

PHARMACIELO LTD.

- and -

AAJ CAPITAL 1 CORP.

- and -

ECHELON WEALTH PARTNERS INC.

- and –

CORMARK SECURITIES INC.

- and –

GMP SECURITIES L.P.

- and –

TSX TRUST COMPANY

SUBSCRIPTION RECEIPT AGREEMENT

Providing for the Issue of up to 20,597,015

Subscription Receipts of PharmaCielo Ltd. at a Price of

CDN\$3.35 per Subscription Receipt

Dated as of June 22, 2018

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SCHEDULE “C” FORM OF NOTICE AND DIRECTION TO RECEIPT AGENT

SCHEDULE “D” FORM OF DECLARATION FOR REMOVAL OF LEGEND

SUBSCRIPTION RECEIPT AGREEMENT

THIS AGREEMENT made as of June 22, 2018

AMONG: **PharmaCielo Ltd.** (the “**Company**”);

AND:

AAJ CAPITAL 1 CORP. (“**AAJ**”);

AND:

Echelon Wealth Partners Inc. (“**Echelon**” or the “**Lead Agent**”) on its own behalf and for and on behalf of the other Agents (as defined herein) pursuant to the Agency Agreement (as defined herein)

AND:

TSX TRUST COMPANY, a trust company existing under the laws of Canada (the “**Receipt Agent**” or “**Escrow Agent**”).

WHEREAS:

- (1) The Company proposes to issue and sell up to 20,597,015 Subscription Receipts (as defined herein) at the Issue Price (as defined herein) to subscribers in connection with the Offering (as defined herein).
- (2) The Company is duly authorized to create, issue and sell the Subscription Receipts as provided herein.
- (3) Each Subscription Receipt represents the right to receive one (1) Resulting Issuer Share (as defined herein), upon satisfaction of the Escrow Release Conditions (as defined herein).
- (4) AAJ (as defined herein), has approved and agreed to the issuance of Resulting Issuer Shares upon satisfaction of the Escrow Release Conditions, in accordance with the terms of the Transaction (as defined herein) and this Agreement (as defined herein).
- (5) The Company, AAJ and the Agents have agreed that:
 - (a) the Proceeds (as defined herein) are to be delivered to and held by the Receipt Agent as escrow agent hereunder and invested on behalf of the Receiptholders (as defined herein) in the manner set out herein;
 - (b) if the Escrow Release Conditions have been satisfied and the Notice and Direction (as defined herein) is delivered to the Receipt Agent on or before the Deadline (as defined herein): (i) each Receiptholder shall be and shall be deemed to be issued immediately after completion of the Transaction, without payment of additional consideration or the undertaking of any further action by the Receiptholder, one (1) Resulting Issuer Share for each one Subscription Receipt held; (ii) the Escrowed Funds (as defined herein) less fifty percent (50%) of the Agents’ Commission shall be released to the Company as the Company may direct in writing; and (iii) fifty

percent (50%) of the Agents' Commission shall be released and paid to Echelon for the benefit of the Agents on behalf of the Company; and

- (c) if on or before the Deadline: (i) the Notice and Direction has not been delivered to the Receipt Agent; (ii) the Transaction Agreement (as defined herein) has been terminated in accordance with its terms; or (iii) the Company has advised the Agents or announced to the public that it does not intend to proceed with the Transaction, then the Receiptholders shall be paid an amount per Subscription Receipt equal to the Issue Price and their *pro rata* portion of the Earned Interest (as defined herein) thereon, to be paid by the Receipt Agent no later than the fifth Business Day (as defined herein) following the Termination Date (as defined herein).
- (6) The Receipt Agent has agreed to act as registrar and transfer agent for the Subscription Receipts, and as escrow agent to receive the Proceeds, in accordance with the terms and conditions set out herein.
- (7) The foregoing recitals are made as representations and statements of fact by the Company and not the Receipt Agent.

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

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement and the recitals hereto, unless there is something in the subject matter or context inconsistent therewith or unless otherwise expressly provided, the following terms shall have the meanings ascribed thereto:

"AAJ" means AAJ Capital 1 Corp, a company existing under the laws of British Columbia, whose common shares are listed on the TSXV;

"AAJ Counsel" means a barrister or solicitor or a firm of barristers and solicitors, who may be counsel for AAJ;

"AAJ Shareholder" means a person who is a holder of record of one or more AAJ Shares;

"AAJ Shares" means fully paid and non-assessable common shares in the capital of AAJ;

"Agency Agreement" means the agency agreement dated the date hereof among the Company, AAJ, and the Agents providing for the issue and sale of the Subscription Receipts;

"Agents" means Echelon Wealth Partners Inc., Cormark Securities Inc., and GMP Securities L.P.;

"Agents' Commission" means the Commission (as defined in the Agency Agreement);

"Agents' Counsel" means a barrister or solicitor or a firm of barristers and solicitors, who may be counsel for the Agents;

"Agents' Expenses" means the reasonable estimated costs and expenses of the Agents (including legal fees, disbursements and applicable taxes) in respect of the Offering;

"Agents Option" means the option of the Agents to exercise, in whole or in part, up to 48 hours prior to the Closing of the final tranche of the Offering, to arrange for the purchase of up to an additional 15% of the number of Subscription Receipts sold under the Offering on the same terms as the Offering.

"Agreement", **"herein"**, **"hereto"**, **"hereunder"**, **"hereof"**, **"hereby"** and similar expressions mean or refer to this subscription receipt agreement, as amended from time to time, and not to any particular Article, Section, subsection, paragraph, clause, subdivision or portion hereof and include any agreement or instrument supplemental or ancillary hereto;

"Applicable Legislation" means any statute of Canada or a province thereof, and regulations under any such statute, relating to subscription receipt agreements or to the rights, duties and obligations of Receipt Agent and corporations under such agreements, to the extent that such provisions are at the time in force and applicable to this Agreement;

"Applicable Procedures" means (a) with respect to any transfer or exchange of beneficial ownership interests in, or the exercise of Subscription Receipts represented by, a Subscription Receipt deposited in CDS, the applicable rules, procedures or practices of CDS and the Receipt Agent in effect at the time being, and (b) with respect to any issuance, deposit or withdrawal of Subscription Receipts from or to an electronic position evidencing a beneficial ownership interest in Subscription Receipts represented by a CDS Subscription Receipt, the rules, procedures or practices followed by CDS and the Receipt Agent at the time being with respect to the issuance, deposit or withdrawal of such positions;

"Authenticated" means (a) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Company and authenticated by manual signature of an authorized signatory of the Receipt Agent, (b) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipts are entered in the register of Subscription Receiptholders, but for clarity, such particulars shall not include underlying beneficial owners or participants of CDS;

"Business Day" means any day which is not a Saturday, Sunday or a statutory holiday in the City of Toronto, Ontario and a day on which the Receipt Agent is normally open for business;

"CDS" means CDS Clearing and Depository Services Inc. and its successors in interest, or such other person as is designated in writing by the Company to act as depository in respect of the Subscription Receipts;

"Closing" means the completion, in one or more tranches, of the offer, sale and issuance of the Subscription Receipts as contemplated by the subscription agreements between the Receiptholders and the Company in respect of the Offering, which Closing shall occur on a first tranche on June 22, 2018 at 8:00 a.m. (Toronto, Ontario time) and subsequently in additional tranches on such other dates and times as may be determined by the Company and the Agents and confirmed in writing to the Receipt Agent subject to satisfaction or waiver by the relevant party of the conditions of the Closing;

"Common Shares" means fully paid and non-assessable common shares in the capital of the Company;

“Company” means PharmaCielo Ltd. and its lawful successors from time to time;

“Company Counsel” means a barrister or solicitor or a firm of barristers and solicitors, who may be counsel for the Company;

“Company Shareholder” means a person who is a holder of record of one or more Common Shares;

“Deadline” means 5:00 p.m. (Toronto, Ontario time) on September 30, 2018, except as may be extended in accordance with the terms of this Agreement;

“Designated Office” means the principal office of the Receipt Agent from time to time in the City of Toronto, Ontario or as may be designated in writing by the Company, subject to the consent of the Receipt Agent, from time to time;

“Earned Interest” means the interest or other income actually earned, if any, on the Proceeds (or the reinvestment of such interest or other income) between the date of deposit of Proceeds to the Receipt Agent and the earlier to occur of the Notice Date and the Termination Date;

“Escrow Release Conditions” means the satisfaction of the following:

- (a) raising minimum gross proceeds of CDN\$30,000,000 under the Offering;
- (b) the completion, satisfaction or waiver of all conditions precedent to the Transaction other than the release of the Escrowed Funds;
- (c) the receipt of all shareholder and regulatory approvals required for the Transaction;
- (d) the Company shall not have committed any material breach of the Agency Agreement;
- (e) evidence of the receipt of all applicable Governmental Licenses (as that term is defined in the Agency Agreement) to the sole satisfaction of the Agents, acting reasonably after the receipt of advice from their legal counsel;
- (f) written confirmation from the Company and AAJ that all conditions of the Transaction have been satisfied or waived, other than release of the Escrowed Funds and that the Transaction shall be completed forthwith upon release of the Escrowed Funds;
- (g) the distribution of the (i) Common Shares underlying the Subscription Receipts; and (ii) the Resulting Issuer Shares to be issued in exchange for Common Shares of the Company pursuant to the Transaction being exempt from applicable prospectus and registration requirements of applicable Canadian securities laws and not subject to any statutory hold period;
- (h) the Resulting Issuer Shares being conditionally approved for listing on the TSXV, and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; and
- (i) the Company and Echelon, on behalf of the Agents shall have delivered the Notice and Direction to the Receipt Agent;

“Escrowed Funds” means, at any time, the Proceeds and the Earned Interest;

“Exchange Act” means the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;

“Extraordinary Resolution” has the meaning given to such term in Section 7.12;

“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 Receipt 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 Receipt Agent;

“Irrevocable Direction” means a direction to the Transfer Agent, substantially in the form of Schedule “B” attached hereto to be delivered to the Transfer Agent pursuant to Sections 3.1 hereof;

“Issuance Right” means the right of a Receiptholder to be issued, without payment of additional consideration or the undertaking of any further action by the Receiptholder, Resulting Issuer Shares on the basis of one (1) Resulting Issuer Share for each Subscription Receipt held, in the circumstances contemplated in this Agreement;

“Issue Price” means CDN\$3.35 per Subscription Receipt;

“Notice and Direction” means a written notice and direction, executed by the Company and Echelon, on behalf of the Agents: (i) advising the Receipt Agent that the Escrow Release Conditions have been satisfied; (ii) authorizing and directing the Receipt Agent to release the Released Amount to the Company; and (iii) authorizing and directing the Receipt Agent to pay fifty percent (50%) of the Agents' Commission to Echelon for the benefit of the Agents in accordance with this Agreement, substantially in the form attached hereto as Schedule “C”;

“Notice Date” means the date upon which the Notice and Direction is executed and delivered to the Receipt Agent, as stated in the Notice and Direction, which for greater certainty, shall be a Business Day;

“Offering” means the creation, issue and sale of up to an aggregate of 20,597,015 Subscription Receipts sold on a brokered basis pursuant to the terms of the Agency Agreement and directly by the Company on a non-brokered basis;

“Original QIB Purchaser” means an original purchaser of Subscription Receipts who, as a U.S. Purchaser, purchased the Subscription Receipts from the Company on the basis that it is a U.S. Accredited Investor that also qualifies as an Qualified Institutional Buyer, and has executed and delivered a U.S. QIB Letter;

“Participant” means a person recognized by CDS as a participant in the Uncertificated Book-Entry Only System;

“Proceeds” means up to CDN\$60,000,000 and up to CDN\$69,000,000 in the event of the exercise of the Agents' Option deposited for escrow with the Receipt Agent hereunder, being the aggregate gross proceeds of the Offering, less fifty percent (50%) of the Agents' Commission and the Agents' Expenses;

“Qualified Institutional Buyer” means a “qualified institutional buyer” as defined in Rule 144A of the U.S. Securities Act;

“Receipt Agent” or **“Escrow Agent”** means TSX Trust Company and its successors and permitted assigns from time to time under this Agreement, in the capacity of registrar and transfer agent in respect of the Subscription Receipts and escrow agent in respect of the Escrowed Funds;

“Receptholders” or **“holders”** means the persons who are registered holders of Subscription Receipts and includes, where the context so requires, a transferee thereof if all applicable transfer requirements, other than registration, have been satisfied;

“Receptholders’ Request” means an instrument, signed in one or more counterparts by Receptholders holding an aggregate of not less than 25% of all of the Subscription Receipts then outstanding, requesting the Receipt Agent to take some action or proceeding specified therein;

“Refund Date” means the date following deemed exercise of the Refund Right on which the payment in respect of the Refund Right is mailed to the Receptholders, which shall be not more than five (5) Business Days following the Termination Date;

“Refund Right” means, with respect to each unexercised Subscription Receipt, the right of a Receptholder to receive a refund of the Issue Price therefor, together with a *pro rata* portion of the Earned Interest in the circumstances contemplated in this Agreement;

“Released Amount” has the meaning given to such term in Section 3.5(a);

“Resulting Issuer” means AAJ upon completion of the Transaction, which as part of the Transaction, shall have filed a notice of alteration to change its name to “PharmaCielo Corporation”;

“Resulting Issuer Shares” means fully paid and non-assessable common shares in the capital of the Resulting Issuer;

“SEC” means the United States Securities and Exchange Commission;

“Subscription Receipt Certificate” means a certificate representing Subscription Receipts, substantially in the form attached hereto as Schedule “A”;

“Subscription Receipts” means the subscription receipts issued and Authenticated hereunder and from time to time outstanding, each such Subscription Receipt evidencing the Issuance Right, the Refund Right and the other rights hereunder;

“Subsidiary of the Company” or **“Subsidiary”** means any corporation of which more than 50% of the outstanding Voting Shares are owned, directly or indirectly, by or for the Company, provided that the ownership of such shares confers the right to elect at least a majority of the board of directors of such corporation and includes any corporation in like relation to a Subsidiary;

“Termination Date” means the date on which the Termination Time occurs;

“Termination Time” has the meaning given to such term in Section 2.2(a)(ii);

“Transaction” means the business combination between AAJ and the Company governed by the Transaction Agreement under which the business and assets of AAJ shall be combined with those of the Company, as a reverse takeover of AAJ by the Company, to form the Resulting Issuer, and upon completion thereof, each one (1) Common Share outstanding immediately prior to the effective time of the Transaction shall be exchanged for one (1) Resulting Issuer Share, as adjusted in accordance with the terms of the Transaction Agreement;

“Transaction Agreement” means the agreement to be entered into as of the date of Closing between, among others, the Company and AAJ and providing for the Transaction;

“Transfer Agent” means the transfer agent of the Resulting Issuer Shares, as appointed by AAJ;

“TSXV” means the TSX Venture Exchange;

“Uncertificated 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;

“Uncertificated Subscription Receipt” means any Subscription Receipt that is not issued as a Subscription Receipt Certificate (and for greater certainty includes any Subscription Receipt represented by a non-certificated inventory deposit through the Uncertificated Book-Entry Only System);

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

“U.S. Accredited Investor” means an “accredited investor” that meets one or more of the criteria in Rule 501(a) of Regulation D under the U.S. Securities Act;

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

“U.S. Purchaser” means an original purchaser of Subscription Receipts that was, at the time of purchase: (a) a U.S. Person or a person purchasing the Subscription Receipts in the United States, (b) a person purchasing Subscription Receipts on behalf of, or for the account or benefit of, any U.S. Person or person in the United States, (c) a person that received an offer to purchase the Subscription Receipts while in the United States, or (d) any person that was in the United States at the time such person’s buy order was made or the subscription for the Subscription Receipts was executed or delivered;

“U.S. Securities Act” means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

“U.S. QIB Letter” means a letter of a Qualified Institutional Buyer investment executed by an Original QIB Purchaser in connection with its purchase of Subscription Receipts pursuant to the private placement offering under which the Subscription Receipts were issued, in the form attached as Appendix 2 to Schedule D to the subscription agreement for such Subscription Receipts;

“Voting Shares” means shares of the capital stock of any class of any corporation carrying voting rights under all circumstances, provided that, for this purpose, shares which only carry

the right to vote conditionally on the occurrence of an event shall not be considered Voting Shares, whether or not such event shall have occurred, and no shares shall 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 occurrence of any such event; and

“written request of the Company” and **“certificate of the Company”** means, respectively, a written request and certificate signed in the name of the Company by any one of its officers and/or directors and may consist of one or more instruments so executed.

Section 1.2 Headings

The headings, the table of contents and the division of this Agreement into Articles and Sections are for convenience of reference only and shall not affect the interpretation of this Agreement.

Section 1.3 References

Unless otherwise specified in this Agreement references to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

Section 1.4 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

- (a) the singular includes the plural and vice versa;
- (b) gender references shall be read with such changes as may be required by the context;
- (c) a derivative of any defined word or phrase has the meaning appropriate to the derivation of the word or phrase;
- (d) “person” includes any individual, firm, partnership, company, corporation, trustee, government, governmental body, agency, instrumentality, unincorporated body of persons or association;
- (e) “in writing” or “written” includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including telecopy;
- (f) “including” and “in particular” are used for illustration or emphasis only and not to limit the generality of any preceding words, whether or not non-limiting language (such as “without limitation”, “but not limited to” and similar expressions) is used with reference thereto; and
- (g) a reference to any statute, regulation or bylaw includes amendments, consolidations, re-enactments and replacements thereof and instruments and legislation thereunder.

Section 1.5 Actions by Agents

All steps which must or may be taken by the Agents in connection with this Agreement, shall be taken by Echelon, on behalf of the Agents. Echelon shall consult with the other Agents as

necessary prior to taking any action on their behalf and shall, in any event, advise the other Agents of steps taken on their behalf.

Section 1.6 Day Not A Business Day

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

Section 1.7 Governing Law

This Agreement and the Subscription Receipt Certificates shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as Ontario contracts.

Section 1.8 Conflict

In the event of a conflict or inconsistency between a provision in this Agreement and the Subscription Receipt Certificates issued hereunder, the relevant provision in this Agreement shall prevail to the extent of the inconsistency.

Section 1.9 Currency

All dollar amounts referred to herein, unless otherwise specifically indicated, are expressed in Canadian currency.

Section 1.10 Severability

Each of the provisions in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court or competent jurisdiction shall not affect the validity or enforceability of any of the other provisions hereof.

ARTICLE 2 SUBSCRIPTION RECEIPTS

Section 2.1 Creation and Issuance of Subscription Receipts

- (a) Up to a maximum of 20,597,015 Subscription Receipts (which includes the full exercise of the Agents' Option) are hereby created and authorized to be issued at the Issue Price.
- (b) The Subscription Receipts may be issued in either certificated or uncertificated form. Each Subscription Receipt originally issued to a U.S. Purchaser, other than Subscription Receipts originally issued to an Original QIB Purchaser, must be in individually certificated form only, and must bear the legend as set forth in Section 2.2(g),
- (c) Upon receipt of the Proceeds, at the written request of the Company, (i) the uncertificated Subscription Receipts registered in the name of CDS through the Uncertificated Book-Entry Only System shall be Authenticated by the Receipt Agent and deposited in CDS and (ii) the Receipt Agent shall countersign, register and

deliver the Subscription Receipts, represented by one or more Subscription Receipt Certificates, as directed by the Company.

- (d) The Receipt Agent is hereby appointed escrow agent in respect of the Escrowed Funds and registrar and transfer agent in respect of the Subscription Receipts.

Section 2.2 Form and Terms of Subscription Receipts

- (a) Each Subscription Receipt shall evidence the right of each holder, without payment of additional consideration or further action on part of the holder:
 - (i) if the Notice and Direction is delivered on or before the Deadline, to the Issuance Right; or
 - (ii) if on or before the Deadline:
 - (A) the Notice and Direction has not been delivered to the Receipt Agent;
 - (B) the Transaction Agreement has been terminated in accordance with its terms; or
 - (C) the Company has advised the Agents or announced to the public that it does not intend to proceed with the Transaction,

(the time of occurrence of any such event being the “**Termination Time**”) to the Refund Right.
- (b) The Deadline may be extended (i) upon mutual written agreement among the Company and Echelon on behalf of the Agents, (ii) at the sole discretion of the Agents upon the exercise of their option to extend the deadline by 30 days and notified in writing to the Company and the Receipt Agent or (iii) if Receiptholders holding no less than 66 $\frac{2}{3}$ % of the Subscription Receipts agree, by written consent, to the extension of the Deadline.
- (c) The Subscription Receipt Certificates shall be generic certificates substantially in the form set out in Schedule “A” attached hereto.
- (d) The Subscription Receipts shall be dated as of their date of issue and shall bear such legends and distinguishing letters and numbers as the Company may, with the approval of the Receipt Agent, prescribe and shall be issuable in any denomination, provided that no fractional Subscription Receipts shall be issued or otherwise provided thereunder.
- (e) Each Subscription Receipt authorized to be issued hereunder shall confer upon the holder thereof an Issuance Right, a Refund Right and the other rights conferred on Receiptholders hereunder.
- (f) The Subscription Receipt Certificates shall bear (or to the extent a Subscription Receipt is issued as an Uncertificated Subscription Receipt shall be deemed to bear) the following legend (as required under Canadian securities laws):

**“UNLESS PERMITTED UNDER SECURITIES
LEGISLATION, THE HOLDER OF THIS SECURITY MUST**

NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) JUNE 22, 2018, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY”;

- (g) The Subscription Receipt Certificates issued to a U.S. Purchaser, other than an Original QIB Purchaser, and each Subscription Receipt Certificate issued in exchange therefor in substitution or transfer thereof, shall bear, for so long as required by the U.S. Securities Act or applicable state securities laws, the following legend as per written request of the Company:

“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (E) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY.”

- (h) If the Subscription Receipt Certificate representing the Subscription Receipts converted in accordance with Article 3 bears the legend set forth in Section 2.2(g) hereof, then each certificate representing Resulting Issuer Shares issued upon the conversion thereof, and each such certificates issued in exchange therefor in substitution or transfer thereof, shall bear, for so long as required by the U.S. Securities Act or applicable state securities laws, the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (D) PURSUANT TO AN

EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (E) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if any Resulting Issuer Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, and such securities were acquired when the Resulting Issuer qualified as a "foreign issuer" (as defined in Rule 902 of Regulation S), the foregoing legend may be removed by providing a declaration to the Resulting Issuer's registrar and transfer agent, and the Resulting Issuer, as set forth in Schedule "D" attached hereto (or in such other form as the Resulting Issuer may prescribe from time to time); and provided, further, that, if the Resulting Issuer Shares are being sold otherwise than in accordance with Rule 904 of Regulation S and other than to the Resulting Issuer, the legend may be removed by delivery to the registrar and transfer agent and the Resulting Issuer, of an opinion of counsel of recognized standing in form and substance satisfactory to the Resulting Issuer, that such legends are no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (i) The Receipt Agent understands and acknowledges that the Subscription Receipts, the Common Shares and the Resulting Issuer Shares issuable upon exercise of the Subscription Receipts have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States.

Section 2.3 Uncertificated Subscription Receipts

- (a) Registration and reregistration of beneficial interests in and transfers of Subscription Receipts held by CDS shall be made only through the Uncertificated Book-Entry Only System and no Subscription Receipt Certificates shall be issued in respect of such Subscription Receipts except for (i) where physical certificates evidencing ownership in such securities are required or requested by a beneficial owners of Subscription Receiptholders, or the Company, (ii) as otherwise set out herein or (iii) as may be requested by CDS from time to time. Except as provided in this Section 2.3(a), owners of beneficial interests in any Uncertificated Subscription Receipts shall not be entitled to have Subscription Receipts registered in their names and shall not receive or be entitled to receive Subscription Receipts in definitive form or to have their names appear in the register referred to in Section 2.11 herein. Notwithstanding any terms set out herein, Subscription Receipts having any legend set forth in Section 2.2 herein and held in the name of CDS may only be held in the form of Uncertificated Subscription Receipts with the prior consent of the Company.
- (i) The rights of beneficial owners shall be limited to those established by applicable law and agreements between CDS and the Participants and between such Participants and beneficial owners and must be exercised

through a Participant in accordance with the rules and procedures of CDS. Each of the Receipt Agent and the Company may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Subscription Receipts and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder. Neither the Company nor the Receipt Agent shall have any responsibility or liability for any aspects of the records relating to or payments made by CDS or its nominee, on account of the beneficial interests in Subscription Receipts registered and deposited with the depository. Nothing herein shall prevent the beneficial owners of Subscription Receipts registered and deposited with CDS from voting such Subscription Receipts using duly executed voting instruction forms.

- (ii) All references herein to actions by, notices given or payments made to Subscription Receiptholders shall, where the Subscription Receipts are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Subscription Receiptholders evidencing a specified percentage of the aggregate Subscription Receipts outstanding, such direction or consent may be given by beneficial owners acting through CDS and the Participants owning Subscription Receipts evidencing the requisite percentage of the Subscription Receipts.
 - (iii) For so long as Subscription Receipts are held through CDS, if any notice or other communication is required to be given to Subscription Receiptholders, the Receipt Agent will give such notices and communications to CDS.
 - (iv) Each of the parties hereto acknowledges and agrees that such beneficial owners through their respective Participants are collectively entitled, under and subject to the terms hereof, to all of the rights accorded to registered holders of Subscription Receipts and are bound by all of the obligations of such Subscription Receiptholder
- (b) If an Uncertificated Subscription Receipt is issued and any of the following events occurs:
- (i) CDS or the Company has notified the Receipt Agent that (i) CDS is unwilling or unable to continue as depository or (ii) CDS ceases to be a clearing agency in good standing under applicable laws and, in either case, the Company is unable to locate a qualified successor depository within 90 days of delivery of such notice;
 - (ii) the Company has determined, in its sole discretion to terminate the Uncertificated Book-Entry Only System in respect of such Uncertificated Subscription Receipts and has communicated such determination to the Receipt Agent in writing;
 - (iii) the Company or CDS is required by applicable law to take the action contemplated in this subsection;

- (iv) the Uncertificated Book-Entry Only System administered by CDS ceases to exist; or
- (v) the Subscription Receipt is to be Authenticated to or for the account or benefit of a person in the United States,

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

Fully registered Subscription Receipt Certificates issued and exchanged pursuant to this Section 2.3(b) shall be registered in such names and in such denominations as CDS shall instruct the Receipt Agent, provided that the aggregate number of Subscription Receipts represented by such Subscription Receipt Certificates shall be equal to the aggregate number of Uncertificated Subscription Receipts so exchanged. Upon exchange of Uncertificated Subscription Receipts for one or more Subscription Receipt Certificates in definitive form, such Uncertificated Subscription Receipts shall be cancelled by the Receipt Agent.

- (c) Subject to the provisions of this Section 2.3, any exchange of Subscription Receipts for Subscription Receipts which are not Uncertificated Subscription Receipts may be made in whole or in part in accordance with the provisions of Section 2.3(b), *mutatis mutandis*. All such Subscription Receipts issued in exchange for Uncertificated Subscription Receipts or any portion thereof shall be registered in such names as CDS for such Uncertificated Subscription Receipts shall direct and shall be entitled to the same benefits and subject to the same terms and conditions as the Subscription Receipts or portion thereof surrendered upon such exchange.
- (d) Every Subscription Receipt Authenticated upon registration of transfer of Subscription Receipts, or in exchange for Uncertificated Subscription Receipts or any portion thereof, whether pursuant to this Section 2.3, or otherwise, shall be Authenticated in the form of, and shall be, an Uncertificated Subscription Receipt, unless such Subscription Receipt is registered in the name of a person other than CDS.
- (e) Notwithstanding anything to the contrary in this Agreement, subject to Applicable Legislation, the Uncertificated Subscription Receipts will only be issued in the name of CDS.
- (f) The rights of beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system shall be limited to those established by applicable law and agreements between CDS and the Participants and between the Participants and the beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system, and such rights must be exercised through a Participant in accordance with the rules and Applicable Procedures of CDS.
- (g) Notwithstanding anything herein to the contrary with respect to Uncertificated Subscription Receipts issued through the Uncertificated Book-Entry Only System, neither the Company nor the Receipt Agent nor any agent thereof shall have any responsibility or liability for:

- (i) the electronic records maintained by CDS relating to any ownership interests or any other interests in the Subscription Receipts or the depository system maintained by CDS, or payments made on account of any ownership interest or any other interest of any person in any Subscription Receipt represented by an electronic position in the Uncertificated Book-Entry Only System (other than CDS or its nominee);
 - (ii) maintaining, supervising or reviewing any records of CDS or any Participant relating to any such interest; or
 - (iii) any advice or representation made or given by CDS or those contained herein that relate to the rules and regulations of CDS or any action to be taken by CDS on its own direction or at the direction of any Participant.
- (h) The Company may terminate the application of this Section 2.3 in its sole discretion in which case all Subscription Receipts shall be evidenced by Subscription Receipt Certificates registered in the name of a person other than CDS.

Section 2.4 Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt (as evidenced by a Subscription Receipt Certificate or otherwise), shall confer or be construed as conferring upon such Receiptholder any right or interest whatsoever as either a Company Shareholder or an AAJ Shareholder, or other holder of an equity interest in either of the Company or AAJ, including but not limited to, the right to receive notice of, attend or vote at meetings of either Company Shareholders or AAJ Shareholders, or any other proceedings of the Company or AAJ, until such former Receiptholder is noted on the register of holders of Resulting Issuer Shares in respect of those Resulting Issuer Shares that are issued on deemed exercise of the Issuance Right.

Section 2.5 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts shall rank *pari passu*, whatever their actual date of issue.

Section 2.6 Signing of Subscription Receipt Certificates

The Subscription Receipt evidenced by Subscription Receipt Certificates shall be signed by any director or officer of the Company duly authorized to sign the Subscription Receipt Certificate. The signature of such director or officer may be mechanically reproduced in facsimile and Subscription Receipt Certificates bearing such facsimile signatures shall be binding upon the Company as if they had been manually signed by such director or officer. Notwithstanding that any of the persons whose manual or facsimile signature appears on any Subscription Receipt Certificate as director or officer may no longer hold office at the date of such Subscription Receipt Certificate or at the date of certification or delivery thereof, any Subscription Receipt Certificate so signed shall, subject to Section 2.7 hereof, be valid and binding upon the Company and the holder thereof shall be entitled to the benefits of this Agreement.

Section 2.7 Countersignature by the Receipt Agent

- (a) No Subscription Receipt (which for greater certainty shall include Subscription Receipts evidenced by Subscription Receipt Certificates as well as any Subscription Receipts issued through the Uncertificated Book-Entry Only System) shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefits hereof and thereof until it has been Authenticated by the Receipt Agent, and such

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

- (b) The Authentication of the Subscription Receipts by the Receipt Agent shall not be construed as a representation or warranty by the Receipt Agent as to the validity of this Agreement or the Subscription Receipts (except the due Authentication thereof) or as to the performance by the Company of its obligations under this Agreement and the Receipt Agent shall not be liable or answerable for the use made of the Subscription Receipts or any of them or of the consideration therefor except as otherwise specified herein. The Authentication by the Receipt Agent of the Subscription Receipts shall constitute a representation and warranty by the Receipt Agent that the Subscription Receipts have been duly certified by or on behalf of the Receipt Agent pursuant to the provisions of this Agreement.

Section 2.8 Issue in Substitution for Subscription Receipt Certificates Lost

- (a) In case any Subscription Receipt Certificate shall become mutilated or be lost, destroyed or stolen, the Company, subject to applicable law and Section 2.8(b) below, shall issue and thereupon the Receipt Agent shall countersign and deliver, a new Subscription Receipt Certificate of like tenor, and bearing the same legends, as the one mutilated, lost, destroyed or stolen in exchange for and in place and upon cancellation of such mutilated Subscription Receipt Certificate or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be in a form approved by the Receipt Agent and shall entitle the holder to the benefits hereof and shall rank equally in accordance with its terms with all other Subscription Receipt Certificates issued or to be issued hereunder. When a new Subscription Receipt Certificate has been issued in substitution for a Subscription Receipt Certificate that has been lost, stolen or destroyed, only the Subscription Receipts represented by one of such certificates shall be counted for the purpose of determining the number of Subscription Receipts outstanding.
- (b) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.8 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Company and to the Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Company and the Receipt Agent, acting reasonably, in their sole discretion. Such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Company and the Receipt Agent in their discretion and shall pay the reasonable charges of the Company and the Receipt Agent in connection therewith.

Section 2.9 Exchange of Subscription Receipt Certificates

- (a) Subscription Receipt Certificates representing Subscription Receipts may, upon compliance by the holder thereof with the reasonable requirements of the Receipt Agent, be exchanged for another Subscription Receipt Certificate or other Subscription Receipt Certificates representing, in the aggregate, the same number of Subscription Receipts as represented by the Subscription Receipt Certificates so exchanged.

- (b) Subscription Receipt Certificates may be surrendered for exchange only at the Designated Office.

Section 2.10 Charges for Exchange

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

Section 2.11 Registration and Transfer of Subscription Receipts

- (a) As registrar of the Subscription Receipts, the Receipt Agent shall maintain records and accounts concerning the Subscription Receipts at the Designated Office, whether certificated or uncertificated, which shall contain the information called for below with respect to each Subscription Receipt, together with such other information as may be required by law or as the Receipt Agent may elect to record. All such information shall be kept in one set of accounts and records which the Receipt Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Subscription Receipts. The Receipt Agent shall be entitled to rely on such register in connection with the exchange, transfer, exercise or automatic exercise of any Subscription Receipt or Subscription Receipts pursuant to the terms of this Agreement or the terms thereof. The information may be entered for each account in the register of Subscription Receipts at any time shall include (without limitation):
 - (i) the name and address of the holder of the Subscription Receipts, the date of Authentication thereof and the number of Subscription Receipts held by the subject holder;
 - (ii) whether such Subscription Receipt is represented by a Subscription Receipt Certificate or is an Uncertificated Subscription Receipt and, if a Subscription Receipt Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Subscription Receipt, the unique number or code assigned thereto if any;
 - (iii) whether such Subscription Receipts has been cancelled; and
 - (iv) a register of transfers in which all transfers of Subscription Receipts and the date and other particulars of each transfer shall be entered.
- (b) The register referred to in Section 2.11(a) shall at all reasonable times be open for inspection by the Company, the Agents and by any Receiptholder upon receipt by the Receipt Agent of a written request to permit such an inspection during normal business hours and payment of the Receipt Agent's related reasonable fees and expenses.
- (c) The Receipt Agent shall, when requested so to do in writing by the Company, and upon payment of its reasonable fees and expenses, furnish the Company with a list of names and addresses of the Subscription Receiptholders showing the number of

Subscription Receipts held by each Subscription Receiptholder and the date and particulars of issue and transfer of each Subscription Receipt.

- (d) As transfer agent of the Subscription Receipts, transfer agencies (a “**Transfer Agency**”) shall be maintained by the Receipt Agent and the Receipt Agent shall maintain such Transfer Agencies at its principal stock transfer offices in Toronto, Ontario, and in such other place or places and by such other agent as the Company, with the approval of the Receipt Agent, may designate. A Receiptholder may at any time and from time to time have the Subscription Receipts transferred at the place at which the register of transfers is kept pursuant to the provisions of this Section 2.11. No transfer of Subscription Receipts shall be valid unless: (i) made by the Receiptholder or its legal representative or its attorney duly appointed by an instrument in writing, in form and execution satisfactory to the Company and the Receipt Agent, upon compliance with such reasonable requirements as the Company may prescribe, which may include, without limitation, the provision of a legal opinion to the Company and the Receipt Agent, satisfactory to the Company to the effect that the securities laws of the applicable jurisdiction(s) have been complied with in relation to the transfer of the Subscription Receipts, and, in the case of a Subscription Receipt Certificate, upon the execution by the Receiptholder of the transfer form attached to the Subscription Receipt Certificate; (ii) it complies with all applicable laws including securities laws, and such reasonable requirements as the Receipt Agent may prescribe; (iii) it is entered on the register of transfers kept at the Designated Office; and (iv) upon surrender of the Subscription Receipts to be transferred in accordance with this Article.
- (e) Upon satisfaction of the conditions to transfer referred to in Section 2.11(d), such transfer shall be duly noted on the register by the Receipt Agent.
- (f) Transfers of beneficial ownership in any Subscription Receipt through the Uncertificated Book-Entry Only System will be effected only (i) with respect to the interest of a Participant, through the records maintained by CDS or its nominee for such Subscription Receipts, and (ii) with respect to the interest of any person other than a Participant, through records maintained by Participants. Transfers within the systems of CDS are not the responsibility of the Receipt Agent and will not be noted on the register maintained by the Receipt Agent.
- (g) No duty shall rest with the Receipt Agent to determine compliance of the transferor or transferee of the Subscription Receipts with applicable securities laws. The Receipt Agent shall be entitled to assume that all transfers are legal and proper and in compliance with securities laws unless otherwise notified in writing by the Company. The Subscription Receipts shall be Authenticated in the name of the transferee. If less than all Subscription Receipts so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, Subscription Receipts registered in its name evidencing the Subscription Receipts not transferred. The Receipt Agent shall have no duty to determine compliance by the transferor or transferee of Subscription Receipts with applicable securities laws.
- (h) Any Subscription Receipt issued to a transferee from a transfer of a Subscription Receipt certificate bearing any of the legends set forth in Section 2.2, shall bear the same legend(s).
- (i) The Company and the Receipt Agent may treat the Receiptholder as the absolute holder and owner thereof for all purposes and the Company and the Receipt Agent

shall not be affected or bound by any notice to the contrary, except where the Company and the Receipt Agent are required to take notice by statute or by order of a court of competent jurisdiction. Subject to any Applicable Legislation to the contrary, the Receipt Agent shall not be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Subscription Receipt, and may transfer any Subscription Receipt on the direction of the Receiptholder, whether named as trustee or otherwise, as though that person were the beneficial owner of the Subscription Receipt.

- (j) A Receiptholder shall be entitled to the rights evidenced by its Subscription Receipt Certificate free from all equities or rights of set off or counterclaim between the Company and any original or any intermediate holder thereof and all persons may act accordingly and the receipt by any such Receiptholder of the Resulting Issuer Shares issued pursuant to the Receiptholder's Issuance Right, or of the Issue Price and the Receiptholder's *pro rata* entitlement to the Earned Interest payable pursuant to the Receiptholder's Refund Right, as the case may be, as the Receiptholder is entitled and as may be delivered pursuant to the terms hereof, shall be a good discharge to the Company, AAJ, the Resulting Issuer and the Receipt Agent for such Resulting Issuer Shares issued pursuant to the Receiptholder's Issuance Right, or Issue Price and the Receiptholder's *pro rata* entitlement to the Earned Interest payable pursuant to the Receiptholder's Refund Right, as the case may be, and neither the Company, AAJ, the Resulting Issuer nor the Receipt Agent shall be bound to inquire into the title of any such holder except where the Company, AAJ, the Resulting Issuer or the Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction.
- (k) The Subscription Receipts, and the Resulting Issuer Shares issuable upon conversion thereof, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. Accordingly, if a Subscription Receipt Certificate tendered for transfer bears the legend set forth in Section 2.2(g), the Receipt Agent shall not register such transfer unless the transferor has provided the Receipt Agent with the Subscription Receipt Certificate and: (A) the transfer is made to the Company; or (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act, and in compliance with any applicable local securities laws and regulations, and the Receiptholder has provided a Declaration for Removal of Legend completed and executed substantially in the form attached as Schedule "D" hereto, *mutatis mutandis*; or (C) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws, and the transferor has furnished to the Company and the Receipt Agent an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company to such effect.
- (l) The transfer register in respect of Subscription Receipts shall be closed at 5:00 p.m. (Toronto, Ontario time) at the Designated Office, on the earlier to occur of:
 - (i) the Termination Date; and
 - (ii) the Notice Date,

provided that, the Receipt Agent shall not be responsible for closing the register unless and until the Receipt Agent has received notice from the Company and the

Agents setting out the Termination Date or the Notice and Direction setting out the Notice Date.

Section 2.12 Proceeds to be Placed in Escrow

- (a) Upon the receipt and acceptance by the Company of duly completed subscriptions for Subscription Receipts, and upon the issuance of the Subscription Receipts on each Closing, the Company shall direct that the Proceeds in CDN\$ and US\$ shall be deposited with the Receipt Agent on each Closing by way of certified cheque, bank draft or electronic wire transfer by: i) the Agents in CDN\$; and ii) by McMillan LLP on behalf of the Company in CDN\$ and US\$. The Receipt Agent shall immediately place such funds in a CDN\$ segregated account and a US\$ segregated account in accordance with the provisions of this Section 2.12 and Article 4. The Company acknowledges and agrees that it is a condition of the payment by the holders of Subscription Receipts of CDN\$3.35, or US\$ equivalent per Subscription Receipt therefor that the Proceeds are held by the Receipt Agent in accordance with the provisions of this Section 2.12 and Article 4. The Company further acknowledges and confirms that it has no interest in the Escrowed Funds unless and until the Notice and Direction is delivered to the Receipt Agent. The Receipt Agent shall retain the Escrowed Funds for the benefit of the holders of the Subscription Receipts and, upon the delivery of the Notice and Direction to the Receipt Agent, retroactively for the benefit of the Company in accordance with the provisions of this Section 2.12 and Article 4.
- (b) Notwithstanding Section 2.12(a), the Receipt Agent is hereby authorized by the Company to release certain Subscription Receipt Certificates to Company Counsel, prior to receipt by the Receipt Agent of the issue price therefor, where the holders thereof will provide payment against delivery of the Subscription Receipt Certificates to Company Counsel, to be held in trust for the Company. Company Counsel will subsequently wire these proceeds to the Receipt Agent which will form part of the Proceeds. The Receipt Agent will have no responsibility or liability with regards to the subscription proceeds of the holders referred to in this Section 2.12(b) until such funds have been wired by Company Counsel to the Receipt Agent and receipt has been confirmed.
- (c) Each party to this Agreement (in this Section 2.12 referred to as a “**representing party**”) hereby represents to the Receipt Agent that any account to be opened by, or interest to be held by, the Receipt Agent in connection with this Agreement, for or to the credit of such representing party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such representing party hereby agrees to complete, execute and deliver forthwith to the Receipt Agent a declaration of third party interest in the Receipt Agent’s prescribed form in accordance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and the regulations thereto, or in such other form as may be satisfactory to it, as to the particulars of such third party.

Section 2.13 Liquidation and Bankruptcy of the Company

- (a) Each Receiptholder has in respect of the Issuance Right, a claim against the Company and the Resulting Issuer to be issued Resulting Issuer Shares, on the basis of one (1) Resulting Issuer Share for each one (1) Subscription Receipt held by such holder.

- (b) Each Receiptholder has in respect of the Refund Right, a claim against the Company to be reimbursed an amount equal to the Issue Price, plus a *pro rata* share of the Earned Interest, for each unexercised Subscription Receipt held by such holder.
- (c) A Receiptholder shall not be entitled to assert a claim against the Company and the Resulting Issuer pursuant to Section 2.13(a) or the Company pursuant to Section 2.13(b) hereof prior to, in the case of Section 2.13(a), the Notice Date, and in the case of Section 2.13(b), the Termination Date, unless the Company or the Resulting Issuer, as applicable, makes a general assignment for the benefit of creditors or any proceeding is instituted by the Company or the Resulting Issuer, as applicable, seeking relief on its behalf as a debtor, or by any person seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or seeking appointment of a receiver, receiver and manager, director, custodian or similar official for it or any substantial part of its property and assets or the Company takes any action to authorize any of the actions set forth above, in which event each holder of Subscription Receipts shall be entitled to immediately exercise the Refund Right in respect of each unexercised Subscription Receipt.

Section 2.14 Reliance by the Receipt Agent

The Receipt Agent shall have no obligation to ensure or verify compliance with any applicable laws or regulatory requirements on the issue, deemed exercise or transfer of any Subscription Receipts (or the Issuance Right comprising part thereof) or any Resulting Issuer Shares issuable upon the deemed exercise thereof, provided such issue, deemed exercise or transfer, as the case may be, is effected in accordance with the terms of this Agreement. The Receipt Agent shall be entitled to process all proffered transfers and deemed exercises of Subscription Receipts upon the presumption that such transfers or deemed exercises are permissible pursuant to all applicable laws and regulatory requirements. The Receipt Agent may assume for the purposes of this Agreement that any address on the register of the Receiptholders is the holder's actual address and is also determinative as to residency and that the address of any transferee to whom any Subscription Receipts are to be registered, as shown on the transfer document, is the transferee's residency. The Receipt Agent shall have no obligation to ensure that legends appearing on the Subscription Receipts or Resulting Issuer Share certificates comply with regulatory requirements or securities laws of any applicable jurisdiction.

ARTICLE 3 SATISFACTION OF ISSUANCE RIGHT AND REFUND RIGHT

Section 3.1 Notice of Satisfaction of Escrow Release Condition

- (a) Following the satisfaction of the Escrow Release Conditions, the Company will forthwith deliver to Echelon for the Agents a Notice and Direction duly executed by the Company, together with a certificate executed by the Chief Executive Officer of the Company (or such other officer as may be acceptable to Echelon, acting reasonably) certifying to the Agents that the Escrow Release Conditions have been satisfied. Upon receipt of the Notice and Direction and such certificate from the Company, Echelon will review the Notice and Direction and, unless Echelon in good faith contests any of the statements contained therein, Echelon, on behalf of the Agents will, as soon as practicable:
 - (i) execute the Notice and Direction in acknowledgement thereof; and

- (ii) deliver the Notice and Direction, jointly executed by the Company and Echelon on behalf of the Agents, to the Receipt Agent,

and AAJ shall concurrently deliver to the Transfer Agent the Irrevocable Direction.

- (b) Upon receipt of the executed Notice and Direction pursuant to Section 3.1(a), the Receipt Agent shall forthwith make the payments as provided for in Section 3.5.

Section 3.2 Issuance Right by Deemed Exercise

- (a) A Receiptholder shall be deemed, at the time of delivery of the Notice and Direction on the Notice Date, to have exercised the Issuance Right with respect to all Subscription Receipts held by the Receiptholder, without the payment of any further consideration or the undertaking of any further action (including the surrender of any Subscription Receipt Certificates, if applicable) by such Receiptholder, and shall be entitled to be issued the Resulting Issuer Shares issuable in respect of the Subscription Receipts (and for certainty, immediately after the completion of the Transaction), subject to applicable escrow requirements imposed by the TSXV.
- (b) As soon as practicable after the delivery of the Notice and Direction as contemplated in Section 3.2(a) hereof, the Resulting Issuer shall cause the Transfer Agent to enter on the share register of the Resulting Issuer, effective as of the Notice Date as confirmed in the Notice and Direction (and for certainty, immediately after the completion of the Transaction), the names of each Receiptholder as the holder of record of such number of Resulting Issuer Shares to which each Receiptholder is entitled. As soon as practicable thereafter, the Resulting Issuer will cause (i) the uncertificated Resulting Issuer Shares to be entered into the Uncertified Book-Entry Only System, and (ii) the Resulting Issuer Shares represented by certificates to be issued and delivered, subject to applicable escrow requirements imposed by the TSXV to be confirmed in writing by Treasury Order of the Resulting Issuer with the delivery of the Irrevocable Direction.
- (c) Upon the deemed exercise of the Issuance Right in accordance with Section 3.2(a) hereof, the Resulting Issuer Shares shall be deemed to have been issued, and the person or persons to whom such Resulting Issuer Shares are to be issued shall be deemed to have become the holder or holders of record of such Resulting Issuer Shares, on the Notice Date (and for certainty, immediately after the completion of the Transaction). Subject to **Error! Reference source not found.**, the Resulting Issuer Shares held by a U.S. Purchaser, other than an Original QIB Purchaser, shall bear the legend set forth in Section 2.2(h).
- (d) No Resulting Issuer Shares will be issued pursuant to the conversion of any Subscription Receipt if the issue of such Resulting Issuer Shares would constitute a violation of the securities laws of any jurisdiction and, without limiting the generality of the foregoing, the certificates representing the Resulting Issuer Shares thereby issued will bear such legend or legends as may, in the opinion of AAJ Counsel, be necessary or advisable in order to avoid a violation of any securities laws of any jurisdiction, provided that if, at any time, in the opinion of AAJ Counsel, such legend or legends are no longer necessary or advisable in order to avoid a violation of any such laws or requirements, or the holder of any such legended certificate, at the expense thereof, provides the Resulting Issuer with evidence satisfactory in form and substance to the Resulting Issuer (which may include an opinion of counsel of recognized standing, in form and substance satisfactory to the Resulting Issuer) to

the effect that such holder is entitled to sell or otherwise transfer such Resulting Issuer Shares in a transaction in which such legend or legends are not required, such legended certificate may thereafter be surrendered to the Resulting Issuer in exchange for a certificate which does not bear such legend or legends.

Section 3.3 Satisfaction of Issuance Right

- (a) Effective upon the deemed exercise of the Issuance Right in accordance with Section 3.2(a) hereof and the issuance of Resulting Issuer Shares relating thereto as contemplated herein, the Issuance Right shall have been satisfied and the Subscription Receipts relating thereto shall be void and of no value or effect.
- (b) If, in the opinion of the Company Counsel or AAJ Counsel, any instrument is required to be filed with, or any permission, order or ruling is required to be obtained from, any securities administrator, regulatory agency or governmental authority in Canada or any other step is required under any federal or provincial law of Canada before the Resulting Issuer Shares issuable upon exercise of the Subscription Receipts may be issued to a Receiptholder, the Company and AAJ each covenant that each shall use their best efforts to file such instrument, obtain such permission, order or ruling or take all such other actions, at its expense, as is required or appropriate in the circumstances.

Section 3.4 Fractions

Notwithstanding anything contained in this Agreement, the Resulting Issuer shall not be required, upon the deemed exercise of any Issuance Right, to issue fractions of Resulting Issuer Shares to any person and all fractions of Resulting Issuer Shares will be rounded down and no cash amount shall be payable in lieu thereof.

Section 3.5 Release of Escrowed Funds to the Company

- (a) If the Escrow Release Conditions are satisfied at or before the Deadline and the Notice and Direction is delivered to the Receipt Agent, the Receipt Agent shall release to the Company the full amount of the Escrowed Funds remaining in escrow by way of certified cheque or wire transfer, less fifty percent (50%) of the Agents' Commission and any amounts payable to the Receipt Agent (the "**Released Amount**") all in accordance with the instructions in the Notice and Direction.
- (b) The Receipt Agent shall pay or cause to be paid to Echelon for the Agents, fifty percent (50%) of the Agents' Commission as soon as practicable upon delivery by Echelon on behalf of the Agents to the Receipt Agent of the Notice and Direction which shall specify the amount of the Agents' Commission payable to the Agents.
- (c) The Notice and Direction shall be received by the Receipt Agent no later than 10:00a.m. (Toronto, Ontario time) on the day on which the Escrowed Funds are to be released in accordance with Section 3.5(a) above. Any such Notice and Direction received by the Receipt Agent after 10:00a.m. (Toronto, Ontario time) or received on a non-Business Day shall be deemed to have been given prior to 10:00a.m. (Toronto, Ontario time) on the next Business Day.

Section 3.6 Reimbursement Pursuant to Refund Right

- (a) If the Termination Time occurs:

- (i) the Company and Echelon on behalf of the Agents shall forthwith notify (i) each Receiptholder and (ii) the Receipt Agent thereof in writing, which shall confirm the Termination Date;
 - (ii) each Receiptholder shall be deemed to have elected, as at the Termination Time, to exercise the Refund Right in respect of each unexercised Subscription Receipt held by such Receiptholder; and
 - (iii) each Receiptholder (or a transferee thereof if all applicable transfer requirements, other than registration, have been satisfied) shall be entitled from and after the Termination Time, to payment in the aggregate amount of: (A) the Issue Price in respect of such holders' Subscription Receipts; and (B) such holder's *pro rata* entitlement to the Earned Interest, less any applicable withholding tax.
- (b) The amount paid to each Receiptholder, as applicable, under Section 3.6(a)(iii)(A) shall be satisfied from the Proceeds and the amount paid pro-rata to each Receiptholder, as applicable, under Section 3.6(a)(iii)(B) shall be satisfied from the Earned Interest, and the obligation to make such payments shall be paid on the Refund Date and satisfied by:
- (i) mailing payment by cheque or cheques payable to the Receiptholder to the address specified for such Receiptholder in the register kept at the Designated Office, accompanied by the notice provided to the Receipt Agent under Section 3.6(a)(i) hereto; or
 - (ii) if so requested by the Receiptholder by written notice executed in accordance with Section 7.17 hereof and received by the Receipt Agent no later than three (3) Business Days prior to the Refund Date, actual delivery of a cheque to be held for pick up by the Receiptholder at the Designated Office or as otherwise directed by such Receiptholder.

Upon the mailing or delivery of the cheque or cheques representing payment in full of the Refund Right (and provided such cheque or cheques have been honoured for payment, if presented for payment within six months of the date thereof), the Refund Right evidenced by the unexercised Subscription Receipts registered in the name of such holder shall be satisfied and such Subscription Receipts shall be void and of no value or effect.

- (c) If, at the Termination Time, the Escrowed Funds are less than the amount to which a Receiptholder is entitled pursuant to its Refund Right, the Company shall: (i) within two (2) Business Days of the Termination Date, provide the Receipt Agent with sufficient funds to offset any such difference; or (ii) within five (5) Business Days of the Termination Date, mail payment representing such difference by cheque or cheques payable to the Receiptholders to the addresses specified for such Receiptholders in the register kept at the Designated Office. The Company shall be liable for and pay any shortfall between the amounts owing to the Receiptholders under this Section 3.6 and the amount of Escrowed Funds. None of AAJ, the Receipt Agent or the Agents shall have any responsibility for any shortfall owing to the Receiptholders.

Section 3.7 Cancellation of Surrendered Subscription Receipt Certificates

All Subscription Receipt Certificates dealt with pursuant to Section 2.8, Section 2.9, Section 2.11, Section 3.2, Section 3.6 and Section 5.1 hereof shall, subject to the express provisions of this Agreement, be deemed to be cancelled and, if required by the Company, the Receipt Agent shall provide to the Company and the Resulting Issuer a cancellation certificate identifying the Subscription Receipt Certificates so cancelled and the number of Subscription Receipts represented thereby.

Section 3.8 Segregation of Escrowed Funds

The Escrowed Funds received by the Receipt Agent, together with Earned Interest thereon, earned in accordance with Article 4 hereof, shall be received as agent for, and shall be segregated and kept apart by the Receipt Agent as agent for, the Company, the Agent and Receiptholders, in accordance with Article 4 hereof and subject to the conditions set out herein, and the delivery of the Escrowed Funds to the Receipt Agent shall not give rise to a debtor-creditor or other similar relationship between the Receipt Agent, the Receiptholders, the Company or the Agents, as the case may be.

ARTICLE 4 INVESTMENT OF ESCROWED FUNDS

Section 4.1 Investment of Escrowed Funds

(a) Until released in accordance with this Agreement, the Escrowed Funds shall be kept segregated in the records of the Receipt Agent and shall be deposited in one or more interest-bearing trust accounts to be maintained by the Receipt Agent in the name of the Receipt Agent at one or more banks listed in below in Subsection 4.1(c) (each such bank, an **"Approved Bank"**). If deposited into an Approved Bank, the Escrowed Funds shall bear interest at an annual rate agreed to by Receipt Agent (**"Earned Interest"**). Such payment obligation shall be calculated daily and paid to the account(s) within five Business Days of each month-end.

(b) The amounts held by the Receipt Agent pursuant to this Agreement are the sole risk of the Receiptholders and, without limiting the generality of the foregoing, the Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 4.1, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. The Company acknowledges and agrees that the Receipt Agent acts prudently in depositing the Proceeds at any Approved Bank, and that the Receipt Agent is not required to make any further inquiries in respect of any such bank.

At any time and from time to time, the Company shall be entitled to direct the Receipt Agent by written notice (a) not to deposit any new amounts in any Approved Bank specified in the notice and/or (b) to withdraw all or any of the Escrowed Funds that may then be deposited with any Approved Bank specified in the notice and re-deposit such amount with one or more of such other Approved Banks as specified in the notice. With respect to any withdrawal notice, the Receipt Agent will endeavor to withdraw such amount specified in the notice as soon as reasonably practicable and the Company acknowledges and agrees that such specified amount remains at the sole risk of the Receiptholders prior to and after such withdrawal.

For tax reporting purposes, all interest or other taxable income earned from the investment of the Proceeds in any tax year shall (i) to the extent such interest is distributed by the Receipt Agent to any person or entity pursuant to the terms of this Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise be allocated to the Company in the taxation year that it was earned, notwithstanding that no such amount has been distributed. The Receiptholders and Company agree to provide the Receipt Agent with their certified tax identification numbers and others forms, documents and information that the Receipt Agent may request in order to fulfill any tax reporting function.

(c) The Approved Banks include the following:

Approved Banks

Bank	Relevant S&P Issuer Credit Rating (as at June 22, 2018)
ANZ Banking Group	AA-
Bank of America NA	A+
Bank of Montreal	A+
The Bank of Nova Scotia	A+
Bank of Scotland	A+
Bank of Tokyo-Mitsubishi UFJ	A
BNP Paribas	A
Canadian Imperial Bank of Commerce	A+
Citibank NA	A+
HSBC Bank of Canada	AA-
National Australia Bank Limited	AA-
National Bank of Canada	A
Royal Bank of Canada	AA-
Societe Generale (Canada Branch)	A
The Toronto-Dominion Bank	AA-

ARTICLE 5 RIGHTS AND COVENANTS OF THE COMPANY AND AAJ

Section 5.1 Optional Purchases by the Company

Subject to compliance with applicable securities legislation and Echelon's consent on behalf of the Agents, such consent not to be unreasonably withheld, the Company may from time to time purchase by private contract or otherwise any of the Subscription Receipts. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors of the Company, such Subscription Receipts are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Company, in its sole discretion,

may determine. Any Subscription Receipt Certificates representing the Subscription Receipts purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Receipt Agent.

Section 5.2 General Covenants

- (a) AAJ covenants with and to the Company, the Receipt Agent and the Agents (and for the benefit of Receiptholders) that so long as any Subscription Receipts remain outstanding in respect of which an Issuance Right exists:
 - (i) it shall reserve and keep available a sufficient number of Resulting Issuer Shares to enable it to satisfy its obligations to issue Resulting Issuer Shares in respect of Subscription Receipts;
 - (ii) it shall cause the Resulting Issuer Shares issuable in respect of the deemed exercise of the Subscription Receipts to be duly issued in accordance with this Agreement;
 - (iii) all Resulting Issuer Shares which shall be issued in respect of the deemed exercise of the Subscription Receipts shall be fully paid and non-assessable common shares;
 - (iv) it shall at all times maintain its existence and shall carry on and conduct its business in a prudent manner in accordance with industry standards and good business practice and shall keep or cause to be kept proper books of account in accordance with applicable law;
 - (v) it shall make all requisite filings under applicable laws and regulations, including, without limitation, Canadian securities legislation;
 - (vi) it shall use its reasonable commercial efforts to complete the Transaction on or before the Termination Date, and as soon as practicable after completion of the Transaction, it shall cause each Receiptholder to be entered on the register of shareholders of the Resulting Issuer pursuant to Section 3.2(b) hereof;
 - (vii) it shall use its commercially reasonable efforts to ensure that the Resulting Issuer Shares are accepted for listing on the TSXV;
 - (viii) it shall not take any action or omit to take any action which would have the effect of preventing the deemed exercise of any of the Subscription Receipts or the Receiptholders from receiving any Resulting Issuer Shares issuable upon such deemed exercise;
 - (ix) with respect to any notices to be given or other acts to be performed or which may be given or performed by the Agents or the Receipt Agent under or pursuant to this Agreement (including the Irrevocable Direction contemplated by Section 3.1 hereof), it shall provide to Echelon for the benefit of the Agents or the Receipt Agent, in a timely manner all such information and documents as Echelon on behalf of the Agents or the Receipt Agent may reasonably request and are within the knowledge or control of AAJ in order to verify the factual circumstances relating to such notices or acts and, if

requested, such information and documents shall be certified as correct by an officer of AAJ;

(x) from the date hereof to the earlier of the Notice Date or the Termination Date, it shall not, other than as contemplated by the Transaction or with the consent of the Agents, do any of the following:

- (A) (1) subdivide or redivide the outstanding AAJ Shares into a greater number of AAJ Shares; (2) consolidate, reduce or combine the outstanding AAJ Shares into a lesser number of AAJ Shares; or (3) reclassify the outstanding AAJ Shares, change the AAJ Shares into other shares or otherwise reorganize the AAJ Shares;
- (B) issue or distribute to all or substantially all of the holders of AAJ Shares: (1) shares of any class, rights, options or warrants to acquire AAJ Shares or securities convertible into or exchangeable for AAJ Shares; (2) evidence of AAJ's indebtedness; or (3) any property or other assets; or
- (C) undertake: (1) any reorganization of AAJ or any consolidation, amalgamation, arrangement, merger or other form of business combination of AAJ with or into any other person or other entity other than a direct or indirect wholly-owned Subsidiary of AAJ; or (2) any sale, lease, exchange or transfer of the undertaking or assets of AAJ as an entirety or substantially as an entirety to any other person or entity other than a direct or indirect wholly-owned Subsidiary of AAJ or a liquidation, dissolution or winding-up of AAJ, provided, however, that nothing shall prevent AAJ from undertaking any intra-group reorganization of its corporate structure, business, operations or assets which may include, without limitation, the transfer of assets to, and the assumption of liabilities by, a Subsidiary of AAJ or a partnership of which AAJ holds the majority of partnership interests, corporate continuance of any Subsidiary of AAJ, corporate amalgamations of AAJ and any Subsidiary of AAJ, dissolution of a Subsidiary of AAJ or a partnership of which AAJ holds the majority of partnership interests, redemption of shares by a Subsidiary of AAJ, capitalization of a Subsidiary of AAJ either by way of a loan or equity, and such other intra-group transactions as AAJ or any Subsidiary of AAJ may consider to be necessary or in its best interests; and

(xi) generally, it shall well and truly perform and carry out all of the acts or things to be done by it as provided in this Agreement.

(b) The Company confirms that as at the date hereof it does not have a class of securities registered pursuant to Section 12 of the Exchange Act or a reporting obligation pursuant to Section 15(d) of the Exchange Act. The Company covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the Exchange Act, (ii) the Company shall incur a reporting obligation pursuant to Section 15(d) of the Exchange Act, or (iii) any such registration or reporting obligation shall be terminated by the Company in accordance with the Exchange Act, the Company shall promptly deliver to the Receipt Agent a certificate of the Company notifying the Receipt Agent of such registration or termination and such other information as the Receipt Agent may reasonably require at the time. The

Company acknowledges that the Receipt Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Receipt Agent with respect to those clients of the Receipt Agent that are required to file reports with the SEC under the Exchange Act.

- (c) The Company covenants with and to AAJ, the Receipt Agent and the Agents (and for the benefit of Receiptholders) that so long as any Subscription Receipts remain outstanding in respect of which an Issuance Right exists:
- (i) it shall at all times maintain its existence and shall carry on and conduct its business in a prudent manner in accordance with industry standards and good business practice and shall keep or cause to be kept proper books of account in accordance with applicable law;
 - (ii) it shall make all requisite filings under applicable laws and regulations, including, without limitation, Canadian securities legislation;
 - (iii) it shall use its reasonable commercial efforts to complete the Transaction on or before the Termination Date;
 - (iv) it shall cause the Receipt Agent to keep open the registers of holders and registers of transfers referred to herein and shall not take any action or omit to take any action which would have the effect of preventing the deemed exercise of any of the Subscription Receipts or the Receiptholders from receiving any Resulting Issuer Shares issuable upon such deemed exercise;
 - (v) the Company (contingent upon Echelon on behalf of the Agents similarly doing so,) and Echelon on behalf of the Agents shall, no later than one (1) Business Day prior to the date on which the Transaction is to be completed, send to the Receipt Agent the Notice and Direction;
 - (vi) prior to the delivery of the Notice and Direction, the Company shall deliver to Echelon for the Agents, an officer's certificate confirming that the Escrow Release Conditions have been satisfied, other than Section 1.1(i) of the Escrow Release Conditions;
 - (vii) if the Escrow Release Conditions are not satisfied on or prior to the Termination Date, the Company and Echelon on behalf of the Agents shall notify (i) each of the Receiptholders and (ii) the Receipt Agent in writing;
 - (viii) with respect to any notices to be given or other acts to be performed or which may be given or performed by Echelon on behalf of the Agents or the Receipt Agent under or pursuant to this Agreement (including the Notice and Direction contemplated by Section 3.1 hereof) the Company shall provide to Echelon for the Agents or the Receipt Agent, in a timely manner all such information and documents as the Agents or the Receipt Agent may reasonably request and are within the knowledge or control of the Company in order to verify the factual circumstances relating to such notices or acts and, if requested, such information and documents shall be certified as correct by an officer of the Company;

- (ix) from the date hereof to the earlier of the Notice Date or the Termination Date, it shall not, other than as contemplated by the Transaction, do any of the following:
 - (A) (1) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares; (2) consolidate, reduce or combine the outstanding Common Shares into a lesser number of Common Shares; or (3) reclassify the outstanding Common Shares, change the Common Shares into other shares or otherwise reorganize the shares of the Company;
 - (B) issue or distribute to all or substantially all of the holders of Common Shares: (1) shares of any class, rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares; (2) evidence of the Company's indebtedness; or (3) any property or other assets; or
 - (C) undertake: (1) any reorganization of the Company or any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other person or other entity other than a direct or indirect wholly-owned Subsidiary of the Company; or (2) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to any other person or entity other than a direct or indirect wholly-owned Subsidiary of the Company or a liquidation, dissolution or winding-up of the Company, provided, however, that nothing shall prevent the Company from undertaking any intra-group reorganization of its corporate structure, business, operations or assets which may include, without limitation, the transfer of assets to, and the assumption of liabilities by, a Subsidiary of the Company or a partnership of which the Company holds the majority of partnership interests, corporate continuance of any Subsidiary of the Company, corporate amalgamations of the Company and any Subsidiary of the Company, dissolution of a Subsidiary of the Company or a partnership of which the Company holds the majority of partnership interests, redemption of shares by a Subsidiary of the Company, capitalization of a Subsidiary of the Company either by way of a loan or equity, and such other intra-group transactions as the Company or any Subsidiary of the Company may consider to be necessary or in its best interests; and
- (x) generally, it shall well and truly perform and carry out all of the acts or things to be done by it as provided in this Agreement.
- (d) The Company represents to the Receipt Agent, AAJ, and the Agents that it is duly authorized to create, issue and sell the Subscription Receipts and the Subscription Receipts, when issued and countersigned as herein provided, shall be valid and enforceable obligations of the Company.
- (e) The Company represents to the Receipt Agent:

- (i) it will only engage in marijuana-related activities in Canada in accordance with the Access to Cannabis for Medical Purposes Regulations (Canada) and all other applicable laws in Canada;
- (ii) it does not and will not invest or engage (directly or indirectly) in any business or activity that is focused on serving the non-medical marijuana market in Canada or internationally, including the United States unless and until such time as the production and sale of non-medical marijuana becomes legal under Canadian law and the applicable laws in the respective international jurisdiction;
- (iii) it does not and will not invest or engage (directly or indirectly) in any business or activity that is focused on serving the medical marijuana market in the United States unless and until such time as the production and sale of medical marijuana becomes legal under applicable state and federal laws in the United States;
- (iv) it does not and will not specifically target or derive (or reasonably expect to derive) revenues or funds from any of the prohibited activities described in 5.2(e)(ii) and 5.2(e)(iii), unless and until such time that any such activities become legal under all applicable laws in Canada, the United States and internationally, as applicable;
- (v) it will provide the Receipt Agent with reasonable prior notice if it decides to engage in any of the activities described in items 5.2(e)(ii), 5.2(e)(iii), and 5.2(e)(iv), and the Company agrees that Receipt Agent may, in its sole discretion, immediately terminate any contract for services between the Company and Receipt Agent upon receipt of any information relating to the Company's marijuana-related business activities, or as otherwise permitted under any such contract for service.

Section 5.3 Receipt Agent's Remuneration, Expenses and Indemnity

The Company covenants that it shall pay to the Receipt Agent from time to time reasonable remuneration for its services hereunder and shall pay or reimburse the Receipt Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Receipt Agent in the administration or execution of this Agreement (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 Receipt Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Receipt Agent's gross negligence, wilful misconduct or bad faith. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date shall bear interest at the then current rate charged by the Receipt Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the resignation of the Receipt Agent and/or the termination of this Agreement.

In addition to and without limiting any protection of the Receipt Agent hereunder or otherwise by law, the Company shall at all times indemnify the Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the "**Indemnified Parties**") and save them harmless from and against all claims, demands, losses, actions, causes of action, suits,

proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Receipt Agent's duties, and including any services that the Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from the Indemnified Party's gross negligence, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Company. Notwithstanding any other provision hereof, the Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. Notwithstanding any other provision hereof, this indemnity shall survive the resignation or removal of the Receipt Agent and the termination or discharge of this Agreement.

Section 5.4 Performance of Covenants by Receipt Agent

If the Company fails to perform any of its covenants contained in this Agreement, the Receipt Agent may notify the Receiptholders and Echelon for the Agents of such failure on the part of the Company or may itself perform any of such covenants capable of being performed by it but shall be under no obligation to perform such covenants or to notify the Receiptholders and Echelon for the Agents of such performance by it. All sums expended or advanced by the Receipt Agent in so doing shall be repayable as provided in Section 5.3 hereof. No such performance, expenditure or advance by the Receipt Agent shall relieve the Company of any default hereunder or of its continuing obligations under the covenants herein contained.

ARTICLE 6 ENFORCEMENT

Section 6.1 Suits by Receiptholders

Subject to 7.11 hereof, all or any of the rights conferred upon any Receiptholder by any of the terms of the Subscription Receipt Certificates or this Agreement, or both, may be enforced by the Receiptholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Receipt Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Receiptholders.

Section 6.2 Immunity of Shareholders

- (a) Subject to any rights or remedies available to Receiptholders under Applicable Legislation, including without limitation, applicable securities laws, the Receipt Agent and, by the acceptance of the Subscription Receipts and as part of the consideration for the issue of the Subscription Receipts, the Receiptholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future shareholder, director, officer, employee or agent of the Company or any successor person for the issue of the

Resulting Issuer Shares pursuant to any Subscription Receipt or on any covenant, agreement, representation or warranty by the Company herein or in the Subscription Receipt Certificates.

- (b) The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future shareholders, directors, officers, employees or agent of the Company or any successor person, but only the property of the Company or any successor person shall be bound in respect hereof.

ARTICLE 7 MEETINGS OF RECEIPHOLDERS

Section 7.1 Right to Convene Meeting

The Receipt Agent or the Company may at any time and from time to time, and the Receipt Agent shall, on receipt of a written request of the Company or a Receiptholders' Request and upon being funded and indemnified to its reasonable satisfaction by the Company or by the Receiptholders signing such Receiptholders' Request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Receiptholders. In the event that the Receipt Agent fails within 10 days after receipt of any such request and such funding and indemnity to give notice convening a meeting, the Company or such Receiptholders, as the case may be, may convene such meeting. Every such meeting shall be held in Toronto, Ontario or at such other place as may be approved or determined by the Receipt Agent.

Section 7.2 Notice of Meeting

At least 10 days' notice of any meeting of Receiptholders shall be given to the Receiptholders in the manner provided in Section 10.2 hereof and a copy of such notice shall be sent by mail to the Receipt Agent, unless the meeting has been called by it. Such notice shall state the date (which shall be a Business Day) and time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Receiptholders to make an informed decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7. The accidental omission to give notice of a meeting to any Receiptholder shall not invalidate any resolution passed at any such meeting. A Receiptholder may waive notice of a meeting either before or after the meeting.

Section 7.3 Chairman

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

Section 7.4 Quorum

Subject to the provisions of Section 7.12(b) hereof, at any meeting of the Receiptholders a quorum shall consist of two Receiptholders present in person or by proxy and representing at least 25% of the outstanding Subscription Receipts. If a quorum of the Receiptholders is not present within 30 minutes after the time fixed for the holding of any meeting, the meeting, if summoned by the Receiptholders or pursuant to a Receiptholders' Request, shall be dissolved. In any other case,

the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place, if practicable, and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not represent 25% of the outstanding Subscription Receipts. Any business may be brought before or dealt with at an adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling such original meeting. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

Section 7.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Receiptholders is present may, with the consent of the holders of a majority of the Subscription Receipts represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

Section 7.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 7.7 hereof, be decided in the first place by a majority of the votes given on a show of hands. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of such fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held by him.

Section 7.7 Poll

On every Extraordinary Resolution (as defined in Section 7.12 hereof), and on any other question submitted to a meeting, when demanded by the chairman or by one or more Receiptholders or proxies for Receiptholders, a poll shall be taken in such manner and either at once or after an adjournment, as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll is taken, be decided by the votes of the holders of a majority of the Subscription Receipts represented at the meeting and voted on the poll.

Section 7.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Receiptholder or as proxy for one or more Receiptholders or both, shall have one vote. On a poll each Receiptholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each Subscription Receipt of which he is then the holder. A proxy need not be a Receiptholder. In the case of joint holders of a Subscription Receipt, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them is present in person or by proxy, they shall vote together in respect of the Subscription Receipts of which they are joint holders. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held or represented by him.

Section 7.9 Regulations

The Receipt Agent, or the Company with the approval of the Receipt Agent and Echelon on behalf of the Agents, may from time to time make and vary or revoke such regulations as it shall consider appropriate providing for and governing:

- (a) the setting of the record date for a meeting of holders of Subscription Receipts for the purpose of determining Receiptholders entitled to receive notice of and vote at such meeting;
- (b) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which such instrument shall be executed and the production of the authority of any person executing any such instrument on behalf of a Receiptholder;
- (c) the deposit of instruments appointing proxies at such place as the Receipt Agent, the Company or the Receiptholder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which such instruments must be deposited;
- (d) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed or faxed before the meeting to the Company or the Receipt Agent at the place where the meeting is to be held and for the voting of proxies so deposited as though the instruments were produced at the meeting; and
- (e) generally for the calling of meetings of Receiptholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Except as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Subscription Receipts, or as entitled to vote or be present at the meeting in respect thereof, shall be Receiptholders and persons whom Receiptholders have by instrument in writing duly appointed as their proxies.

Section 7.10 Persons Entitled to Attend Meetings

The Company, AAJ, Echelon on behalf of the Agents, and the Receipt Agent, by their respective employees, officers and directors, and the legal advisors of the Company, the Receipt Agent or any Receiptholder, may attend any meeting of the Receiptholders, but shall have no vote as such.

Section 7.11 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Agreement or by law, the Receiptholders shall have the following powers exercisable from time to time by Extraordinary Resolution:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Receiptholders or (subject to the prior consent of the Receipt Agent, such consent not to be unreasonably withheld) the Receipt Agent in its capacity as subscription receipt agent and as Escrow Agent hereunder or on behalf of the

Receiptholders against the Company or against its property or assets or any part thereof, whether such rights arise under this Agreement, the Subscription Receipt Certificates or otherwise;

- (b) to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Receiptholders;
- (c) to direct or authorize the Receipt Agent to enforce any of the covenants of the Company contained in this Agreement or the Subscription Receipt Certificates and any of the rights of the Receiptholders 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 Receipt Agent to waive, any default on the part of the Company in complying with any provisions of this Agreement or the Subscription Receipt Certificates either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- (e) to restrain any Receiptholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any of the covenants of the Company in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders;
- (f) to direct any Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with such suit, action or proceeding upon payment of the costs, charges and expenses reasonably and properly incurred by such Receiptholder in connection therewith;
- (g) to assent to any change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to by the Company and to authorize the Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying such change or omission;
- (h) with the consent of the Company (such consent not to be unreasonably withheld), to remove the Receipt Agent or its successor in office and to appoint a new subscription receipt agent and escrow agent to take the place of the Receipt Agent so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company;

in any such case subject to compliance with any applicable laws and to any necessary regulatory approvals.

Section 7.12 Meaning of “Extraordinary Resolution”

- (a) The expression “Extraordinary Resolution” when used in this Agreement means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Receiptholders (including an adjourned meeting) duly convened for such purpose and held in accordance with the provisions of this Article at which the holders of not less than 25% of the Subscription Receipts then outstanding are present in person or by proxy and passed by the affirmative

votes of the holders of not less than 66⅔% the Subscription Receipts represented at the meeting and voted on a poll upon such resolution.

- (b) If, at any such meeting, the holders of not less than 25% of the Subscription Receipts outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Receiptholders, shall be dissolved. In any other case, the meeting shall be adjourned to such date, being not less than seven (7) and not more than 14 days later, and to such place and time as may be appointed by the chairman. Not less than five (5) days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 10.2 hereof. Such notice shall state that at the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum. At the adjourned meeting, the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 7.12(a) hereof shall be an Extraordinary Resolution within the meaning of this Agreement, notwithstanding that the holders of not less than 25% of the Subscription Receipts then outstanding are not present in person or by proxy at such adjourned meeting.
- (c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 7.13 Powers Cumulative

Any one or more of the powers in this Agreement stated to be exercisable by the Receiptholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Receiptholders to exercise the same or any other such power or powers thereafter from time to time.

Section 7.14 Minutes

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

Section 7.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Receiptholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the holders of a majority or 66⅔%, as the case may be, of the outstanding Subscription Receipts, by an instrument in writing signed in one or more counterparts, by such Receiptholders in person or by attorney duly appointed in writing, and the term "resolution" or the expression "Extraordinary Resolution", as the case may be, when used in this Agreement shall include an instrument so signed.

Section 7.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Receiptholders shall be binding upon all the Receiptholders, whether present at or absent from such meeting and every instrument in writing signed by Receiptholders in accordance with Section 7.15 hereof shall be binding upon all the Receiptholders, whether signatories thereto or not, and each and every Receiptholder and the Receipt Agent (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

Section 7.17 Evidence of Rights of Receiptholders

Any request, direction, notice, consent or other instrument which this Agreement may require or permit to be signed or executed by the Receiptholders, including a Receiptholders' Request, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Receiptholders in person or by attorney duly appointed in writing. Proof of the execution of any such request or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article with regard to voting at meetings of Receiptholders) of the holding by any person of Subscription Receipts shall be sufficient for any purpose of this Agreement if the fact and date of execution by any person of such request or other instrument or writing is proved by a certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, to the effect that the person signing such request or other instrument in writing acknowledged to him the execution thereof or by an affidavit of a witness of such execution or in any other manner which the Receipt Agent may consider adequate, acting reasonably.

The Receipt Agent may, nevertheless, in its discretion, acting reasonably, require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

Section 7.18 Holdings by Company Disregarded

In determining whether Receiptholders holding the required number of Subscription Receipts are present at a meeting of Receiptholders for the purpose of determining a quorum or have concurred in any consent, waiver, resolution, Extraordinary Resolution, Receiptholders' Request or other action under this Agreement, Subscription Receipts owned legally or beneficially by the Company or any Subsidiary of the Company shall be disregarded in accordance with the provisions of Section 10.7 hereof.

ARTICLE 8 SUPPLEMENTAL AGREEMENTS

Section 8.1 Provision for Supplemental Agreements for Certain Purposes

From time to time the Company, AAJ, Echelon on behalf of the Agents and the Receipt Agent may jointly, subject to the provisions hereof and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers agreements supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) increasing the number of Subscription Receipts authorized for issue hereunder and the corresponding number of Resulting Issuer Shares to which Receiptholders are entitled and any consequential amendments hereto as, in the opinion of the Company's Counsel or AAJ's Counsel, are necessary or advisable and as may be

required by the Receipt Agent provided the same are not prejudicial to the interests of the Subscription Receiptholders based on the opinion of Company Counsel;

- (b) evidencing the succession, or successive successions, of any other person to the Company or AAJ and the assumption by such successor of the covenants of, and obligations of, the Company or AAJ under this Agreement;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of the Company's Counsel or AAJ's Counsel, are necessary or advisable, provided that the same are not, in the opinion of the Receipt Agent based upon the advice of Agents' Counsel and Company Counsel, prejudicial in any respect to the interests of the Receiptholders;
- (d) giving effect to any Extraordinary Resolution passed as provided in Article 7 only insofar as it is agreed upon by the Company and not prejudicial to the Company;
- (e) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Receipt Agent based upon the opinion of the Company's Counsel, prejudicial to the interests of the Receiptholders;
- (f) adding to or altering the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipts and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;
- (g) modifying any of the provisions of this Agreement provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Receipt Agent based upon the opinion of Company Counsel, such modification or relief in no way prejudices any of the rights of the Receiptholders or of the Receipt Agent, and provided further that the Receipt Agent may in its sole discretion decline to enter into any such supplemental agreement which in its opinion may not afford adequate protection to the Receipt Agent when it becomes operative; and
- (h) for any other purpose not inconsistent with the terms of this Agreement, including correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Receipt Agent based upon the opinion of the Company's Counsel, the rights of the Receipt Agent and of the Receiptholders are in no way prejudiced thereby.

Section 8.2 Successor Corporations

In the case of the amalgamation, arrangement, merger, business combination or transfer of the undertaking or assets of either the Company, or AAJ, in each case, as an entirety or substantially as an entity, to another entity, (a "**successor corporation**"), the successor corporation resulting from such amalgamation, merger or transfer (if not the Company or AAJ, respectively) shall expressly assume, by supplemental agreement satisfactory in form to the Receipt Agent and executed and delivered to the Receipt Agent, the due and punctual performance and observance of each and every covenant and condition of this Agreement to be performed and observed by the Company or AAJ, as applicable.

ARTICLE 9 CONCERNING THE RECEIPT AGENT

Section 9.1 Applicable Legislation

- (a) In regard to the Receipt Agent, if and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (b) The Company, AAJ, and the Receipt Agent agree that each shall, at all times in relation to this Agreement and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

Section 9.2 Accounting

The Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Receipt Agent hereunder and the receipt, investment and release of the Escrowed Funds, and shall provide to the Company and Echelon for the benefit of the Agents records and statements thereof periodically upon request.

Section 9.3 Payments by Receipt Agent

In the event that any funds to be released by the Receipt Agent in accordance herewith are received by the Receipt Agent in the form of an uncertified cheque or cheques the Receipt Agent shall be entitled to delay the time for the release of such funds hereunder until such uncertified cheque or cheques have cleared in the ordinary course of the financial institution upon which the same are drawn. The Receipt Agent shall disburse funds according to this Agreement only to the extent that funds have been deposited with it. The Receipt Agent shall not under any circumstances be required to disburse funds in excess of amounts on deposit with the Receipt Agent at the time of such disbursement.

Section 9.4 Rights and Duties of Receipt Agent

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Receipt Agent shall exercise the degree of care, diligence and skill that a reasonably prudent subscription receipt agent and escrow agent would exercise in comparable circumstances. No provision of this Agreement shall be construed to relieve the Receipt Agent from liability for its own grossly negligent action, willful misconduct or bad faith.
- (b) The obligation of the Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Receipt Agent or the Receiptholders hereunder shall be conditional upon the Receiptholders providing to the Receipt Agent, when required by notice from the Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Receipt Agent and to protect and hold harmless the Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the Receipt 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 so indemnified and funded.

- (c) The Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Receiptholders at whose instance it is acting to deposit with the Receipt Agent the Subscription Receipts held by them, for which Subscription Receipts the Receipt Agent shall issue receipts.
- (d) Every provision of this Agreement that by its terms relieves the Receipt Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation and this Section 9.4.
- (e) The Receipt Agent shall not be bound to do or give any notice or take any act, action, proceeding for the enforcement of any of the obligations of the Company or AAJ under this Agreement unless and until it shall, subject to Section 9.4(a), have received a Receiptholders' Request specifying the act, action or proceeding which the Receipt Agent is requested to take, nor shall the Receipt Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Receipt Agent and, in the absence of any such notice, the Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements, or conditions contained herein.
- (f) No duty shall rest with the Receipt Agent to determine compliance of the transferor or transferee with applicable securities laws. The Receipt Agent shall be entitled to assume that all transfers are legal and proper.

Section 9.5 Evidence, Experts and Advisors

- (a) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Company and AAJ shall provide to the Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Receipt Agent may reasonably require by written notice to the Company or AAJ.
- (b) In the exercise of its rights and duties hereunder, the Receipt 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 Company or AAJ, certificates of the Company or AAJ, other evidence furnished to the Receipt Agent pursuant to any provision of this Agreement or Applicable Legislation, or pursuant to a request of the Receipt Agent, provided that the Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.
- (c) Whenever it is provided in this Agreement or under Applicable Legislation that the Company or AAJ shall deposit with the Receipt Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith thereof on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Company and AAJ to have the Receipt Agent take the action to be based thereon.
- (d) The Receipt Agent may employ or retain such counsel, accountants, appraisers or other experts or advisors as it may reasonably require for the purpose of determining and discharging its duties hereunder and may pay reasonable remuneration for all

services so performed by any of them, without taxation of costs of any counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisors who have been appointed with due care by the Receipt Agent. Fees or expenses incurred under this Section 9.5 hereof shall be repayable in accordance with Section 5.3 hereof.

- (e) Whenever Applicable Legislation requires that evidence referred to in Section 9.5(a) hereof be in the form of a statutory declaration, the Receipt Agent may accept such statutory declaration in lieu of a certificate of the Company or AAJ required by any provision hereof. Any such statutory declaration may be made by one or more of the directors and officers of the Company or AAJ, as applicable.

Section 9.6 Documents and Monies Held by Receipt Agent

Subject to Section 4.1 hereof, any securities, documents of title or other instruments that may at any time be held by the Receipt Agent pursuant to this Agreement may be placed in the deposit vaults of the Receipt Agent or of any Canadian chartered bank or deposited for safekeeping with any such bank.

Section 9.7 Actions by Receipt Agent to Protect Interest

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

Section 9.8 Receipt Agent Not Required to Give Security

The Receipt Agent shall not be required to give any bond or security in respect of the execution of this Agreement or otherwise in respect of the provisions hereof.

Section 9.9 Protection of Receipt Agent

By way of supplement to the provisions of any law for the time being relating to subscription receipt agents and escrow agents, it is expressly declared and agreed as follows:

- (a) nothing contained herein shall impose any obligation on the Receipt Agent to tend to or require evidence of the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;
- (b) the Receipt Agent shall not be bound to give notice to any person or persons of the execution hereof;
- (c) the Receipt Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach by the Company or AAJ of any of the respective covenants herein contained or of any acts of any directors, officers, employees or agent of the Company or AAJ, as applicable;
- (d) the Receipt Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any Subscription Receipts or Resulting Issuer Shares, or any other securities or property which may at any time be issued or transferred, as applicable, and delivered upon the deemed exercise of any Issuance Right;

- (e) the Receipt Agent shall not be responsible for any failure of the Company to make any payment or of the Resulting Issuer to issue, transfer or deliver the Resulting Issuer Shares upon the deemed exercise of the Issuance Right or any exercise of the Refund Right;
- (f) the Receipt Agent shall incur no liability whatsoever with respect to the delivery or non-delivery of any certificate whether delivered by hand, mail or any other means;
- (g) if the Receipt Agent delivers any cheque as required under this Agreement, the Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such cheque is not honoured on presentation that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and an indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque;
- (h) the Receipt Agent shall be entitled to rely absolutely on the Notice and Direction and shall be entitled to release the Escrowed Funds upon the receipt of the Notice and Direction as provided for in this Agreement;
- (i) the Receipt Agent shall disburse funds according to this Agreement only to the extent that funds have been deposited with it;
- (j) the Receipt Agent shall not be liable to account to anyone for the profit it may receive, if any, while holding the Escrowed Funds.
- (k) proof of the execution of an instrument in writing, including a Receiptholders' Request, by any Receiptholder may be made by the certificate of a notary, solicitor or commissioner for oaths, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Receipt Agent may consider adequate and in respect of a corporate Receiptholder, shall include a certificate of incumbency of such Receiptholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument; and
- (l) the Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Receipt Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, economic sanctions or anti-terrorist legislation, regulation or guideline. Further, should the Receipt Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Company provided: (i) that the Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Receipt Agent's satisfaction within such 10-day period, then such resignation shall not be effective.
- (m) The Receipt Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, bad faith or willful misconduct; and

- (n) the Receipt Agent shall not be liable for or by reason of any statements of fact or recitals in this Agreement or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Company.

Section 9.10 Replacement of Receipt Agent; Successor by Merger

- (a) The Receipt Agent may resign its appointment and be discharged from all other duties and liabilities hereunder, subject to this Section 9.10 by giving to the Company not less than 60 days' prior notice in writing or such shorter prior notice as the Company may accept as sufficient.
- (b) The Receiptholders by Extraordinary Resolution shall have the power at any time to remove the existing Receipt Agent and to appoint a new Receipt Agent, as provided in Section 7.11(h) hereof. In the event of the Receipt Agent so resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Company and Echelon on behalf of the Agents shall jointly forthwith appoint a new Receipt Agent unless a new Receipt Agent has already been appointed by the Receiptholders. In the event that the Company and Echelon on behalf of the Agents fail to make such appointment, the retiring Receipt Agent or any Receiptholder, at the Company's expense, may apply to a court of competent jurisdiction in the Province of Ontario, on such notice as such court may direct, for the appointment of a new Receipt Agent, provided that any new Receipt Agent so appointed shall be subject to removal by the Receiptholders as hereinbefore provided. Any new Receipt Agent appointed under any provision of this Section 9.10 shall be a corporation authorized to carry on the business of a trust company in the Province of Ontario and, if required, by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment, the new Receipt Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Receipt Agent hereunder, provided that there be executed, at the expense of the Company, all such conveyances or other instruments as may, in the opinion of counsel, be necessary or advisable for the purpose of assigning such powers, rights, duties, and responsibilities to the new Receipt Agent, including, without limitation, an appropriate instrument executed by the new Receipt Agent accepting such appointment and, at the request of the Company, the predecessor Receipt Agent shall, upon payment of its outstanding remuneration and expenses, execute and deliver to the new Receipt Agent an appropriate instrument transferring to such new Receipt Agent all rights and powers of the Receipt Agent hereunder.
- (c) Upon the appointment of a successor Receipt Agent, the Company shall promptly notify the Receiptholders thereof in the manner provided for in Section 10.2 hereof.
- (d) Any corporation into or with which the Receipt Agent may be merged or consolidated or amalgamated, any corporation resulting therefrom to which the Receipt Agent shall be a party or to which all or substantially all of its corporate trust business is sold or otherwise transferred, shall be the successor to the Receipt 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 Receipt Agent under Section 9.10(b) hereof.
- (e) Any Subscription Receipt Certificates certified but not delivered by a predecessor Receipt Agent may be certified by the successor Receipt Agent in the name of the successor Receipt Agent.

Section 9.11 Conflict of Interest

- (a) The Receipt Agent represents to the Company, AAJ, and the Agents that at the time of execution and delivery hereof, to the best of its knowledge, no material conflict of interest exists between its role as the Receipt Agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it shall, within 60 days after ascertaining that it has such material conflict of interest, either eliminate such conflict of interest or assign its appointment as Receipt Agent hereunder to a successor Receipt Agent approved by the Company and meeting the requirements set out in Section 9.10(b) hereof. Notwithstanding the foregoing provisions of this Section 9.11(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.
- (b) Subject to Section 9.11(a) hereof, the Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company or AAJ and generally may contract and enter into financial transactions with the Company, AAJ or any Subsidiary of the Company or AAJ without being liable to account for any profit made thereby.

Section 9.12 Acceptance of Appointment

The Receipt Agent hereby accepts the appointment as escrow agent in respect of the Escrowed Funds as registrar and transfer agent in respect of the Subscription Receipts under this Agreement and agrees to perform its duties hereunder upon the terms and conditions herein set out.

Section 9.13 Receipt Agent Not to be Appointed Receiver

The Receipt Agent and any person related to the Receipt Agent shall not be appointed a receiver, a receiver and manager or a liquidator of all or any part of the assets or undertaking of the Company or AAJ.

ARTICLE 10 GENERAL

Section 10.1 Notice to the Company, AAJ, the Agents and the Receipt Agent

- (a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Company, the Agents or the Receipt Agent shall be deemed to be validly given if delivered by courier, transmitted by telecopier (if provided) or by electronic mail or other electronic means, as follows:

- (i) if to the Company:

PharmaCielo Ltd.
82 Richmond Street East, Suite 200
Toronto, Ontario, M5C 1P1
Attention: Scott Laitinen, Chief Financial Officer
Email: laitinen@pharmacielo.com

With a copy to (not to constitute notice):

McMillan LLP
 Brookfield Place
 181 Bay Street, Suite 4400
 Toronto, Ontario M5J 2T3
 Attention: Georges Dube
 Email: georges.dube@mcmillan.ca

(ii) if to AAJ:

AAJ Capital 1 Corp.
 Suite 2050-1055 West Georgia St
 Vancouver, British Columbia V6E 3P3
 Attention: Praveen Varshney
 Email: praveen@varshneycapital.com

With a copy to (not to constitute notice):

Miller Thomson LLP
 400-725 Granville Street
 Vancouver, British Columbia V7Y 1G5
 Attention: Rory Godinho
 Facsimile: 604-643-1200
 Email: rgodinho@millerthomson.com

(iii) if to the Agents:

Echelon Wealth Partners Inc.
 130 King Street West, Suite 2500
 Toronto, Ontario M5X 2A2
 Attention: Rob Furse, President
 Email: rob.furse@echelonpartners.com

and to:

Cormark Securities Inc.
 200 Bay Street, Suite 2800
 Toronto, Ontario M5J 2J2
 Attention: Alfred Avanessy, Managing Director
 Email: aavanessy@cormark.com

and to:

GMP Securities L.P.
 145 King Street West, Suite 300
 Toronto, Ontario M5H 1J8
 Attention: Eugene McBurney, Chairman
 Email: genem@gmpsecurities.com

With a copy to (not to constitute notice):

Fasken Martineau DuMoulin LLP
 Bay Adelaide Centre
 333 Bay Street, Suite 2400

Toronto, Ontario M5H 2T6
 Attention: Paul Fornazzari
 Email: pfornazzari@fasken.com

- (iv) if to the Receipt Agent:

TSX Trust Company
 100 Adelaide Street West, Suite 301
 Toronto, Ontario M5H 4H1 Canada
 Attention: Vice President, Trust Services
 Email: tmxestaff-corporatetrust@tmx.com

and any such notice provided in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if telecopied or sent by electronic mail or other electronic means, on the day of transmission (or, if such day is not a Business Day or if transmission was made after 5:00 p.m. (Toronto, Ontario time) on a Business Day, on the first Business Day following the day of transmission).

- (b) The Company, AAJ, the Agents or the Receipt Agent, as the case may be, may from time to time notify the others in the manner provided in Section 10.1(a) hereof of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Company, AAJ, the Agents or the Receipt Agent, as the case may be, for all purposes of this Agreement.

Section 10.2 Notice to Receiptholders

- (a) Except as otherwise provided herein, any notice to the Receiptholders under the provisions of this Agreement shall be valid and effective if delivered or sent by ordinary mail addressed to such holders at their addresses appearing on the register of Subscription Receipts maintained by the Receipt Agent and shall be deemed to have been effectively given on the date of delivery or, if mailed, five (5) Business Days following actual posting of the notice in the mail. Accidental error or omission in giving notice or accidental failure to mail notice to any Receiptholder shall not invalidate any action or proceeding founded thereon.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Receiptholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Receiptholders or if delivered to the address for such Receiptholders contained in the register of Subscription Receipts maintained by the Receipt Agent.

Section 10.3 Equitable Relief

Notwithstanding any other provision of this Agreement, the Company or AAJ shall have the right to apply to a court having appropriate jurisdiction to seek injunctive or other equitable relief, on either an interim or permanent basis, for any claim arising under or in connection with this Agreement.

Section 10.4 Counterparts

This Agreement may be executed and delivered in counterparts in original or electronic form, each of which when so executed and delivered shall be deemed to be an original and such

counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to be dated as of the date hereof.

Section 10.5 Satisfaction and Discharge of Agreement

This Agreement shall cease to be of further effect when all obligations of the parties hereunder with respect to the Issuance Right or the Refund Right, as the case may be, have been satisfied. In such circumstances, the Receipt Agent, on demand of and at the cost and expense of the Company and upon delivery to the Receipt Agent of a certificate of the Company stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with, shall execute all instruments necessary or desirable to acknowledge satisfaction of and discharge this Agreement. Notwithstanding the foregoing, the indemnities provided to the Receipt Agent, the Receiptholders and the Agents by the Company and AAJ hereunder shall remain in full force and effect and survive the termination of this Agreement.

Section 10.6 Sole Benefit of Parties and Receiptholders

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

Section 10.7 Subscription Receipts Owned by the Company or its Subsidiaries

For the purpose of disregarding any Subscription Receipts owned legally or beneficially by the Company or any Subsidiary of the Company pursuant to Section 7.18, the Company shall provide to the Receipt Agent, from time to time, at the request of the Receipt Agent, a certificate of the Company setting out as at the date of such certificate the number of Subscription Receipts owned legally or beneficially by the Company or any Subsidiary of the Company, and the names (other than the name of the Company) of the registered holders of the Subscription Receipts, which, to the knowledge of the Company, are owned by or held for the account of the Company or any Subsidiary of the Company and the Receipt Agent, in making the computations pursuant to Section 7.18 shall be entitled to rely on such certificate without requiring further evidence thereof.

Section 10.8 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, 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 Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 10.7.

Section 10.9 Privacy Consent

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

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

Each party acknowledges and agrees that the Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its Privacy Code, which the Receipt Agent shall make available on its website, www.tsxtrust.com, or upon request, including revisions thereto. The Receipt 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 Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

Section 10.10 Language

The parties hereto have requested that this document be drafted in the English language. Les parties ont demandé que le présent document soit rédigé en langue anglaise.

Section 10.11 Time of Essence

Time is and shall remain of the essence of this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Subscription Receipt Agreement on the date first written above.

PHARMACIELO LTD.

By: (Signed) Scott Laitinen
Authorized Signing Officer

AAJ CAPITAL 1 CORP.

By: (Signed) Ravinder Kang
Authorized Signing Officer

TSX TRUST COMPANY

By: (Signed) Michael Rosenberg
Authorized Signing Officer

By: (Signed) Janet Shodipo
Authorized Signing Officer

ECHELON WEALTH PARTNERS INC.

By: (Signed) Rob Furse
Authorized Signing Officer

CORMARK SECURITIES INC.

By: (Signed) Alfred Avanessy
Authorized Signing Officer

GMP SECURITIES L.P.

By: (Signed) Eugene McBurney
Authorized Signing Officer

SCHEDULE "A"
FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

SUBSCRIPTION RECEIPT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) JUNE 22, 2018, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY

For all Subscription Receipts required to bear the legend in Section 2.2(g) of the Subscription Receipt Agreement, include the following:

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR (E) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (E) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY.

Certificate No.: _____

● SUBSCRIPTION RECEIPTS

CUSIP:

PHARMACIELO LTD.

(A company incorporated under the federal laws of Canada)

THIS IS TO CERTIFY THAT:

[insert registration particulars] (the "**holder**") is the registered holder of the Subscription Receipts represented hereby.

The Subscription Receipts represented by this Subscription Receipt certificate (the "**Certificate**") are issued pursuant to a Subscription Receipt Agreement (the "**Agreement**") dated June 22, 2018, among Pharmaciello Ltd. (the "**Company**"), AAJ Capital 1 Corp. ("**AAJ**"), Echelon Wealth Partners Inc. ("**Echelon**"), Cormark Securities Inc., and GMP Securities L.P. (the "**Agents**"), and TSX Trust Company, as escrow agent and registrar and transfer agent in respect of the Subscription Receipts (the "**Receipt Agent**"). Capitalized terms used but not defined herein have the meaning ascribed to them in the Agreement. The Subscription Receipts represented by this Certificate are securities for the purposes of the *Securities Transfer Act* (Ontario).

If the Escrow Release Conditions are satisfied at or before the Deadline, the Company and Echelon on behalf of the Agents, acting reasonably, shall, forthwith upon satisfaction of the Escrow Release Conditions, cause the Notice and Direction to be delivered to the Receipt Agent and AAJ, and AAJ shall forthwith deliver to its duly appointed transfer agent the Irrevocable Direction (as defined in and in such form as provided in the Agreement). In such circumstances, the holder shall be deemed to have exercised the Issuance Right and shall be entitled to be issued, without payment of additional consideration or the undertaking of any further action by the holder, one (1) Common Share in the capital of AAJ (as it exists upon completion of the business combination among AAJ and the Company), for each Subscription Receipt held.

If the Termination Time occurs, the holder as at the Termination Time shall be deemed to have exercised their Refund Right in respect of all of their Subscription Receipts then held, and the holder shall receive an amount equal to the sum of the Issue Price paid therefor and such holder's *pro rata* entitlement to the Earned Interest, and the Subscription Receipt evidenced hereby shall be null and void, all in the manner and on the terms and conditions set out in the Agreement.

The Subscription Receipts represented hereby are issued under and pursuant to the Agreement. Reference is hereby made to the Agreement and any and all other instruments supplemental or ancillary thereto for a full description of the rights of the holders of the Subscription Receipts and the terms and conditions upon which such Subscription Receipts are, or are to be, issued and held, all to the same effect as if the provisions of the Agreement and all instruments supplemental or ancillary thereto were herein set forth, and to all of which provisions the holder of these Subscription Receipts by acceptance hereof assents. In the event of a conflict or inconsistency between the terms of the Agreement and this Certificate, the terms of the Agreement shall prevail. Holders of Subscription Receipts may obtain a copy of the Agreement from the Company at their head office.

The Agreement contains provisions making binding upon all holders of Subscription Receipts outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by the holders of either a majority of, or 66²/₃% of, the outstanding Subscription Receipts, as the case may be.

The Subscription Receipts evidenced by this Certificate may be transferred on the register kept at the offices of the Receipt Agent by the registered holder hereof or his legal representatives or his attorney duly appointed by an instrument in writing in form and execution satisfactory to the Receipt Agent only upon surrender of this Certificate together with the duly executed form of transfer satisfactory to the Receipt Agent and upon compliance with the provisions hereof and such reasonable requirements as the Receipt Agent may prescribe. The Agreement sets forth the time when the transfer register shall be closed.

The Subscription Receipts evidenced by this Certificate and the Resulting Issuer Shares issuable pursuant to the Subscription Receipts have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities laws of any state of the United States. All or any portion of the Subscription Receipts represented by this Certificate may not be offered, sold or pledged or otherwise transferred in the United States (as defined in Regulation S under the U.S. Securities Act) except in limited circumstances contemplated in the Agreement.

This Subscription Receipt Certificate is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

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

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[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Company has caused this Certificate to be signed by its duly authorized officer as of _____, 2018.

PHARMACIELO LTD. By: _____ Authorized Signing Officer	Countersigned by: TSX TRUST COMPANY, as registrar and transfer agent of the Subscription Receipts By: _____ Authorized Signing Officer Date: _____
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APPENDIX "A"
FORM OF TRANSFER

**SUBSCRIPTION RECEIPTS OF
PHARMACIELO LTD. (THE "COMPANY")**

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

Attn: Stock Transfer

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

_____ (print name, address and Social Insurance Number/Social Security Number of Transferee) the Subscription Receipt represented by this Subscription Receipt Certificate and hereby irrevocable constitutes and appoints _____ as its attorney with full power of substitution to transfer the said securities on the appropriate register of the Subscription Receipt.

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

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

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

Subscription Receipts shall only be transferable in accordance with the Subscription Receipt Agreement and all applicable laws. Without limiting the foregoing, if the Subscription Receipt Certificate bears a legend restricting the transfer of the Subscription Receipts except pursuant to an exemption from registration under the U.S. Securities Act, this Form of Transfer must be accompanied by a Form of Declaration for Removal of Legend in substantially in the form attached as Schedule "D" to the Subscription Receipt Agreement, with necessary changes (or such other form as the Company may prescribe from time to time), or a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Company to the effect that

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

SCHEDULE "B"
FORM OF IRREVOCABLE DIRECTION

TO: _____ (the "Transfer Agent")

This Irrevocable Direction is being provided pursuant to the subscription receipt agreement (the "**Agreement**") dated June 22, 2018, among Pharmacielo Ltd., AAJ Capital 1 Corp. (the "**Company**"), Echelon Wealth Partners Inc., Cormark Securities Inc., GMP Securities L.P., and the Receipt Agent. Capitalized terms not defined herein have the meaning ascribed to them in the Agreement.

The Transfer Agent, in its capacity as registrar and transfer agent for the Resulting Issuer, is hereby irrevocably directed and authorized to enter on the share register of the Resulting Issuer, effective as of the Notice Date, being **[insert date]**, the names of each Receipholder as the holder of record of such number of Resulting Issuer Shares (CUSIP: _____) to which each Receipholder is entitled in the aggregate total of _____ Resulting Issuer Shares, all as provided in Section 3.2 of the Agreement. We hereby confirm that the allotment and issue of these Resulting Issuer Shares has been duly authorized by all necessary corporate action and that such Resulting Issuer Shares are to be issued as fully paid and non-assessable common shares of the Resulting Issuer, subject to applicable escrow requirements imposed by the TSXV to be confirmed in writing by Treasury Order of the Resulting Issuer with the delivery of this Irrevocable Direction.

This Irrevocable Direction, which may be delivered by facsimile or e-mail shall constitute your good and sufficient authority for taking the actions described herein.

DATED the _____ day of _____, _____.

AAJ CAPITAL 1 CORP.

By: _____
Authorized Signing Officer

SCHEDULE "C"
FORM OF NOTICE AND DIRECTION TO RECEIPT AGENT

TO: TSX TRUST COMPANY (the "Receipt Agent")

AND TO: AAJ CAPITAL CORP. ("AAJ")

This Notice and Direction is being provided pursuant to the subscription receipt agreement (the "**Agreement**") dated June 22, 2018 among Pharmacielo Ltd., AAJ, Echelon Wealth Partners Inc., Cormark Securities Inc., GMP Securities L.P. (the "**Agents**") and the Receipt Agent. Capitalized terms not defined herein have the meaning ascribed to them in the Agreement.

In accordance with the provisions of the Agreement, we are writing to advise you that the Escrow Release Conditions have been satisfied and the Notice Date is _____. The Receipt Agent is hereby directed and authorized to, in accordance with Section 3.5 of the Agreement, to release the Escrowed Funds as follows:

- (a) CDN\$_____, representing the Released Amount to Pharmacielo Ltd. by wire transfer or certified cheque;
- (b) CDN\$_____, representing fifty percent (50%) of the Agents' Commission by wire transfer or certified cheque to Echelon Wealth Partners Inc. for the Agents;
- (c) CDN\$_____, to be retained by the Receipt Agent, for the payment of outstanding fees and expenses payable to the Receipt Agent.

The foregoing direction is irrevocable and shall constitute your good and sufficient authority for making such payments as directed above.

This Notice and Direction, which may be signed in counterparts and delivered by facsimile, or e-mail and shall constitute your good and sufficient authority for taking the actions described herein.

DATED the _____ day of _____, _____.

PHARMACIELO LTD.

ECHELON WEALTH PARTNERS INC.

By: _____
Authorized Signatory

By: _____
Authorized Signatory

SCHEDULE "D"
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: [Issuer] (the "Company")

AND TO: The Company's Transfer Agent

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

Dated _____, 20__.

X

Signature of individual (if Holder **is** an individual)

X

Authorized signatory (if Holder is **not** an individual)

Name of Holder (**please print**)

Name of authorized signatory (please print)

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

Affirmation By Seller's Broker-Dealer
(required for sales in accordance with Section (B)(2)(b) above)

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

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

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

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

Name of Firm

By: _____
Authorized officer

Date: _____