEARS ON THE WARRANT REGISTER UNLESS OTHERWISE DIRECTED.

Instructions:

1. The registered holder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Warrants being exercised together with a certified cheque, bank draft or money order in the lawful money of Canada payable to or to the order of the Point Loma Resources Ltd. in an amount equal to the aggregate Exercise Price to Computershare Trust Company of Canada at its principal office at 600, 530 – 8th Avenue S.W., Calgary, Alberta T2P 3S8. Certificates for Common Shares will be delivered or mailed within three (3) business days after the exercise of the Warrants.

2. If the Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the Warrant Certificate, the Transfer Form must be completed. The signature of such holder on the Transfer Form and the Exercise Form must be guaranteed by a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.

3. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to Computershare Trust Company of Canada and Point Loma Resources Ltd.

SCHEDULE “B”
FORM OF DECLARATION FOR REMOVAL OF LEGEND

THIS IS SCHEDULE “B” to the Warrant Indenture made as of October 25, 2018 between POINT LOMA RESOURCES LTD. and COMPUTERSHARE TRUST COMPANY OF CANADA, as Warrant Agent

---

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: [If for the removal of a legend on the Warrants:] Computershare Trust Company of Canada, as Warrant Agent

[If for the removal of a legend on the Common Shares:]
Computershare Investor Services Ltd., as Registrar and Transfer Agent for the Common Shares of the Corporation

The undersigned (A) acknowledges that the sale of __________________ [Warrants][Common Shares] of the Company, represented by its Certificate No. ____________________ and to which this declaration relates, has been made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and (B) certifies that (1) the undersigned is not an “affiliate” (as defined in Rule 405 under the 1933 Act) of the Company; (2) the offer of such securities was not made to a “US Person” or 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 TSX Venture Exchange, and neither the seller nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States; and (3) neither the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S.

By: ____________________________________
Signature

____
Name (please print)

____
Date

AFFIRMATION BY SELLER'S BROKER-DEALER (REQUIRED FOR SALES IN ACCORDANCE WITH SECTION (B)(2)(B) ABOVE)

We have read the foregoing representations of our customer, ________________________ (the "**Seller**") dated ________________________, with regard to our sale, for such Seller's account, of the ____________________ [Warrants][Common Shares], represented by certificate number   of the Company described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of The TSX Venture Exchange and (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities. Terms used herein have the meanings given to them by Regulation S.

____
Name of Firm

By: _____________________________________
Authorized officer

Date: ____________________________________

SCHEDULE "C"
FORM OF LETTER TO BE DELIVERED BY QIB PURCHASER UPON EXERCISE OF WARRANTS

THIS IS SCHEDULE "C" to the Warrant Indenture made as of October 25, 2018 between POINT LOMA RESOURCES LTD. and COMPUTERSHARE TRUST COMPANY OF CANADA, as Warrant Agent

---

FORM OF LETTER TO BE DELIVERED BY QIB PURCHASER
UPON EXERCISE OF WARRANTS

TO: POINT LOMA RESOURCES LTD. (the "Corporation")

AND TO: COMPUTERSHARE TRUST COMPANY OF CANADA (the "Warrant Agent")

RE: Exercise of Warrants of the Corporation

Ladies and Gentlemen:

In connection with its exercise of warrants ("**Warrants**") to purchase common shares of the Corporation ("**Warrant Shares**"), the undersigned represents, warrants and covenants to you as follows:

(a) it is an original U.S. purchaser of the Units;

(b) it is authorized to consummate the exercise of the Warrants and purchase of the Warrant Shares;

(c) it is aware that the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws;

(d) it is a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act (a "**Qualified Institutional Buyer**") and is acquiring the Warrant Shares for its own account or for the account of a Qualified Institutional Buyer with respect to which it exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Warrant Shares in violation of United States federal or state securities laws;

(e) it acknowledges that it has not purchased the Warrants or the Warrant Shares as a result of any "directed selling efforts" (as defined in Regulation S under the U.S. Securities Act) or any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or on the Internet, or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(f) it understands that the Warrant Shares are "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act ("**Restricted Securities**"). Unless the delivery of physical definitive certificates is required by the transfer agent for the Warrant Shares, in order to induce the Corporation to issue the Warrant

Shares to the undersigned that will not be represented by certificates that bear a U.S. restrictive, the undersigned represents, warrants and covenants to the Corporation as follows (collectively, the "**Restricted Security Agreements**"): (i) if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the Warrant Shares, it will do so only (A) to the Corporation, or (B) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in each case in compliance with applicable state or foreign laws; (ii) none of the Warrant Shares, can be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. Person; (iii) it will cause any nominee holding the Warrant Shares on its behalf to comply with the Restricted Security Agreements; and (iv) it acknowledges that the Warrant Shares may only be held in an account at CDS Clearing and Depository Services Inc., or a successor depository in Canada, and shall not be held in an account at the Depository Trust Corporation, or a successor depository within the United States;

(g) it understands that if, at the time of exercise of the Warrants, the Corporation is not a "foreign issuer" for purposes of Regulation S under the U.S. Securities Act, the Warrant Shares will continue to be Restricted Securities, notwithstanding that they are resold pursuant to Rule 904 of Regulation S under the U.S. Securities Act;

(h) it acknowledges that unless the delivery of physical definitive certificates that bear a U.S. restrictive legend is required by the transfer agent for the Warrant Shares, the Warrant Shares, will not be represented by certificates that bear a U.S. restrictive legend in reliance on the acknowledgments, representations and agreements contained herein, including the Restricted Security Agreements set forth above;

(i) it has implemented, or shall immediately implement, appropriate internal controls and procedures to ensure that the Warrant Shares shall be properly identified in its records as Restricted Securities that are subject to the Restricted Security Agreements set forth herein notwithstanding the absence of a U.S. restrictive legend;

(j) it consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Warrant Shares in order to implement the restrictions on transfer set forth and described herein;

(k) if required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver, file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the ownership of the Warrant Shares; and

(l) it understands and acknowledges that the Corporation is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Warrant Shares.

The undersigned acknowledges that the representations, warranties and agreements contained herein are made by it with the intent that they may be relied upon by the Corporation and the Warrant Agent in determining its eligibility to exercise the Warrants and the determination to issue Warrant Shares to the undersigned without a U.S. restricted legend. By this letter the undersigned represents and warrants that the foregoing representations and warranties are true and that they shall survive the purchase by it of the Warrant Shares and shall continue in full force and effect notwithstanding any subsequent disposition by the undersigned of the Warrant Shares.

You are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

DATED at _________________________ this ______ day of _______________, 20____.

If a Corporation, Partnership or Other Entity:

____
Name of Entity

____
Type of Entity

____
Signature of Person Signing

____
Print or Type Name and Title of Person Signing