HYDREIGHT TECHNOLOGIES INC.
as the Company

and

ODYSSEY TRUST COMPANY
as the Trustee

CONVERTIBLE DEBENTURE INDENTURE
Providing for the Issue of Convertible Debentures

Dated as of September 4, 2025

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CONVERTIBLE DEBENTURE INDENTURE

THIS CONVERTIBLE DEBENTURE INDENTURE is dated as of September 4, 2025.

BETWEEN:

> **HYDREIGHT TECHNOLOGIES INC.**, a company incorporated under the laws of British Columbia (hereinafter called the "**Company**")

AND:

> **ODYSSEY TRUST COMPANY**, a trust company continued under the laws of Canada having its principal office in the City of Calgary, in the Province of Alberta (hereinafter called the "**Trustee**")

WHEREAS:

A. in connection with a private placement offering by the Company (the "**Offering**") of up to $11,500,000 aggregate principal amount of Debentures (as defined herein), made pursuant to the terms and conditions of an agency agreement dated September 4, 2025, among the Company, Canaccord Genuity Corp., and Beacon Securities Limited, the Company intends to authorize, create and issue up to 11,500 Debentures, each Debenture to be issued in a principal amount of $1,000 or in integral multiples thereof;

B. the Company is duly authorized to create and issue the Debentures to be issued as herein provided;

C. all necessary corporate action has been obtained and other proceedings taken and conditions complied with to authorize the creation and issue of the Debentures proposed to be issued hereunder, and, when Authenticated (as defined herein) by the Trustee, such Debentures will be legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to Applicable Laws;

D. the foregoing recitals are made as representations and statements of fact by the Company and not by the Trustee.

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company hereby appoints the Trustee as convertible debenture agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Debenture issued pursuant to this Indenture and the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Indenture and in the Debentures, the expressions following shall have the following meanings:

"**90% Redemption Right**" has the meaning ascribed thereto in Section 5.1(3);

"**Additional Amount**" has the meaning ascribed thereto in Section 9.1(1);

"**Affiliate**" means, with respect to any specified Person at any time: (i) each Person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person at such time; and (ii) each Person who is at such time a "control person" within the meaning of Applicable Securities Laws;

"**Agents**" means the Lead Agent and Beacon Securities Limited;

"**Applicable Interest**" at any particular time, means interest that has accrued on the Principal Amount but which has not been paid as of that time, as determined pursuant to Section 2.3;

"**Applicable Law**" means all laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature, having application, directly or indirectly, to the Company;

"**Applicable Securities Laws**" means applicable securities laws applicable to the Company and the holders of Debentures (including, without limitation, all rules, regulations, policies and instruments) in each of the Selling Jurisdictions insofar as they address the issuance, distribution, trade or ownership of securities therein and includes, for the avoidance of doubt, the rules and policies of the TSXV and any other Stock Exchange on which the Shares may be listed from time to time;

"**Auditors of the Company**" means an independent firm of chartered accountants duly appointed as auditors of the Company;

"**Authenticated**" means with respect to the issuance of certificated Debentures, one which has been authenticated by manual signature of an authorized officer of the Trustee and the terms "**Authenticate**", "**Authenticating**" and "**Authentication**" have meanings correlative to the foregoing;

"**BEO Debentures**" means Debentures issued under this Indenture in non-certificated form which are held only by way of an electronic book-entry only system maintained by CDS;

"**BEO Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Debentures;

"**Board of Directors**" means the board of directors of the Company or any committee thereof;

"**Business Day**" means any day other than a Saturday, Sunday or any other day that the Trustee and banking institutions are not generally open for business in Toronto, Ontario or Vancouver, British Columbia;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Certificated Debenture**" means a Debenture evidenced by a writing or writings substantially in the form of Schedule "A" and as specified in or pursuant to the documentation establishing the same pursuant to Article 2;

"**Change of Control**" means (i) any event as a result of or following which any person, or group of persons acting jointly or in concert (within the meaning of Applicable Securities Laws), beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Shares, or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Company, and for greater clarity, shall not include a sale, merger, reorganization or other similar transaction if the previous holders of the Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity;

"**Change of Control Notice**" has the meaning ascribed thereto in Section 5.1(1);

"**Change of Control Purchase Date**" has the meaning ascribed thereto in Section 5.1(1);

"**Change of Control Purchase Offer**" has the meaning ascribed thereto in Section 5.1(1);

"**Company**" means Hydreight Technologies Inc. and includes any of its successors or permitted assigns, subject to compliance with the provisions of Article 10;

"**Conversion Date**" means the date upon which a Conversion Event occurs;

"**Conversion Event**" means the conversion of the Debentures into, or for, Conversion Securities in accordance with this Indenture;

"**Conversion Notice**" means a completed notice of conversion in the form attached as Schedule "B";

"**Conversion Price**" means $4.06 per Conversion Security, subject to adjustment in accordance with this Indenture, being the dollar amount for which each Conversion Security may be issued from time to time upon the conversion of Debentures in accordance with this Indenture;

"**Conversion Securities**" means the Shares issuable by the Company upon the conversion of the Debentures;

"**Counsel**" means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Company and acceptable to the Trustee;

"**Current Market Price**" means, (i) if the Company is listed on the TSXV, the VWAP for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date, (ii) if the Common Shares are not listed on the TSXV but are listed on another securities exchange or market, the "Current Market Price" shall be the VWAP for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date on the securities exchange or market on which the Company has the greatest trading volume, and (iii) if the Company is not listed or quoted on any other securities exchange or market, the "Current Market Price" shall be the fair value of a Common Share as reasonably determined by the Board of Directors;

"**Debentureholders**" or "**holders**" means the Persons for the time being entered in the register for Debentures as registered holders of Debentures or any transferees of such Persons by endorsement or delivery;

"**Debentures**" means the 9% senior unsecured convertible debentures, notes or other evidence of indebtedness of the Company issued and Authenticated hereunder, or deemed to be issued and Authenticated hereunder, and for the time being outstanding, whether in certificated or uncertificated form;

"**Depository**" means CDS and includes any successor corporate or any other depository subsequently appointed by the Company as the depository under this Indenture;

"**Distributed Securities**" has the meaning ascribed thereto in Section 4.4(5);

"**Electronic Methods**" shall have the meaning ascribed thereto in Section 13.20(4);

"**Event of Default**" has the meaning ascribed thereto in Section 7.1;

"**Expiration Date**" has the meaning ascribed thereto in Section 4.4(7);

"**Expiration Time**" has the meaning ascribed thereto in Section 4.4(7);

"**Forced Conversion Date**" has the meaning ascribed there to in Section 4.2(5);

"**Forced Conversion Notice**" has the meaning ascribed there to in Section 4.2(1);

"**Forced Conversion Right**" has the meaning ascribed there to in Section 4.2(1);

"**Global Debenture**" means a Debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.6 for purposes of being held by or on behalf of the Depository as custodian for participants;

"**Governmental Authority**" means any national, central, federal, provincial, state, municipal, county or other government or regional authority, whether executive, legislative or judicial, and includes any ministry, department, commission, bureau, board, administrative or other agency or regulatory body or instrumentality thereof, and includes any stock exchange or securities market upon which the Company or any of its Affiliates has securities listed or quoted;

"**Governmental Authorizations**" means all authorizations, approvals, orders, rulings, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or required by the Company by or from any Governmental Authority;

"**this Indenture**", "**this Convertible Debenture Indenture**", "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

"**Interest Period**" shall have the meaning ascribed thereto in Section Section 2.8.

"**Issue Date**" means the date of issue of a Debenture as shown on the certificate evidencing such Debenture, or such earlier or later date as may be agreed to by the Company and the Lead Agent;

"**issuer bid**" has the meaning ascribed thereto in Section 4.4(7);

"**Lead Agent**" means Canaccord Genuity Corp.;

"**Material Adverse Change**" means any change, effect, event, occurrence, circumstance or state of facts that, individually or in the aggregate, is or could reasonably be expected to be, material and adverse to the business, properties, operations, financial condition, results of operations, assets or liabilities of the Company and its direct and indirect Subsidiaries on a consolidated basis, other than any change, effect, event, occurrence, circumstance or state of facts relating to or resulting from: (i) the industry of the Company as a whole; (ii) general economic, financial, currency exchange, securities or commodity market conditions; or (iii) any act of terrorism or outbreak or escalation of hostilities or armed conflict; except that in the case of clauses (i) to (iii), any such change or effect (alone or in combination), will be considered in determining whether there has been, or will be, a Material Adverse Change if the same disproportionately affects the Company, its assets and/or its business compared to other businesses of a similar size that operate in a similar industry in Canada, in which case the extent (and only the extent) of the disproportionate aspect of such change or effect shall be taken into account in determining whether a Material Adverse Change has occurred or shall occur;

"**Material Subsidiaries**" means, collectively, (i) IV Hydreight, Inc., (ii) Hydreight Canada Holdings Inc. and (iii) Healthcare Prosoft NE Professional Corporation;

"**Maturity Account**" means an account or accounts required to be established by the Company (and which shall be maintained by and subject to the control of the Trustee) for the Debentures issued pursuant to and in accordance with this Indenture;

"**Maturity Date**" means three years from the Issue Date subject to the Accelerator Conversion Option;

"**Maturity Trigger**" means the first to occur of: (i) the Maturity Date; (ii) a Change of Control; or (iii) demand for payment by the Trustee pursuant to an Event of Default, provided that if an Event of Default is waived pursuant to Section 7.3, such Event of Default shall not constitute a Maturity Trigger;

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

"**Offering**" has the meaning ascribed thereto in the recitals to this Indenture;

"**Offer Price**" has the meaning ascribed thereto in Section 5.1(1);

"**Officers' Certificate**" means a certificate of the Company signed by any one officer or director of the Company, in his or her capacity as an officer or director of the Company, as the case may be, and not in his or her personal capacity;

"**Original QIB Purchaser**" means an original purchaser of the Debentures who purchased the Debentures from the Company on the basis that it is a Qualified Institutional Buyer, and has executed and delivered a U.S. QIB Letter;"**Person**" includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization, or other entity or government or any agency or political subdivision thereof (and for the purposes of the definition of "**Change of Control**", in addition to the foregoing, "**Person**" shall include any syndicate or group that would be deemed to be a "**Person**" under NI 62-104);

"**Principal Amount**" means the amount of Debentures issued under this Indenture from time to time, plus any interest accrued thereon in accordance with Section 2.3, as such amount may be reduced from time to time in accordance with the terms of this Indenture;

"**Privacy Laws**" has the meaning ascribed thereto in Section 13.20;

"**Purchased Shares**" has the meaning ascribed thereto in Section 4.4(7);

"**purchases**" has the meaning ascribed thereto in Section 4.4(7);

"**representing party**" has the meaning ascribed thereto in Section 13.17;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act that is also a U.S. Accredited Investor;

"**Selling Jurisdictions**" means the provinces of Canada and the United States pursuant to exemptions from the registration requirements of the *U.S. Securities Act*, and such other jurisdictions outside of Canada and the United States as may be agreed to by the Company and the Lead Agent;

"**Shares**" means common shares without par value in the capital of the Company;

"**Spinoff Securities**" has the meaning ascribed thereto in Section 4.4(5);

"**Spinoff Valuation Period**" has the meaning ascribed thereto in Section 4.4(5);

"**Stock Exchange**" means a market in Canada or outside of Canada on which securities are traded, if the prices at which they are traded on that market are regularly (i) disseminated electronically, or (ii) published in a newspaper or business or financial publication of general and regular paid circulation;

"**Subsidiary**" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

"**Successor**" has the meaning ascribed thereto in Section 10.1;

"**Tax**" includes any taxes, duties, fees, premiums, assessments, imposts, royalties, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and other government pension plan premiums or contributions, and "**Taxes**" shall have a corresponding meaning;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

"**tendered Shares**" has the meaning ascribed thereto in Section 4.4(7);

"**Trustee**" means Odyssey Trust Company, or its successor or successors as may be appointed hereunder from time to time;

"**TSXV**" means the TSX Venture Exchange;

"**Uncertificated Debenture**" means any Debenture which is not a Certificated Debenture;

"**Unclaimed Funds Return Date**" means with respect to each of: (A) a Change of Control; and (B) a 90% Redemption Right, the date that is six (6) years from the Change of Control Purchase Date;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;

"**U.S. Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

"**U.S. Person**" means a "U.S. person" as defined in Rule 902(k) of Regulation S under the U.S. Securities Act;

"**U.S. Purchaser**" means any purchaser of Debentures appearing on the register that: (i) is a U.S. Person; (ii) any Person that purchased Debentures on behalf of any U.S. Person; (iii) any purchaser that received an offer to purchase Debentures in the United States; or (iv) any Person that was in the United States at the time the purchaser's buy order to purchase Debentures was made; provided, however, that the term "U.S. Purchaser" does not include an Original QIB Purchaser;

"**U.S. QIB Letter**" means the Qualified Institutional Buyer Letter in the form of Schedule C attached to the subscription agreement executed by an Original QIB Purchaser in connection with its purchase of Debentures pursuant to Offering under which the Debentures were issued;

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

"**VWAP**" means for the Shares, the per Share volume-weighted average price on the TSXV in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session on such trading day, which will be determined without regard to after-hours trading or any other trading outside of the primary trading session; and

"**Written Direction of the Company**" means an instrument in writing signed by any one officer or director of the Company.

Section 1.2 Meaning of "Outstanding"

Every Debenture Authenticated and delivered by the Trustee hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee for cancellation, conversion or redemption for monies and/or Shares, as the case may be, or the payment thereof shall have been set aside under Section 8.2, provided that:

(1) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the Principal Amount thereof;

(2) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debenture shall be counted for the purpose of determining the aggregate Principal Amount of Debentures outstanding; and

(3) for the purposes of any provision of this Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Company shall be disregarded except that:

(a) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Debentures present or represented at any meeting of Debentureholders, only the Debentures which the Trustee knows are so owned shall be so disregarded; and

(b) Debentures so owned which have been pledged in good faith other than to the Company shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Company or a Subsidiary of the Company.

Section 1.3 Interpretation

In this Indenture:

(1) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and *vice versa*;

(2) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;

(3) all references to Sections refer, unless otherwise specified, to Sections, subsections or clauses of this Indenture;

(4) words and terms denoting inclusiveness (such as "**include**" or "**includes**" or "**including**"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them;

(5) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;

(6) unless otherwise indicated, reference to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time; and

(7) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends.

Section 1.4 Headings, Etc.

The division of this Indenture into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or of the Debentures.

Section 1.5 Time of Essence

Time shall be of the essence of this Indenture.

Section 1.6 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

Section 1.7 Invalidity, Etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

Section 1.8 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Debenture attached hereto as Schedule "A", be drawn up in the English language only.

Section 1.9 Successors and Assigns

All covenants and agreements of the Company in this Indenture and the Debentures shall bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Trustee in this Indenture shall bind its successors.

Section 1.10 Severability

In case any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, such provision shall be deemed to be severed herefrom or therefrom and the validity, legality and enforceability of the remaining provisions shall not in any way be affected, prejudiced or impaired thereby.

Section 1.11 Entire Agreement

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Debentures issued hereunder and thereunder, together constitute as of the date hereof the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Debentures and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Debentures.

Section 1.12 Benefits of Indenture

Nothing in this Indenture or in the Debentures, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent and the holders of Debentures, any rights under this Indenture.

Section 1.13 Applicable Law and Attornment

This Indenture, any supplemental indenture and the Debentures shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts. With respect to any suit, action or proceedings relating to this Indenture, any supplemental indenture or any Debentures, the Company, the Trustee and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

Section 1.14 Currency of Payment

Unless otherwise indicated in a supplemental indenture, all payments to be made under this Indenture or a supplemental indenture shall be made in Canadian dollars.

Section 1.15 Non-Business Days

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other action shall be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day.

Section 1.16 Accounting Terms

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with the International Financial Reporting Standards from time to time approved by the International Accounting Standards Board.

Section 1.17 Calculations

The Company shall be responsible for making all calculations called for hereunder including, without limitation, calculations of Current Market Price. The Company shall make such calculations in good faith

and in accordance with this Indenture, and, absent manifest error, the Company's calculations shall be final and binding on holders and the Trustee. The Company will provide a schedule of its calculations to the Trustee and the Trustee shall be entitled to act and rely conclusively on the accuracy of such calculations without independent verification.

Section 1.18 Waiver of Jury Trial

The parties hereto hereby waive any right they may have to require a trial by jury of any proceeding commenced in connection herewith.

Section 1.19 Schedules

The following Schedules are incorporated into and form part of this Indenture:

Schedule "A" - Form of Debenture
Schedule "B" - Form of Conversion Notice

In the event of any inconsistency between the provisions of any Section of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2 THE DEBENTURES

Section 2.1 Limit of Debentures

An aggregate Principal Amount of up to $11,500,000 Debentures are authorized to be issued under this Indenture, and may be issued only upon and subject to the conditions and limitations herein set forth.

Section 2.2 Form of Debentures

The Debentures shall be substantially in the form of Schedule "A", with such insertions, omissions, substitutions or other variations as shall be required by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements as set forth in this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority.

Section 2.3 Form and Terms of Debentures

(1) The Debentures are hereby authorized for issuance immediately upon the Issue Date, and shall be issued on the Issue Date and shall be designated as "9.0% Convertible Unsecured Debentures".

(2) The Debentures shall be dated as of the date of the Indenture and shall mature on the Maturity Date.

(3) Simple interest shall accrue on the Principal Amount at the rate of 9.0% per annum, commencing on the Issue Date until paid in accordance with this Indenture.

(4) The interest of the Debentures will be payable semi-annually on the last day of June and December in each year (the "**Payment Date**"), commencing on December 31, 2025. If the Payment Date falls on a non-Business Day, the interest will be payable on the first Business Day after the Payment Date. The December 31, 2025, interest payment will represent accrued Applicable Interest for the period from and including the Issue Date to but excluding December 31, 2025. The record date for the payment of interest on the Debentures will be that date which is five Business Days prior to each Payment Date.

(5) In accordance with Section 2.9, the Debentures will rank *pari passu* with each other Debenture issued under this Indenture, regardless of their actual date or terms of issue.

(6) A Debenture that has been tendered for purchase by its holder pursuant to a Change of Control Purchase Offer under the provisions of Article 5 may be surrendered for conversion only if such Change of Control Purchase Offer is withdrawn in accordance with this Indenture.

(7) The Debentures shall be issued in denominations of $1,000 and integral multiples thereof. Each Debenture Authenticated and delivered by the Trustee shall be issued in substantially the form set out in Schedule "A" hereto, with such insertions, omissions, substitutions or other variations as shall be required by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority.

(8) Each Certificated Debenture shall bear such distinguishing letters and numbers as the Trustee shall approve. Each holder will receive a definitive certificate representing their interest in Debentures. The Certificated Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another.

(9) Upon the occurrence of a Maturity Trigger, the Company shall pay to each Debentureholder, the Principal Amount together with the Applicable Interest then outstanding in accordance with the terms and conditions of this Indenture.

Section 2.4 Execution of Debentures

All Certificated Debentures shall be signed (either manually or by facsimile or electronic signature) by any one authorized director or officer of the Company holding office at the time of signing. A Certificated Debenture may be signed by the manual or electronic signature of an authorized director or officer of the Company and if signed electronically shall be binding on the Company as if it had been manually signed. Electronic signature means any electronic process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including email electronic signature or Docusign. Delivery of an executed copy of a Certificated Debenture by electronic transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of a Certificated Debenture. A facsimile or electronic signature upon a Certificated Debenture shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either manual or in facsimile, appears on a Certificated Debenture as a director or officer may no longer hold such office at the date of the Certificated Debenture or at the date of the Authentication and delivery thereof, such Certificated Debenture shall be valid and binding upon the Company and entitled to the benefits of this Indenture.

Section 2.5 Authentication

(1) No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefits of this Indenture, until it has been Authenticated by or on behalf of the Trustee substantially in the form set out in this Indenture, in the relevant supplemental indenture, or in some other form approved by the Trustee. Such Authentication of any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Company and the holder is entitled to the benefits hereof. Debentures will be Authenticated on the Written Direction of the Company.

(2) The Authentication by the Trustee of the Debentures shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Debentures or as to the issuance of the Debentures and the Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or the proceeds thereof. The Authentication by the Trustee of the Debentures shall, however, be a representation and warranty by the Trustee that the Debentures

have been duly Authenticated by or on behalf of the Trustee pursuant to the provisions of this Indenture.

(3) If, as and when deemed necessary by the Company pursuant to Applicable Laws, the Company and the Trustee will attach a legend to each certificate representing the Debentures and the Conversion Securities issuable upon the conversion thereof, as follows:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY 5, 2026."

and, if applicable under the policies of the TSXV, the additional legend as follows:

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL JANUARY 5, 2026."

(4) In addition to the legend provided for in Section 2.5(3), if, as and when deemed necessary by the Company, the Company and the Trustee will attach an additional legend as may be approved by the Company from time to time noting that such Conversion Securities are subject to transfer restrictions imposed under this Indenture Agreement, if any and any other legend as may be required pursuant to Applicable Law.

(5) All Debentures and the Conversion Securities issuable upon conversion or redemption thereof have not been and will not be registered under the U.S. Securities Act or any state securities laws and are “restricted securities” within the meaning assigned to that term in Rule 144(a)(3) under the U.S. Securities Act. Certificates representing Debentures originally issued and sold to U.S. Purchasers appearing on the register for Debentureholders, and certificates representing Conversion Securities issuable upon conversion or redemption thereof shall, for so long as required by applicable requirements of the U.S. Securities Act or applicable state securities laws, bear the following legend:

"THE SECURITIES REPRESENTED HEREBY [*For Debentures include:* AND SECURITIES ISSUABLE UPON CONVERSION HEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IN THE CASE OF (C)(1) OR (D) THE HOLDER HAS PRIOR TO SUCH SALE FURNISHED TO THE ISSUER AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.

Provided, that if the Debentures or Conversion Securities are being sold in compliance with Rule 904 of Regulation S under the U.S. Securities Act, the U.S. restrictive legend may be removed by providing a declaration to the Trustee for the Debentures or the transfer agent for the Conversion Securities, as applicable, in such form as the Company may prescribe from time to time together with any other evidence, which may include an opinion of counsel of recognized standing reasonably satisfactory to the Company, required by such Trustee or transfer agent, as applicable; and provided, further, that, if any Debentures or Conversion Securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the U.S. restrictive legend may be removed by delivering to the Trustee for the Debentures or transfer agent for the Conversion Securities, as applicable, an opinion of counsel, of recognized standing reasonably satisfactory to the Company, to the effect that the Debentures or Conversion Securities are no longer required to bear the legend under applicable requirements of the U.S. Securities Act or state securities laws. Provided that the Trustee or transfer agent, as applicable, obtains confirmation from the Company that such counsel is satisfactory to it, the Trustee or transfer agent, as applicable, shall be entitled to rely on such opinion of counsel without further inquiry. A new certificate, bearing no legend may be obtained from the Trustee upon delivery of this certificate and a duly executed declaration, in a form satisfactory to the Trustee and the Company to the effect that the sale of the securities represented hereby is being made in compliance with rule 904 of Regulation S under the Securities Act provided, that if the Debentures or the Conversion Securities, as applicable, are being sold under clause (B) above, the United States legend may be removed by providing a declaration to the Trustee as the Company may prescribe from time to time; and provided further that, if any such securities are being sold under clauses (C)(2) or (D) above, the United States legend may be removed by delivery to the Trustee of an opinion of counsel of recognized standing reasonably satisfactory to the Company that the United States legend is no longer required under applicable requirements of the 1933 Act or state securities laws. Provided that the Trustee obtains confirmation from the Company that such counsel is satisfactory to it, the Trustee shall be entitled to rely on such opinion of counsel without further inquiry.

(6) In reaching a decision to affix to a Debenture or Conversion Securities any of the legends set forth above, the Trustee shall be entitled to act and rely upon the Written Direction of the Company to issue the Debenture with or without the legend. In reaching a decision to remove the legend set forth above from a Debenture, the Trustee, upon receipt of a written direction from the Company, and the Company shall be entitled to act and rely upon the evidence provided by the transferee of the Debenture.

Section 2.6 BEO Debentures

(1) The Debentures may be issued as BEO Debentures which may be in the form of Uncertificated Debentures or may be represented by one or more Global Debentures. Each BEO Debenture Authenticated in accordance with this Indenture shall be registered in the name of the Depository designated for such BEO Debenture or a nominee thereof and in the case of a BEO Debenture that is a Certificated Debenture delivered to such Depository or a nominee thereof as custodian therefor, and each such BEO Debenture shall constitute a single Debenture for all purposes of this Indenture. Beneficial interests in the BEO Debenture will not be shown on the register or the records maintained by the Depository but will be represented through book-entry accounts of BEO Participants on behalf of the beneficial owners of such BEO Debenture. None of the Company, the Trustee and any other paying agent shall have any responsibility or liability for any aspects of the records relating to or payments made by any Depository or any BEO Participant on account of the beneficial interest in any BEO Debenture. Except as provided in this Section 2.6, owners of beneficial interests in any BEO Debenture shall not be entitled to have Debentures registered in their names and shall not receive or be entitled to receive Debentures in definitive form or to have their names appear in the register.

(2) In addition, all BEO Debentures that are represented by one or more Global Debentures, shall bear a legend in substantially the following form, subject to modification as required by the Depository:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO HYDREIGHT TECHNOLOGIES INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

(3) Notwithstanding any other provision in this Indenture, no BEO Debenture may be exchanged in whole or in part for Debentures registered, and no transfer of a BEO Debenture in whole or in part may be registered, in the name of any Person other than the Depository for such BEO Debenture or a nominee thereof unless:

(a) the Depository notifies the Company that it is unwilling or unable to continue to act as depository in connection with the BEO Debenture and the Company is unable to locate a qualified successor;

(b) the Company determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as Debentureholder of the BEO Debenture and the Company is unable to locate a qualified successor;

(c) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Company is unable to locate a qualified successor;

(d) the Company determines that the Debentures shall no longer be held as BEO Debentures through the Depository;

(e) such right is required by Applicable Law, as determined by the Company and the Company's Counsel;

(f) the Debenture is to be Authenticated to or for the account of benefit of a U.S. Purchaser; or

(g) such registration is effected in accordance with the internal procedures of the Depository and the Trustee,

following which Debentures shall be issued to the beneficial owners of such Debentures or their nominees, as directed by the Debentureholder. The Company shall provide an Officers' Certificate giving notice to the Trustee of the occurrence of any event outlined in this Section 2.6(3)(b).

(4) Subject to the provisions of this Section 2.6, any exchange of a BEO Debenture for Debentures which are not BEO Debentures may be made in whole or in part in accordance with the provisions of this Indenture, mutatis mutandis. All such Debentures issued in exchange for a BEO Debenture or any portion thereof shall be registered in such names as the Depository for such BEO Debenture shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to BEO Debentures) as the BEO Debenture or portion thereof surrendered upon such exchange.

(5) Every Debenture Authenticated upon registration of transfer of a BEO Debenture, or in exchange for or in lieu of a BEO Debenture or any portion thereof, whether pursuant to this Section 2.6 or otherwise, shall be Authenticated in the form of, and shall be, a BEO Debenture, unless such Debenture is registered in the name of a Person other than the Depository for such BEO Debenture or a nominee thereof.

(6) Notwithstanding anything to the contrary in this Indenture, subject to Applicable Law, the BEO Debenture will be issued as an Uncertificated Debenture, unless otherwise requested in writing by the Depositary.

Section 2.7 Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed, the Company shall issue, and thereupon the Trustee shall Authenticate and deliver, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Trustee and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. In case of loss, theft or destruction, the applicant for a substituted Debenture shall furnish to the Company and to the Trustee evidence of the loss, theft or destruction of the Debenture as shall be reasonably satisfactory to them in their discretion and shall also furnish an indemnity and surety Debenture reasonably satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

Section 2.8 Concerning Interest

(1) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures, which are interest bearing, shall bear interest (i) from and including their Issue Date, or (ii) from and including the last interest Payment Date on which interest shall have been paid or made available for payment on the outstanding Debentures, whichever shall be later, to but excluding the earlier of:

(a) the following interest Payment Date;

(b) if converted in accordance with Article 4, the Conversion Date;

(c) if converted in accordance with Section 4.2, the Forced Conversion Date;

(d) the Change of Control Purchase Date; and

(e) the Maturity Date (each, an "**Interest Period**").

(2) The first interest Payment Date shall be December 31, 2025, such that the interest payment payable on the first Interest Payment Date will amount to $29.25 per $1,000 principal amount of Debenture. Each subsequent payment on an interest Payment Date will amount to $45 per $1,000 principal amount of Debenture. The interest payable per $1,000 principal amount of Debenture in respect of an Interest Period shall be calculated by multiplying $1,000 by the interest rate of 9.0% per annum, dividing the product so obtained by 360 days consisting of twelve 30 day months and multiplying the quotient by the actual number of days in the said Interest Period.

(3) All interest payments to be made under this Indenture or any Debenture shall be paid without allowance or deduction for deemed re-investment or otherwise, both before and after the Maturity Date and before and after default and/or judgment, if any, until payment of the amount on which such interest is accruing, and, to the extent permitted by Applicable Law, interest will accrue on

overdue interest. For the avoidance of doubt, interest on the Debentures shall be calculated as simple interest and shall not compound (other than on overdue interest).

(4) For the purposes of the *Interest Act* (Canada), if in this Indenture or in any Debenture a rate of interest is or is to be calculated on the basis of a period which is less than a full calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the calendar year for which such calculation is made and divided by 360 days or 365 days, as the case may be.

(5) The rate of interest stipulated in this Indenture or in any Debenture will be calculated using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.

(6) In calculating interest under this Indenture or under a Debenture for any period, unless otherwise specifically stated, the first day of such period shall be included and the last day of such period shall be excluded.

Section 2.9 Debentures to Rank Pari Passu With One Another

The Debentures will be direct unsecured obligations of the Company. Each Debenture issued hereunder shall rank pari passu with one another, without discrimination, preference or priority.

Section 2.10 No Prepayments

Except as otherwise expressly provided herein, the Company may not, and shall not be obligated to, make any payment in satisfaction of the Principal Amount or Applicable Interest prior to the Maturity Date or the closing of a Change of Control, as applicable.

Section 2.11 Payments of Amounts Due on Maturity Date

Except as may otherwise be provided herein, payments of amounts due upon maturity of the Debentures will be made in the following manner.

(1) The Company will establish and maintain with the Trustee a Maturity Account for the Debentures which shall be maintained by and be subject to the control of the Trustee for the purposes of this Indenture.

(2) On or before 9:00 a.m. (Vancouver time) the Second Business Day immediately preceding the Maturity Date for Debentures outstanding from time to time under this Indenture, the Company will deliver to the Trustee by wire transfer to the applicable Maturity Account, an amount sufficient to pay the cash amount payable in respect of such Debentures (including the Principal Amount together with any Applicable Interest thereon).

(3) The Trustee, on behalf of the Company, will promptly pay to each holder entitled to receive payment the Principal Amount of and Applicable Interest on a Debenture, upon surrender of such Debenture at the main branch of the Trustee in Vancouver, British Columbia and any other branch of the Trustee designated for such purpose from time to time by the Trustee. The delivery of cash funds sufficient to pay in full the Principal Amount and Applicable Interest outstanding as of the date of such payment to the Trustee for deposit to the applicable Maturity Account will satisfy and discharge the liability of the Company for the Debentures to which the delivery of funds relates to the extent of the amount delivered and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard

thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

(4) Subject to Applicable Law, any monies set aside under this Section and not claimed by and paid to holders of Debentures as provided in this Section within six years after the date of such setting aside shall be repaid and delivered to the Company by the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies and thereafter the holders of the Debentures in respect of which such monies were so repaid to the Company shall have no rights in respect thereof except to obtain payment and delivery of the monies from the Company subject to any limitation provided by the laws of the Province of British Columbia. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of six years after the setting aside described in this Section to the Company upon receipt from the Company, of a written direction and an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds as security for the Company's continuing obligations hereunder, including the payments of any amounts due to holders of Debentures. If the remaining funds are paid to the Company prior to the expiry of six years after such setting aside, the Company shall remit to the Trustee immediately upon demand any amounts which are required to be paid by the Trustee to a holder of a Debenture after the date of such payment of the remaining funds to the Company but prior to six years after such setting aside.

Section 2.12 Payment of Interest

As interest becomes due on each Debenture the Company, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the third Business Day prior to the applicable interest payment date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs. If payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to holders), such payment shall be made in a manner whereby the holder receives credit for such payment on the date such interest on such Debenture becomes due. The making of such payment by other means shall, to the extent of the sum represented thereby, satisfy and discharge all liability for interest on such Debenture. In the event of non-receipt of any other payment of interest by the person to whom it is so sent as aforesaid, the Company will issue to such person a replacement payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Company is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Company may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above.

ARTICLE 3 REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

Section 3.1 Register

(1) The Trustee, acting solely for this purpose, as agent for the Company, shall keep at its principal office in Calgary, Alberta, a register in which shall be entered the names and addresses of the holders of the Debentures and particulars of the Debentures held by them respectively and of all transfers of Debentures. Such registration shall be noted on the Debentures by the Trustee or other registrar unless a new Debenture shall be issued upon such transfer.

(2) No transfer of a Debenture shall be valid unless made on such register referred to in Section 3.1(1) by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner

satisfactory to the Trustee or other registrar upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Trustee and upon compliance with such other reasonable requirements as the Trustee or other registrar may prescribe, or unless the name of the transferee shall have been noted on the Debentures by the Trustee or other registrar.

(3) Notwithstanding anything else in this Section 3.1, any transfer or assignment of a Debenture by a holder must be completed in accordance with Applicable Laws, including without limitation, pursuant to exemptions from the prospectus and registration requirements, if applicable. The Company and Trustee will be entitled to request reasonable evidence of compliance with applicable securities laws prior to recording and effecting a transfer of Debentures however, no duty shall rest with the Trustee to determine compliance of the transferor or transferee with applicable securities laws. The Trustee shall be entitled to assume that all transfers are legal and proper.

Section 3.2 Notice of Transfer

The transferor of any Debenture shall provide notice of such transfer to the Company and the Trustee.

Section 3.3 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Company and the transferor or any previous holder of such Debenture, save in respect of equities of which the Company is required to take notice by statute or by order of a court of competent jurisdiction.

Section 3.4 No Notice of Trusts

Neither the Company nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the Person registered as the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.

Section 3.5 Registers Open for Inspection

The registers referred to in Section 3.1 shall at all reasonable times be open for inspection by the Company, the Trustee or any Debentureholder. Every registrar, including the Trustee, shall from time to time when requested so to do by the Company or by the Trustee, in writing, furnish the Company or the Trustee, as the case may be, with a list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the Principal Amount and serial numbers of the Debentures held by each such holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

Section 3.6 Exchanges of Debentures

(1) Subject to Section 3.7, if requested by a Debentureholder, Debentures in any authorized form or denomination may be exchanged for Debentures in any other authorized form or denomination, having the same date of maturity, bearing the same interest rate and the same aggregate Principal Amount as the Debentures so exchanged.

(2) In respect of exchanges of Debentures permitted by Section 3.6(1), Debentures may be exchanged only at the principal office of the Trustee in Calgary, Alberta or at such other place or places, if any, as may be specified in the Debentures and at such other place or places as may from time to time be designated by the Company with the approval of the Trustee. Any Debentures tendered for

exchange shall be surrendered to the Trustee. The Company shall execute and the Trustee shall Authenticate all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.

(3) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

Section 3.7 Closing of Registers

(1) Neither the Company nor the Trustee nor any registrar shall be required to record transfers of Debentures on or during the five Business Days preceding: (i) a Conversion Date; (ii) a Change of Control Purchase Date; (iii) an interest payment date; or (iv) the Maturity Date.

(2) Subject to any restriction herein provided, the Company with the approval of the Trustee may at any time close any register for Debentures, other than those kept at the principal office of the Trustee in Calgary, Alberta, and transfer the registration of any Debentures registered thereon to another register (which may be an existing register) and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

Section 3.8 Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration, the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and the Company shall pay such charge, and in addition may charge and the Company shall pay a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Trustee and the Company), and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. No such charge shall be made to a Debentureholder hereunder.

Section 3.9 Ownership of Debentures

(1) Unless otherwise required by law, the Person in whose name any Debenture is registered shall for all the purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the Principal Amount of and premium, if any, on such Debenture and Applicable Interest thereon shall be made to such registered holder.

(2) The registered holder for the time being of any Debenture shall be entitled to the Principal Amount and Applicable Interest evidenced by such instrument free from all equities or rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof and all Persons may act accordingly and the receipt of any such registered holder for any such Principal Amount and Applicable Interest shall be a good discharge to the Trustee, any registrar and to the Company for the same and none shall be bound to inquire into the title of any such registered holder.

(3) Where Debentures are registered in more than one name, the Principal Amount and Applicable Interest from time to time payable in respect thereof may be paid to the order of all such holders, failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge, to the Trustee, any registrar and to the Company.

(4) In the case of the death of one or more joint holders of any Debenture the Principal Amount and Applicable Interest payable thereon may be paid to the order of the survivor or survivors of such

registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee and any registrar and to the Company.

ARTICLE 4 CONVERSION

Section 4.1 Conversion Right

The Principal Amount shall be convertible at the option of the holder at any time prior to the earlier of the close of business on the last Business Day preceding (i) the Maturity Date, (ii) the Change of Control Purchase Date, and (iii) the Forced Conversion Date, into that number of whole Conversion Securities equal to the quotient obtained by dividing the outstanding Principal Amount by the Conversion Price. No Conversion Securities will be issued in respect of Applicable Interest, which shall be paid to the holder in cash.

Section 4.2 Forced Conversion Right

(1) If at any time following the Issue Date and prior to the Maturity Date, provided that the conditions in this **Error! Reference source not found.** are satisfied, the Company may force the conversion of all but not less than all of the principal amount (less any tax required by law to be deducted or withheld) of the Debentures at the Conversion Price (the "**Forced Conversion Right**"), upon giving the Debentureholders advance written notice by way of a news release and concurrently providing written notice to the Indenture Trustee in accordance with this Indenture (the "**Forced Conversion Notice**").

(2) The Holder of a Debenture converted in accordance with this **Error! Reference source not found.** shall be entitled to receive accrued and unpaid interest in respect thereof from and including the most recent interest Payment Date to which interest has been paid to, but not including, the Forced Conversion Date (less applicable withholding Taxes, if any). The Conversion Securities issued upon such conversion shall rank only in respect of distributions or dividends declared in favour of shareholders of record on and after the close of business on the Forced Conversion Date or such later date as such holder shall become the holder of record of such Conversion Securities, from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Shares.

(3) The Company may only exercise the Forced Conversion Right if: (i) the VWAP of the Shares for a period of 20 consecutive trading days exceeds $5.08 (representing approximately 125% of the Conversion Price) (the "**Trading Period**"), (ii) the Company is not in default of its obligation to pay interest on, or repay the principal amount of, the Debentures, and (iii) the Forced Conversion Notice is provided to the Trustee within 10 calendar days after such Trading Period.

(4) Concurrently with providing the Forced Conversion Notice, the Company shall provide the Trustee with an officer's certificate setting forth the details of the exercise of the Forced Conversion Right pursuant to this **Error! Reference source not found.** (including the interest calculations and that no default or Event of Default exists or will result from the exercise of the Forced Conversion Right) which the Trustee may rely upon without any independent obligation to verify the accuracy of information set out therein.

(5) In the event that the Company exercises its Forced Conversion Right pursuant to this **Error! Reference source not found.**, the effective date for the forced conversion (the "**Forced Conversion Date**") shall be: (i) the date stipulated in the Forced Conversion Notice (which, for the avoidance of doubt shall be no less than 30 calendar days following the date of such Forced Conversion Notice); or (ii) if no date is so stipulated in the Forced Conversion Notice, the date that is 30 days following the date of such Forced Conversion Notice, and upon such Forced Conversion Date: (A) the outstanding principal amount (less any tax required by law to be deducted or withheld) of each Debenture shall be deemed to be converted into that number of Shares as determined in

accordance with this Indenture; and (B) the Debentureholders shall be entered in the books of the Company as at the Forced Conversion Date as the holder of the number of Shares, as applicable, into which the Debentures held by them are convertible.

(6) Upon the surrender of the certificate representing the Global Debenture to the Trustee at its principal office in the City of Vancouver, British Columbia, by the Debentureholders, or, with respect to an Uncertificated Debenture, upon the registration and surrender of interests in the Debentures through the Depositary's non-certificated system, the Company shall deliver to the Debentureholders the Shares into which the Debentures have been converted in the form of certificate(s) or other evidence of ownership representing such Shares (including by way of a deposit through the Depository's non-certificated system). With respect to a Global Debenture, the Trustee shall make notations on the Global Debenture of the principal amount so converted.

Section 4.3 No Requirement to Issue Fractional Shares

The Company shall not be required to issue fractional Shares upon the conversion of Debentures pursuant to this Article and the number of Shares so issuable will be rounded down to the nearest whole number. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of whole Conversion Securities issuable upon conversion thereof shall be computed on the basis of the aggregate Principal Amount and Applicable Interest of such Debentures to be converted. The Company shall not be required to render any compensation or consideration of any kind whatsoever in respect of any extinguished fractional interest in a Share that would, except for the provision of this Section, have been deliverable upon the conversion of any Principal Amount of Debentures.

Section 4.4 Conversion Price Adjustment

The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

(1) If and whenever at any time during which any Debentures remain outstanding the Company shall (i) subdivide or redivide the outstanding Shares into a greater number of shares, (ii) reduce, combine or consolidate the outstanding Shares into a smaller number of shares, or (iii) issue Shares, rights, options or warrants (or securities convertible into Shares) to the holders of all or substantially all of the outstanding Shares (including for greater certainty any other class), rights, options or warrants, evidences of indebtedness or assets by way of a dividend or distribution (other than the issue of Shares to holders of Shares who have elected to receive dividends or distributions in the form of Shares in lieu of cash dividends or cash distributions paid in the ordinary course on the Shares), the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares by way of a dividend or distribution, as the case may be, shall in the case of any of the events referred to in (i) and (iii) above be decreased in proportion to the number of outstanding Shares resulting from such subdivision, redivision or dividend, or shall, in the case of any of the events referred to in (ii) above, be increased in proportion to the number of outstanding Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 4.4(1) shall occur. Any such issue of Shares by way of a dividend or distribution shall be deemed to have been made on the record date for the dividend or distribution for the purpose of calculating the number of outstanding Shares under subsections (3) and (4) of this Section 4.4.

(2) If and whenever at any time during which any Debentures remain outstanding the Company shall fix a record date for the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Shares, the Conversion Price shall be adjusted immediately after such record date so that it shall be equal to the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the denominator shall be the Current Market Price per Share on such record date and of which the numerator shall be the Current Market

Price per Share on such record date minus the amount in cash per Share distributed to holders of Shares. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such cash dividend or distribution is not paid, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed.

(3) If and whenever at any time during which any Debentures remain outstanding the Company shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of its outstanding Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares (or securities convertible into Shares) at a price per Share (or having a conversion or exchange price per Share) less than 95% of the Current Market Price of a Share on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date plus a number of Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities so offered) by such Current Market Price per Share, and of which the denominator shall be the total number of Shares outstanding on such record date plus the total number of additional Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon the number of Shares (or securities convertible into Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.

(4) If and whenever at any time during which any Debentures remain outstanding, there is a reclassification of the Shares or a capital reorganization of the Company other than as described in Section 4.4(1) or a consolidation, amalgamation, arrangement, binding share exchange, merger of the Company with or into any other Person or other entity or acquisition of the Company or other combination pursuant to which the Shares are converted into or acquired for cash, securities or other property; or a sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other Person (other than a direct or indirect wholly-owned subsidiary of the Company) or other entity or a liquidation, dissolution or winding-up of the Company, any holder of a Debenture who has not exercised its right of conversion prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Shares then sought to be acquired by it, such amount of cash or the number of shares or other securities or property of the Company or of the Person or other entity resulting from such merger, amalgamation, arrangement, acquisition, combination or consolidation, or to which such sale or conveyance may be made or which holders of Shares receive pursuant to such liquidation, dissolution or winding-up, as the case may be, that such holder of a Debenture would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Shares sought to be acquired by it and to which it was entitled to acquire upon the exercise of the conversion right. If determined appropriate by the Board of Directors, to give effect to or to evidence the provisions of this Section 4.4(4), the Company, its successor, or such purchasing Person or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, share exchange, acquisition, combination, sale or conveyance or liquidation, dissolution or winding-up, enter into an

indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the holder of Debentures to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any cash, shares or other securities or property to which a holder of Debentures is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Company and the Trustee pursuant to the provisions of this Section 4.4(4) shall be a supplemental indenture entered into pursuant to the provisions of Article 14. Any indenture entered into between the Company, any successor to the Company or such purchasing Person or other entity and the Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 4.4(4) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, share exchanges, acquisitions, combinations, sales or conveyances. For greater certainty, nothing in this Section 4.4(4) shall affect or reduce the requirement for any Person to make a Change of Control Purchase Offer, and notice of any transaction to which this Section 4.4(4) applies shall be given in accordance with .

(5) If the Company shall make a distribution to all or substantially all of the holders of Shares in the capital of the Company, other than Shares, or evidences of indebtedness or other assets of the Company, including securities (but excluding (x) any issuance of rights or warrants for which an adjustment was made pursuant to Section 4.4(3), and (y) any dividend or distribution paid exclusively in cash for which an adjustment was made pursuant to Section 4.4(2)) (the "**Distributed Securities**"), then in each such case (unless the Company distributes such Distributed Securities to the holders of Debentures on such dividend or distribution date (as if each holder had converted such Debenture into Conversion Securities immediately preceding the record date with respect to such distribution)) the Conversion Price in effect immediately preceding the record date fixed for the determination of shareholders entitled to receive such dividend or distribution shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately preceding such record date by a fraction of which the denominator shall be the Current Market Price as of the close of business on the last trading day immediately prior to the record date and of which the numerator shall be the Current Market Price as of the close of business on the 20th trading day immediately following the record date. Such adjustment shall be made successively whenever any such distribution is made and shall become effective on the 21st Business Days immediately after the record date. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price that would then be in effect if such dividend or distribution had not been declared

(6) Notwithstanding the foregoing, if the securities distributed by the Company to all holders of its Shares consist of capital stock of, or similar equity interests in, a Subsidiary or other business of the Company (the "**Spinoff Securities**"), the Conversion Price shall be adjusted, unless the Company makes an equivalent distribution to the holders of Debentures, so that the same shall be equal to the rate determined by multiplying the Conversion Price in effect on the record date fixed for the determination of shareholders entitled to receive such distribution by a fraction, the denominator of which shall be the sum of (A) the weighted average trading price of one Share over the 20 consecutive trading day period (the "**Spinoff Valuation Period**") commencing on and including the fifth trading day after the date on which ex-dividend trading commences for such distribution on the Stock Exchange, or such other national or regional exchange or market on which the Shares are then listed or quoted and (B) the product of (i) the weighted average trading price (calculated in substantially the same way as the Current Market Price is calculated for the Shares) over the Spinoff Valuation Period of the Spinoff Securities or, if no such prices are available, the fair market value of the Spinoff Securities as reasonably determined by the Board of Directors (which determination shall be conclusive and shall be evidenced by an Officers' Certificate delivered to the Trustee) multiplied by (ii) the number of Spinoff Securities distributed in respect of one Share and the numerator of which shall be the weighted average trading price of one Share over the Spinoff Valuation Period, such adjustment to become effective immediately preceding the opening of business on the 25th trading day after the date on which ex dividend trading

commences; provided, however, that the Company may in lieu of the foregoing adjustment elect to make adequate provision so that each holder of Debentures shall have the right to receive upon conversion thereof the amount of such Spinoff Securities that such holder of Debentures would have received if such Debentures had been converted on the record date with respect to such distribution.

(7) If any issuer bid made by the Company or any of its Subsidiaries for all or any portion of Shares shall expire, then, if the issuer bid shall require the payment to shareholders of consideration per Share having a fair market value (determined as provided below) that exceeds the Current Market Price per Share on the last date (the "**Expiration Date**") tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the "**Expiration Time**"), the Conversion Price shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Price in effect immediately preceding the close of business on the Expiration Date by a fraction of which (i) the denominator shall be the sum of (A) the fair market value of the aggregate consideration (the fair market value as determined by the Board of Directors, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an Officers' Certificate delivered to the Trustee) payable to shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Shares validly tendered and not withdrawn as of the Expiration Time (the Shares deemed so accepted, up to any such maximum, being referred to as the "**Purchased Shares**") and (B) the product of the number of Shares outstanding (less any Purchased Shares and excluding any Shares held in the treasury of the Company) at the Expiration Time and the Current Market Price per Share on the Expiration Date and (ii) the numerator of which shall be the product of the number of Shares outstanding (including Purchased Shares but excluding any Shares held in the treasury of the Company) at the Expiration Time multiplied by the Current Market Price per Share on the Expiration Date, such increase to become effective immediately preceding the opening of business on the day following the Expiration Date. In the event that the Company is obligated to purchase Shares pursuant to any such issuer bid, but the Company is permanently prevented by Applicable Law from effecting any or all such purchases or any or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would have been in effect based upon the number of Shares actually purchased, if any. If the application of this clause (7) of Section 4.4 to any issuer bid would result in a decrease in the Conversion Price, no adjustment shall be made for such issuer bid under this clause (7).

For purposes of this Section 4.4(7), the term "**issuer bid**" shall mean an issuer bid under Applicable Securities Laws or a take-over bid under Applicable Securities Laws by a Subsidiary of the Company for the Shares and all references to "**purchases**" of Shares in issuer bids (and all similar references) shall mean and include the purchase of Shares in issuer bids and all references to "tendered Shares" (and all similar references) shall mean and include Shares tendered in issuer bids.

(8) In any case in which this Section 4.4 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing to the holder of any Debenture converted after such record date and before the occurrence of such event the additional Conversion Securities issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Company shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Conversion Securities upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Conversion Securities declared in favour of holders of record of Shares on and after the Conversion Date or such later date as such holder would, but for the provisions of this Section 4.4(8), have become the holder of record of such additional Conversion Securities.

(9) The adjustments provided for in this Section 4.4 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 4.4(9) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(10) For the purpose of calculating the number of Shares outstanding, Shares owned by or for the benefit of the Company shall not be counted.

(11) In the event of any question arising with respect to the adjustments provided in this Section 4.4, such question shall be conclusively determined by a firm of nationally recognized chartered accountants appointed by the Company and acceptable to the Trustee (who may be the Auditors of the Company); such accountants shall have access to all necessary records of the Company and such determination shall be binding upon the Company, the Trustee, and the Debentureholders.

(12) In case the Company shall take any action affecting the Shares other than action described in this Section 4.4, which in the opinion of the Board of Directors, would materially affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time, by action of the Board of Directors, subject to the prior written consent of the TSXV or such other exchange on which the Debentures are then listed, as the Board of Directors, in their sole discretion may determine to be equitable in the circumstances. Failure of the directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances.

(13) Subject to the prior written consent of the TSXV, no adjustment in the Conversion Price shall be made in respect of any event described in Sections 4.4(1) to 4.4(7) if the holders of the Debentures are entitled to participate in such event on the same terms mutatis mutandis as if they had converted their Debentures prior to the effective date or record date, as the case may be, of such event.

(14) Except as stated above in this Section 4.4, no adjustment will be made in the Conversion Price for any Debentures as a result of the issuance of Shares at less than the Current Market Price for such Shares on the date of issuance or the then applicable Conversion Price.

(15) The Company shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 4.4, deliver an Officer's Certificate to the Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate and the amount of the adjustment specified therein shall be verified by an opinion of a firm of nationally recognized chartered accountants appointed by the Company and acceptable to the Trustee (who may be the Auditors of the Company) and shall be conclusive and binding on all parties in interest. When so approved, the Company shall, except in respect of any subdivision, redivision, reduction, combination or consolidation of the Shares, forthwith give notice to the Debentureholders in the manner provided in Section 12.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Company has already given notice under this Section 4.4(15) to the Trustee covering all the relevant facts in respect of such event and if the Trustee approves, no such notice need be given under this Section 4.4(15) to the Debentureholders.

(16) The Company covenants that, so long as any Debentures remain outstanding, it will give notice to the Trustee on account for the Debentureholders of its intention to fix a record date for any event referred to in Section 4.4 which may give rise to an adjustment in the Conversion Price, or other adjustment, and such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Company shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days prior to the applicable record date in the case of the events referred to in sections 4.4(1)(iii), 4.4(3), 4.4(4) and 4.4(5), at least 30 days prior to the effective date of any transaction referred to in section 4.4(6) and at least 30 days prior to the expiration of an issuer bid referred to in section 4.4(7) (other than a normal course issuer bid).

Section 4.5 Conversion Exercise Procedure

(1) A Debentureholder may exercise the right to convert the Debentures into Conversion Securities by delivering a Conversion Notice to the Trustee at its principal office in the City of Calgary, Alberta accompanied by the certificate or certificates representing the Debentures in respect of which the Debentureholder is electing to convert. The Conversion Notice shall be signed by the person or persons registered in the Debenture register maintained by the Trustee as the holder of the Debentures in respect of which such right being exercised, or by his or her or their attorney, executors, administrators or other legal representatives duly authorized by an instrument in writing in form and executed in a manner satisfactory to the Trustee, and shall specify the number of Debentures which the Debentureholder desires to have converted. Thereupon, such Debentureholder or subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Trustee, such Debentureholder's nominee(s) or assignee(s), shall be entitled to be entered in the books of the Company as at the Conversion Date as the holder of the number of Conversion Securities into which such Debenture is convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, the Company shall deliver to such Debentureholder or, subject as aforesaid, such Debentureholder's nominee(s) or assignee(s), a certificate or certificates (or such other form of evidence of security ownership as determined by the Company) for such Conversion Securities.

(2) The holder of any Debenture of which only a part is converted shall, upon the exercise of such Debentureholder's right of conversion, surrender the said Debenture to the Trustee and the Trustee shall cancel the same and shall without charge forthwith Authenticate and deliver to the holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered.

Section 4.6 Issuance of Conversion Securities

The right of a holder of Debentures to convert the same into Conversion Securities shall be deemed to have been exercised, and the registered holders of the Debentures so converted (or any person or persons in whose name or names any such registered holder of Debentures shall have directed certificates representing Conversion Securities to be issued) shall be deemed to have become holders of Shares of record of the Company for all purposes, on the respective dates of surrender of certificates representing the Debentures to be converted accompanied by a Conversion Notice, notwithstanding any delay in the delivery of certificates representing the Conversion Securities into which such Debentures have been converted; provided that if a Debenture is surrendered for conversion on a day on which the register of Shares is closed, the person or persons entitled to receive Conversion Securities shall become the holder or holders of record of such Conversion Securities as at the date on which such registers are next reopened.

Section 4.7 Company to Reserve Conversion Securities

The Company covenants with the Trustee that it will at all times reserve and keep available out of its authorized share capital (if the number thereof is or becomes limited), solely for the purpose of issue upon conversion of Debentures as in this Article provided, such number of Conversion Securities as shall then be issuable upon the conversion of all outstanding Debentures. The Company covenants with the Trustee that all Conversion Securities which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable.

Section 4.8 Cancellation of Converted Debentures

All Debentures converted in whole or in part under the provisions of this Article shall be forthwith delivered to and cancelled by the Trustee and no Debentures shall be issued in substitution for those converted.

Section 4.9 Protection of Trustee

Subject to Section 13.3, the Trustee:

(1) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(2) shall not be accountable with respect to the validity or value (or the kind or amount) of any Conversion Securities or other securities or property which may at any time be issued or delivered upon the conversion of any Debenture; and

(3) shall not be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver Conversion Securities or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article.

ARTICLE 5 CHANGE OF CONTROL PROVISIONS

Section 5.1 Change of Control Provisions

Within 10 days following the occurrence of a Change of Control, and subject to the provisions and conditions of this Article 5, the Company shall be obligated to offer to purchase all of the Debentures then outstanding and purchase any Debentures tendered in response thereto. The terms and conditions of such obligation shall be as set forth below:

(1) Within 10 days following the occurrence of a Change of Control, the Company shall deliver to the Trustee, and the Trustee shall promptly deliver to the holders of the Debentures, a notice stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control (a "**Change of Control Notice**") together with an offer in writing (the "**Change of Control Purchase Offer**") to purchase, on the Change of Control Purchase Date (as defined below), all (or any portion actually tendered to such offer) of the Debentures then outstanding from the holders thereof made in accordance with the requirements of Applicable Securities Laws at a price per Debenture equal to 104% of the Principal Amount on the Change of Control Purchase Date (the "**Offer Price**") plus accrued and unpaid interest thereon (if any) up to but excluding the Payment Date. The "Change of Control Purchase Date" shall be the date that is 30 days after the date that the Change of Control Notice and Change of Control Purchase Offer are delivered or mailed to holders of Debentures.

(2) The Offer to Purchase shall specify:

(a) the Offer Price for the Debentures;

(b) the date (the "**Expiry Date**") and time (the "**Expiry Time**") on which the Change of Control Purchase Offer shall expire, which date and time shall, unless otherwise required by Applicable Securities Law, be the close of business on the 30th day following the date on which the Change of Control Purchase Offer is delivered or mailed by the Company to the Trustee;

(c) that the Change of Control Purchase Offer may be accepted by the Debentureholders by tendering the Debentures so held by them to the Trustee at the Trustee's Vancouver office, or such other address specified in the Change of Control Purchase Offer prior to the Expiry Time together with the acceptance notice (the "**Acceptance Notice**") in form and substance acceptable to the Company and the Trustee;

(d) that Debentureholders may accept the Change of Control Purchase Offer in respect of all or a portion (in a minimum amount of $1,000 principal amount and multiples thereof) of their Debentures;

(e) a date (the "**Payment Date**") no later than the third Business Day following the Expiry Date on which the Company shall take up and pay for all the Debentures duly tendered in acceptance of the Change of Control Purchase Offer; and

(f) that Debentureholders will be entitled to withdraw their election if the Trustee receives, not later than the Expiry Time, a letter setting forth the name of such holder, the principal amount of Debentures delivered for purchase and a statement that such holder is withdrawing his election to have such Debentures purchased.

(a) If any of the Debentures are in the form of Global Debentures or BEO Debentures, then the Company shall modify such notice to the extent necessary to accord with the applicable procedures of the Depository relating to the purchase of the Global Debentures or BEO Debentures.

(3) If 90% or more in aggregate Principal Amount of Debentures outstanding on the date the Company provides the Change of Control Notice and the Change of Control Purchase Offer to holders of the Debentures (excluding Debentures held by Affiliates of the Company) have been tendered for purchase and not withdrawn pursuant to the Change of Control Purchase Offer on the expiration thereof, the Company has the right upon written notice provided to the Trustee within 10 days following the expiration of the Change of Control Purchase Offer, to redeem all the Debentures remaining outstanding on the expiration of the Change of Control Purchase Offer at the Offer Price as at the Change of Control Purchase Date (the "**90% Redemption Right**").

(4) Upon receipt of notice that the Company has exercised or is exercising the 90% Redemption Right and is acquiring the remaining Debentures, the Trustee shall promptly provide written notice to each Debentureholder that did not previously accept the offer that:

(a) the Company has exercised the 90% Redemption Right and is purchasing all outstanding Debentures effective on the expiry of the Change of Control Purchase Offer at the Offer Price, and shall include a calculation of the amount payable to such holder as payment of the Offer Price as at the Change of Control Purchase Date;

(b) each such holder must transfer their Debentures to the Trustee on the same terms as those holders that accepted the Change of Control Purchase Offer and must send their respective Debentures, duly endorsed for transfer, to the Trustee within 10 days after the sending of such notice; and

(c) the rights of such holder under the terms of the Debentures and this Indenture cease effect as of the date of expiry of the Change of Control Purchase Offer provided the Company has, on or before the time of notifying the Trustee of the exercise of the 90% Redemption Right, paid the Offer Price to, or to the order of, the Trustee and thereafter the Debentures shall not be considered to be outstanding and the holder shall not have any right except to receive such holder's Offer Price upon surrender and delivery of such holder's Debentures in accordance with the Indenture.

(5) The Company shall, on or before 9:00 a.m., Vancouver Time, on the Business Day immediately prior to the Change of Control Purchase Date, deposit with the Trustee or any paying agent to the order of the Trustee, such sums of money as may be sufficient to pay the Offer Price of the Debentures to be purchased or redeemed by the Company on the Change of Control Purchase Date, provided the Company may elect to satisfy this requirement by providing the Trustee with a wire transfer for such amounts required under this Article 5. The Company shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such purchase. Every such deposit shall be irrevocable, except as provided herein. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Debentures, the Offer Price to which they are entitled on the Company's purchase.

(6) In the event that one or more of such Debentures being purchased in accordance with this Article 5 becomes subject to purchase in part only, upon surrender of such Debentures for payment of the Offer Price, the Company shall execute and the Trustee shall Authenticate and deliver without charge to the holder thereof or upon the holder's order, one or more new Debentures for the portion of the Principal Amount of the Debentures not purchased.

(7) Debentures for which holders have accepted the Change of Control Purchase Offer shall become due and payable at the Offer Price in cash on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding, and from and after the Change of Control Purchase Date, if the money necessary to purchase or redeem the Debentures shall have been deposited as provided in this Article 5 and affidavits or other proofs satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

(8) In case the holder of any Debentures to be purchased in accordance with this Article 5 shall fail on or before the Change of Control Purchase Date to so surrender such holder's Debentures or shall not within such time accept payment of the monies payable, or give such receipt therefor, if any, as the Trustee may require, such monies may be set aside in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside and the Debentureholder shall have no other right except to receive payment of the monies so paid and deposited, upon surrender and delivery up of such holder's Debentures. In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of six years from the Change of Control Purchase Date, then such monies shall at the end of such period be paid over by the Trustee, or such depository or paying agent, to the Company and the Trustee shall not be responsible to Debentureholders for any amounts owing to them and subject to Applicable Laws thereafter the holder of the Debentures in respect of which such money was so repaid to the Company shall have no rights in respect thereof except to obtain payment due from the Company, subject to any limitation period provided by the laws of the Province of British Columbia. Notwithstanding the foregoing, the Trustee will pay any remaining funds deposited hereunder on the Unclaimed Funds Return Date to the Company upon receipt from the Company of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in

excess of the amount of the remaining funds as security for the Company's continuing obligations hereunder, including the payment of any amounts due to holders of Debentures. If the remaining funds are paid to the Company prior to the Unclaimed Funds Return Date, the Company shall remit to the Trustee immediately upon demand any amounts which are required to be paid by the Trustee to a holder of a Debenture pursuant to the Change of Control Purchase Offer after the date of such payment of the remaining funds to the Company but prior to the Unclaimed Funds Return Date.

(9) Subject to the provisions above related to Debentures purchased in part, all Debentures redeemed and paid under this Article 5 shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution therefor.

(10) The Company shall promptly give notice to the Trustee of a Change of Control.

(11) The Company shall use reasonable commercial efforts to give notice to the Trustee and the Debentureholders of the results of the purchases made pursuant to Article 5 as soon as practicable from the Change of Control Purchase Date.

(12) The Company will comply with all Applicable Securities Laws in the event that the Company is required to repurchase Debentures pursuant to Article 5.

ARTICLE 6 COVENANTS OF THE COMPANY

Section 6.1 Positive Covenants

The Company hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Debentureholders, that for so long as any Debentures remain outstanding it shall, and shall cause each of its Material Subsidiaries to:

(1) maintain and preserve its existence, organization and status in its jurisdiction of incorporation, and make all corporate and other filings and registrations in each relevant jurisdiction necessary or advisable in connection therewith except to the extent failure to make such filings would not constitute a Material Adverse Change;

(2) not voluntarily dissolve or liquidate and carry on and continuously conduct its business in an efficient, diligent and businesslike manner and maintain, preserve, protect and keep its properties in good repair, working order and condition, reasonable wear and tear excepted, and make necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times;

(3) duly and punctually pay or cause to be paid to every Debentureholder the Principal Amount and Applicable Interest on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures and will duly and punctually perform and carry out all other acts, obligations and other things to be done by it, all as provided hereunder and in the Debentures;

(4) pay the Trustee agreed remuneration for its services as Trustee hereunder and will repay to the Trustee on demand all monies which shall have been paid by the Trustee in connection with the execution of the trusts hereby created and such monies including the Trustee's remuneration, shall be payable out of any funds coming into the possession of the Trustee in priority to payment of any principal of the Debentures or interest thereon. Such remuneration shall continue to be payable until the trusts hereof be finally wound up and whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction. This Section shall survive the resignation or removal of the Trustee and/or the termination of this Indenture;

(5) duly file on a timely basis all Tax returns required to be filed by it, and duly and punctually pay all Taxes levied or assessed against it or its property (except for those Taxes which are due but are being contested diligently in good faith by appropriate proceedings), except to the extent failure to do so would not constitute a Material Adverse Change;

(6) carry on and continuously conduct its business in compliance with any Applicable Law;

(7) comply with all Governmental Authorizations with the appropriate Governmental Authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses, except those Governmental Authorizations the absence of which would not, individually or in the aggregate, constitute a Material Adverse Change;

(8) to keep books and records which accurately reflect all of its business affairs and transactions, and will permit the holders and any of their representatives, at reasonable times, at their own expense and customary intervals during normal business hours, to visit the Company's offices and to discuss its financial matters with the Company's financial officers or the Company's accountants and to examine any of the Company's books or corporate records;

(9) promptly give notice to the Trustee of:

(a) any Event of Default or default hereunder that may reasonably be expected to become an Event of Default of which it becomes aware, using reasonable diligence, together with a statement of an officer of the Company setting forth details of such Event of Default and the action which has been, or is proposed to be, taken with respect thereto;

(b) any litigation, arbitration or other proceeding commenced or threatened against or affecting it which could reasonably be expected to be material to the business of the Company and its Material Subsidiaries; and

(c) any other change (financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company that has or could reasonably be expected to result in a Material Adverse Change,

and from time to time provide the Trustee with all reasonable information requested by the Trustee concerning the status of any of the foregoing;

Section 6.2 Performance of Covenants by Trustee

If the Company shall fail to perform any of its covenants contained in this Indenture, the Corporation must promptly notify the Trustee in writing of such failure, and upon receipt by the Trustee of such notice, the Trustee may notify the Debentureholders of such failure on the part of the Company or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Trustee shall be repayable as provided in Section 6.1. No such performance, expenditure or advance by the Trustee shall be deemed to relieve the Company of any default hereunder.

ARTICLE 7 DEFAULT

Section 7.1 Events of Default

Each of the following events constitutes (and is sometimes referred to as), an "**Event of Default**":

(1) failure to pay the Principal Amount or Applicable Interest when due on the Debentures;

(2) default in the delivery, when due, of any Conversion Securities or other consideration payable on a Conversion Event;

(3) one or more non-interlocutory judgments, non-interlocutory orders, decrees or arbitration awards is entered against the Company or any Material Subsidiary involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) as to any single or related series of transactions, incidents or conditions, of $5,000,000 or more, and the same shall remain unsatisfied, unvacated and unstayed pending appeal for a period of 30 days after the entry thereof;

(4) if an order shall be made or an effective resolution passed for the winding-up, liquidation or dissolution of the Company, except in the course of carrying out or pursuant to a transaction which is permitted by Article 4;

(5) if the Company fails to make a Change of Control Purchase Offer in accordance with this Indenture;

(6) if the Company shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous applicable law of Canada or any province or territory thereof or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency for it or of a substantial part of its property, or shall make an assignment for the benefit of creditors, or shall be unable, or admit in writing its inability, to pay its debts generally as they become due, or corporate action shall be taken by the Company in furtherance of any of the aforesaid actions ;

(7) the Company becomes the subject of decree, judgment, or order by a court having jurisdiction in the premises shall have been entered adjudging the Company bankrupt or insolvent or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief for the Company, under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous applicable law of Canada or any province or territory thereof, or a decree, judgment or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or of a substantial part of its property, or for the winding up or liquidation of its affairs;

(8) if a final judgment is obtained against the Company or any Material Subsidiary in an amount exceeding $5,000,000; or

(9) if the Company shall neglect to carry out or observe any other covenant or condition herein contained on its part to be observed or performed and, after notice in writing has been given by the Trustee to the Company specifying such default and requiring the Company to put an end to the same (which said notice may be given by the Trustee, in its discretion, and shall be given by the Trustee upon receipt of a Debentureholder's request), the Company shall fail to make good such default within a period of 20 Business Days, unless the Trustee (having regard to the subject matter of the neglect or non-observance) shall have agreed to a longer period, and in such event, within the period agreed to by the Trustee,

then in each and every such event listed above, the Trustee may, in its discretion, and shall, upon receipt of a request in writing signed by the holders of not less than 25% in aggregate Principal Amount of the Debentures then outstanding, subject to the provisions of Section 7.3, by notice in writing to the Company declare the Principal Amount and Applicable Interest on all Debentures then outstanding and all other monies outstanding hereunder to be due and payable and the same shall thereupon forthwith become immediately due and payable to the Trustee and, upon such amounts becoming due and payable, the Company shall for the benefit of the Debentureholders pay such Principal Amount and Applicable Interest

on such Debentures and all other monies outstanding hereunder. Such payment when made shall be deemed to have been made in discharge of the Company's obligations hereunder and any monies so received by the Trustee shall be applied in the manner provided in Section 7.5.

Section 7.2 Notice of Events of Default

(1) The Trustee 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 under this Indenture unless and until it shall have received a Debentureholders' request specifying the act, action or proceeding which the Trustee is requested to take, nor shall the Trustee 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 Trustee and, in the absence of any such notice, the Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, debentures, covenants, agreements, or conditions contained herein.

(2) If an Event of Default shall occur and be continuing the Trustee shall, within 20 Business Days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 12.2, provided that notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the holders of at least 25% of the Principal Amount of the Debentures then outstanding, the Trustee shall not be required to give such notice if the Trustee relying on the opinion of Counsel shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Company in writing.

Section 7.3 Waiver of Default

(1) Upon the happening of any Event of Default hereunder, the holders of the Debentures shall have the power by requisition in writing by the holders of more than 50% of the Principal Amount of Debentures then outstanding, to instruct the Trustee to waive any Event of Default and to cancel any declaration made by the Trustee pursuant to Section 7.1 and the Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition.

(2) No such act or omission either of the Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Section 7.4 Enforcement by the Trustee

(1) Subject to the provisions of Section 7.3, if the Company shall fail to pay to the Trustee, forthwith after the same shall have been declared to be due and payable under Section 7.1, the Principal Amount and Applicable Interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee may, upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such Principal Amount and Applicable Interest on the Debentures, together with any other amounts due hereunder, by such proceedings authorized by this Indenture or by law or equity as the Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee shall deem expedient.

(2) No such act or omission either of the Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

(3) The Trustee shall be entitled and empowered, either in its own name or as Trustee of an express trust, or as attorney-in-fact for the holders of the Debentures, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Debentures allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Company or its creditors or relative to or affecting its property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Debentures with authority to make and file in the respective names of the holders of the Debentures or on behalf of the holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Debentures themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Debentures, as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Trustee and of the holders of the Debentures against the Company or its property allowed in any such proceeding, and to receive payment of or on account of such claims.

(4) The Trustee shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings, as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.

(5) All rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Debentures subject to the provisions of this Indenture. In any proceeding brought by the Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Debentures, and it shall not be necessary to make any holders of the Debentures parties to any such proceeding.

Section 7.5 No Suits by Debentureholders

No holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Company wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless: (a) such holder shall previously have given to the Trustee written notice of the happening of an Event of Default hereunder; and (b) the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of more than 50% in Principal Amount of the Debentures then outstanding shall have made a request to the Trustee and the Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; and (c) the Debentureholders or any of them shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (d) the Trustee shall have failed to act within a reasonable time after such notification, request and offer of funding and indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be

conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures.

Section 7.6 Application of Monies by Trustee

(1) Any monies received by the Trustee from the Company pursuant to the foregoing provisions of this Article 7, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Company, shall be applied, together with any other monies in the hands of the Trustee available for such purpose first, in payment or in reimbursement to the Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided; and thereafter, rateably and proportionately to the holders of Debentures, to pay the Principal Amount and Applicable Interest, the priority of Principal Amount first and then Applicable Interest; provided, however, that no payment shall be made in respect of the Principal Amount or Applicable Interest on any Debenture held, directly or indirectly, by or for the benefit of the Company or any Subsidiary (other than any Debenture pledged for value and in good faith to a person other than the Company or any Subsidiary but only to the extent of such person's interest therein) except subject to the prior payment in full of the Principal amount and Applicable Interest on all Debentures which are not so held.

(2) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, is insufficient to make a distribution of at least 2% of the aggregate Principal Amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 13.9 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

Section 7.7 Notice of Payment by Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 12.2 by the Trustee to the Debentureholders of any payment to be made under this Article 7. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied.

Section 7.8 Trustee May Demand Production of Debentures

The Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal, interest required by this Article 7 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Company as the Trustee shall deem sufficient.

Section 7.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Debentures is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

Section 7.10 Judgment Against the Company

The Company covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the

Debentureholders or in favour of the Trustee, as trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and the interest thereon and any other monies owing hereunder.

ARTICLE 8 SATISFACTION AND DISCHARGE

Section 8.1 Cancellation and Destruction

All Debentures shall forthwith after payment of all obligations thereunder be delivered to the Trustee and cancelled by it. All Debentures cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Company, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Debentures so destroyed.

Section 8.2 Non-Presentation of Debentures

In case the holder of any Debentures shall fail to present the same for payment on the date on which the Principal Amount of and the Applicable Interest thereon or represented thereby becomes payable or converted either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

(1) the Company shall be entitled to pay or deliver to the Trustee and direct it to set aside;

(2) in respect of monies or Shares in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Company shall be entitled to direct the Trustee to set aside; or

(3) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

the monies or Shares, as the case may be, in trust to be paid to the holder of such Debentures upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal of or the interest payable on or represented by each Debenture in respect whereof such monies or Shares, if applicable, have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the monies or Shares, if applicable, so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 8.3.

Section 8.3 Repayment of Unclaimed Monies or Shares

Subject to Applicable Law, any monies or Shares, if applicable, set aside under Section 8.2 and not claimed by and paid to holders of Debentures as provided in Section 8.2 within six years after the date of such setting aside shall be repaid and delivered to the Company by the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies or Shares, if applicable, and thereafter the holders of the Debentures in respect of which such monies or Shares, if applicable, were so repaid to the Company shall have no rights in respect thereof except to obtain payment and delivery of the monies or Shares, if applicable, from the Company subject to any limitation provided by the laws of the Province of British Columbia. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of six years after the setting aside described in Section 8.2 to the Company upon receipt from the Company, of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds as security for the Company's continuing obligations hereunder, including the payments of any amounts due to holders of Debentures. If the remaining funds are paid to the Company prior to the expiry of six years after such setting aside, the Company shall remit to the Trustee immediately upon demand any amounts which are required to be paid by the Trustee to a holder of a Debenture after the date of such payment of the remaining funds to the Company but prior to six years after such setting aside.

Section 8.4 Discharge

Upon payment or conversion in full of the Principal Amount and Applicable Interest on all of the Debentures and all other monies payable hereunder, the Trustee shall at the written request of the Company release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Company from its covenants herein contained (other than the provisions relating to the indemnification and remuneration of the Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the Principal Amount and Applicable Interest (including interest on amounts in default, if any) on all the Debentures and all other monies payable hereunder have been paid, converted, or otherwise satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

Section 8.5 Satisfaction

(1) The Company shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures and the Trustee, at the expense of the Company, shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures, the Company has deposited or caused to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in Canadian dollars or Conversion Securities, if applicable, sufficient to pay, satisfy and discharge the entire Principal Amount and Applicable Interest to maturity, or any other repayment date or any Change of Control Purchase Date, or upon conversion or otherwise as the case may be, of such Debentures as will be sufficient to pay and discharge the entire amount of Principal Amount and Applicable Interest to the maturity or any repayment date, as the case may be, including without limitation any Change of Control Purchase Date, of all such Debentures so long as:

(a) the Company has: (A) paid, caused to be paid or made provisions to the satisfaction of the Trustee for the payment of all other sums payable, or which may be payable with respect to all of such Debentures; or (B) deposited the relevant security certificates on conversion, in either case together with all applicable expenses of the Trustee in connection with such payment or deposit; and

(b) the Company has delivered to the Trustee an Officers' Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.

Any deposits with the Trustee referred to in this Section 8.5 shall be irrevocable, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the Principal Amount of and Applicable Interest on the Debentures being satisfied.

(2) Upon the satisfaction of the conditions set forth in this Section 8.5 with respect to all the outstanding Debentures the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Article 2, Article 4 and Section 7.4 and the provisions of Article 1 pertaining to Article 2, Article 4 and Section 7.4) shall no longer be binding upon or applicable to the Company with respect to such Debentures so satisfied.

(3) Any funds or obligations deposited with the Trustee pursuant to this Section 8.5 shall be denominated in Canadian dollars.

(4) If the Trustee is unable to apply any money or securities in accordance with this Section 8.5 by reason of any legal proceeding or any order or judgment of any court or Governmental Authority

enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this Section 8.5 until such time as the Trustee is permitted to apply all such money or securities in accordance with Section 7.5, provided that if the Company has made any payment in respect of Principal Amount or Applicable Interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Trustee.

Section 8.6 Continuance of Rights, Duties and Obligations

Where trust funds or trust property have been deposited pursuant to Section 8.5, the holders of Debentures and the Company shall continue to have and be subject to their respective rights, duties and obligations under Article 2 and Article 4.

ARTICLE 9 TAXES

Section 9.1 Additional Amounts

(1) Any and all payments by the Company hereunder, including any amounts paid with respect to the Principal Amount and Applicable Interest (including, upon conversion of the Debentures), or deemed interest under the Tax Act shall be made free and clear of and without deduction for any and all present or future Taxes. If the Company shall be required to deduct any Taxes from or in respect of any sum payable hereunder to the beneficial owner of any Debentures: (i) the sum payable shall be increased by the amount (an "**Additional Amount**"), payable as interest, necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Article 9) such beneficial owner shall receive an amount equal to the sum it would have received had no such deductions been made; (ii) the Company shall make such deductions; and (iii) the Company shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Laws.

(2) Any beneficial owner of Debentures that is entitled to an exemption from or reduction of withholding Tax with respect to payments under the Debentures shall deliver to the Company, at the time or times prescribed by Applicable Law or reasonably requested by the Company, such properly completed and executed documentation prescribed by Applicable Law or reasonably requested by the Company as will permit such payments to be made without withholding or at a reduced rate of withholding.

(3) If a beneficial owner of Debentures receives a refund of any Taxes in respect of which Additional Amounts have been paid pursuant to this Section, it shall pay to the Company an amount equal to such refund (but only to the extent of the Additional Amounts paid by the Company under this Section), without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund).

(4) The obligations under this Article 9 shall survive the Maturity Date and the payment of the Principal Amount and Applicable Interest.

(5) Notwithstanding Sections 9.1(1) to 9.1(4), the Company shall not be liable for and shall not be required to pay any Additional Amount in respect of Taxes imposed as a result of a beneficial holder of Debentures (i) not dealing with the Company at arm's length for purposes of the Tax Act, (ii) failing to comply with any certification, identification, information documentation or other reporting requirement required by Applicable Law, regulation, administrative practice or an applicable treaty as a precondition to, exemption from, or a reduction in the rate of deduction or withholding of such Taxes, or (iii) carrying on business (or being deemed to carry on business) in or being connected

with Canada or any province or territory thereof otherwise than by the mere holding of Debentures or the receipt of payment thereunder.

(6) The Trustee shall have no obligation to verify any payments under the Tax Act or any provision of provincial, state, local or foreign tax law. The Trustee shall at all times be indemnified and held harmless by the Company from and against any personal liabilities of the Trustee incurred in connection with the failure of the Company or its agents, to report, remit or withhold taxes as required by the Tax Act or otherwise failing to comply with the Tax Act. This indemnification shall survive the resignation or removal of the Trustee and the termination of this Indenture solely to the extent that such liabilities have been incurred in connection with taxation years occurring during the term of this Indenture.

ARTICLE 10 SUCCESSORS

Section 10.1 Company may Consolidate, Etc., Only on Certain Terms

(1) The Company shall not enter into any transaction or series of transactions whereby all or substantially all of its undertaking, property or assets would become the direct or indirect property of any other Person (herein called a "**Successor**") whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, unless:

(a) prior to or contemporaneously with the consummation of such transaction the Company and the Successor shall have executed such instruments and done such things as are necessary or advisable to establish that upon the consummation of such transaction:

(i) the Successor will have assumed all the covenants and obligations of the Company under this Indenture in respect of the Debentures;

(ii) the Successor shall have reserved for issuance a sufficient number of securities to satisfy the Successor's obligations to issue such securities under this Indenture; and

(iii) the Debentures will be valid and binding obligations of the Successor entitling the holders thereof, as against the Successor, to all the rights of Debentureholders under this Indenture;

(b) such transaction, in the opinion of Counsel, shall be on such terms as to substantially preserve and not impair any of the rights and powers of the Trustee or of the Debentureholders hereunder; and

(c) no condition or event exists as to the Company (at the time of such transaction) or the Successor (immediately after such transaction), after giving full effect thereto and immediately after the Successor becomes liable to pay the Principal Amount and Applicable Interest hereunder, which constitutes or would constitute an Event of Default hereunder.

Section 10.2 Successor Substituted

Upon any consolidation of the Company with, or amalgamation or merger of the Company into, any other Person or any sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole, in accordance with Section 10.1, the successor Person formed by such consolidation or into which the Company is amalgamated or merged or to which such sale, conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person

had been named as the Company herein, and thereafter, provided such transaction received the prior written consent of Debentureholders holding more than 50% of the Principal Amount then outstanding, the Company shall be relieved of all obligations and covenants under this Indenture and the Debentures.

ARTICLE 11 MEETINGS OF DEBENTUREHOLDERS

Section 11.1 Right to Convene Meeting

The Trustee or the Company may at any time and from time to time, and the Trustee shall, on receipt of a Written Direction of the Company or a written request signed by the holders of not less than 25% of the Principal Amount of the Debentures then outstanding and upon receiving sufficient funding and being indemnified to its reasonable satisfaction by the Company or by the Debentureholders signing such request against the costs, charges, expenses and liabilities which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Trustee failing, within 30 days after receipt of any such request and such funding and indemnity, to give notice convening a meeting, the Company or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver, British Columbia or at such other place as may be approved or determined by the Trustee. Any meeting held may be done through a virtual or electronic meeting platform, subject to the Trustee's capabilities at the time.

Section 11.2 Notice of Meetings

(1) At least 21 days' prior notice of any meeting shall be given to the Debentureholders in the manner provided in Section 12.2 and a copy of such notice shall be delivered to the Trustee, unless the meeting has been called by it. Such notice shall state the date, time when and the place where the meeting is to be held and 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 holders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 11. The notice convening any such meeting may be signed by an appropriate officer of the Trustee or of the Company or the person designated by such holders, as the case may be. The accidental omission to give notice of a meeting to any holder of Debentures shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.

(2) If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, or any action to be taken or power exercised by instrument in writing under Section 11.15, especially affects the rights of holders of Debentures of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Debentures of any other series are affected (determined as provided in Sections 11.2(3) and (4)), then:

(a) a reference to such fact, indicating each series of Debentures so especially affected (hereinafter referred to as the "especially affected series") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "Serial Meeting"; and

(b) the holders of Debentures of an especially affected series shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 11.15 unless in addition to compliance with the other provisions of this Article 11:

(i) at such Serial Meeting: (I) there are Debentureholders present in person or by proxy and representing at least 25% in Principal Amount of the Debentures then outstanding of such series, subject to the provisions of this Article 11 as to quorum at adjourned meetings; and (II) the resolution is passed by the affirmative vote of the holders of more than 50% (or in the case of an Extraordinary Resolution not

less than 66⅔%) of the Principal Amount of the Debentures of such series then outstanding voted on the resolution; or

(ii) in the case of action taken or power exercised by instrument in writing under Section 11.15, such instrument is signed in one or more counterparts by the holders of not less than 66⅔% in Principal Amount of the Debentures of such series then outstanding.

(3) Subject to Section 11.2(4), the determination as to whether any business to be transacted at a meeting of Debentureholders, or any action to be taken or power to be exercised by instrument in writing under Section 11.15, especially affects the rights of the Debentureholders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Debentureholders of any other series (and is therefore an especially affected series) shall be determined by an opinion of Counsel, which shall be binding on all Debentureholders, the Trustee and the Company for all purposes hereof.

(4) A proposal:

(a) to extend the maturity of Debentures of any particular series or to reduce the Principal Amount thereof, the rate of interest or redemption premium thereon or to impair any conversion right thereof;

(b) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series are outstanding; or

(c) to reduce with respect to Debentureholders of any particular series any percentage stated in this Section 11.2 or Sections 11.4, 11.12 and 11.15;

shall be deemed to especially affect the rights of the Debentureholders of such series in a manner differing in a material way from that in which it affects the rights of holders of Debentures of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Debentures of any or all other series.

Section 11.3 Chairman

Some person, who need not be a Debentureholder, nominated in writing by the Trustee shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Debentureholders present in person or by proxy shall choose some person present to be chairman.

Section 11.4 Quorum

Subject to the provisions of Section 11.12, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in Principal Amount of the outstanding Debentures and, if the meeting is a Serial Meeting, at least 25% of the Debentures then outstanding of each especially affected series. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall, subject to the provisions of Section 11.12, constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the Principal Amount of the outstanding Debentures or of the Debentures then outstanding of each especially affected series. Any business may be brought before

or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum be present at the commencement of business.

Section 11.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may, with the consent of the holders of a majority in Principal Amount of the Debentures 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 11.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 11.7, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held by him.

Section 11.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded by the chairman or by one or more Debentureholders or proxies for Debentureholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than those required to be determined by Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the holders of a majority in Principal Amount of the Debentures and of each especially affected series, if applicable, represented at the meeting and voted on the poll.

Section 11.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders or both, shall have one vote. On a poll, each Debentureholder 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 $1,000 Principal Amount of Debentures of which he shall then be the holder. In the case of any Debenture denominated in a currency or currency unit other than Canadian dollars, the Principal Amount thereof for these purposes shall be computed by the Company in Canadian dollars on the basis of the conversion of the Principal Amount thereof at the applicable spot buying rate of exchange for such other currency or currency unit as reported by the Bank of Canada at the close of business on the Business Day next preceding the meeting. Any fractional amounts resulting from such conversion shall be rounded down to the nearest $1,000. A proxy need not be a Debentureholder. In the case of joint holders of a Debenture, 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 be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

Section 11.9 Proxies

A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Company (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held,

may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

(1) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;

(2) the deposit of instruments appointing proxies at such place as the Trustee, the Company or the Debentureholder 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 the same must be deposited; and

(3) 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, faxed, cabled, telegraphed or sent by other electronic means before the meeting to the Company or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

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

Section 11.10 Persons Entitled to Attend Meetings

The Company and the Trustee, by their respective officers and directors, the Auditors of the Company and the legal advisors of the Company, the Trustee or any Debentureholder may attend any meeting of the Debentureholders and speak thereat, but shall not be entitled to vote unless in their capacities as Debentureholders or proxies therefor.

Section 11.11 Powers Exercisable by Extraordinary Resolution

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

(1) power to authorize the Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium, or interest, the payment of which is extended, is at the time due or overdue;

(2) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Trustee against the Company, or against its property, whether such rights arise under this Indenture or the Debentures or otherwise;

(3) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Debenture which shall be agreed to by the Company and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;

(4) power to sanction any scheme for the reconstruction, reorganization or recapitalization of the Company or for the consolidation, amalgamation, arrangement, combination or merger of the Company with any other Person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of the Company or any part thereof,

provided that no such sanction shall be necessary in respect of any such transaction if the provisions of Section 10.1 shall have been complied with;

(5) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;

(6) power to waive, and direct the Trustee to waive, any default hereunder and/or cancel any declaration made by the Trustee pursuant to Section 7.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;

(7) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, premium or interest on the Debentures, or for the execution of any trust or power hereunder;

(8) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 7.5, of the costs, charges, and expenses reasonably and properly incurred by such Debentureholder in connection therewith;

(9) power 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;

(10) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

(11) power to, with the consent of the Company, remove the Trustee from office and to appoint a new Trustee or Trustees provided that no such removal shall be effective unless and until a new Trustee or Trustees shall have become bound by this Indenture;

(12) power to sanction the exchange of the Debentures for or the conversion thereof into shares, bonds, debentures or other securities or obligations of the Company or of any other Person formed or to be formed;

(13) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of Section 11.11(12); and

(14) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to Section 11.11(10).

Section 11.12 Meaning of "Extraordinary Resolution"

(1) The expression "Extraordinary Resolution" when used in this Indenture means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the holders of not less than 25% of the Principal Amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, at which holders of not less than 25% of the Principal Amount of the Debentures then outstanding of each especially affected series, are present in person or by proxy and passed by the favourable votes of the holders of not less than 66⅔% of the Principal Amount of the Debentures, and if the meeting is a Serial Meeting by the affirmative vote of the holders of not less than 66⅔% of each especially affected series, in each case present or represented by proxy at the meeting and voted upon on a poll on such resolution.

(2) If, at any such meeting, the holders of not less than 25% of the Principal Amount of the Debentures then outstanding and, if the meeting is a Serial Meeting, 25% of the Principal Amount of the Debentures then outstanding of each especially affected series, in each case 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 Debentureholders, shall be dissolved but in any other case it shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 12.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum. At the adjourned meeting the Debentureholders 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 thereat by the affirmative vote of holders of not less than 66⅔% of the Principal Amount of the Debentures and, if the meeting is a Serial Meeting, by the affirmative vote of the holders of not less than 66⅔% of the Principal Amount of the Debentures of each especially affected series, in each case present or represented by proxy at the meeting voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of not less than 25% in Principal Amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, holders of not less than 25% of the Principal Amount of the Debentures then outstanding of each especially affected series, are not present in person or by proxy at such adjourned meeting.

(3) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

Section 11.13 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Debentureholders 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 Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

Section 11.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Company, and any such minutes as aforesaid, 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 Debentureholders, 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 convened and held, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

Section 11.15 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the holders of 66⅔% of the Principal Amount of all the outstanding Debentures and, if the meeting at which such actions might be taken would be a Serial Meeting, by the holders of 66⅔% of the Principal Amount of the Debentures then outstanding of each especially affected series, by an instrument in writing signed in one or more counterparts and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

Section 11.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Debentureholders shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 11.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee (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 11.17 Evidence of Rights Of Debentureholders

(1) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.

(2) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

Section 11.18 Concerning Serial Meetings

If in the opinion of Counsel any business to be transacted at any meeting, or any action to be taken or power to be exercised by instrument in writing under Section 11.15, does not adversely affect the rights of the holders of Debentures of one or more series, the provisions of this Article 11 shall apply as if the Debentures of such series were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which is effective only so long as Debentures of a particular series are outstanding shall be deemed not to adversely affect the rights of the holders of Debentures of any other series.

Section 11.19 Holdings by the Company or Subsidiaries of the Company Disregarded

In determining whether Debentureholders are present at a meeting of Debentureholders for the purpose of determining a quorum or have concurred in any consent, waiver, Extraordinary Resolution, Debentureholders' request or other action under this Indenture, Debentures owned legally or beneficially by the Company or its Subsidiaries or in partnership of which the Company is directly or indirectly a party to shall be disregarded. The Company shall provide, upon the written request of the Trustee, a certificate as to the registration particulars of any Debentures held by the Company or its Subsidiaries or in partnership of which the Company is directly or indirectly a party.

ARTICLE 12 NOTICES

Section 12.1 Notice to Company

Any notice to the Company under the provisions of this Indenture shall be valid and effective if in writing delivered personally, sent by facsimile or pdf via email to the Company at: 401 – 750 West Pender Street, Vancouver, B.C. V6C 2T7, Attention: Investor Relations, Email: ir@hydreight.com, with a copy delivered to MLT Aikins LLP at Suite 2600 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X1 Attention: Mahdi Shams, Email: mshams@mltaikins.com, or if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three days following the mailing thereof. The Company may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Company for all purposes of this Indenture.

Section 12.2 Notice to Debentureholders

(1) All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to the holders' representative the post office address set out in the registrar and shall be deemed to have been effectively given three days following the day of mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Company to give or mail any notice due to anything beyond the reasonable control of the Company shall not invalidate any action or proceeding founded thereon.

(2) If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Debentureholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Company shall give such notice by publication at least once (i) in the national edition of The Globe & Mail newspaper; and (ii) in such other place or places and manner, if any, as the Company may require, each such publication to be made in a daily newspaper of general circulation in the designated city.

(3) Any notice given to Debentureholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.

(4) All notices with respect to any Debentures may be given to whichever one of the holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all holders of any Persons interested in such Debentures.

(5) A copy of any notice provided to the Debentureholders shall be concurrently provided to the Company (if given by the Trustee) or to the Trustee (if given by the Company)in the manner specified in Section 12.1 and Section 12.3 respectively.

Section 12.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if in writing delivered personally, sent by facsimile or pdf via email to the Trustee at its principal office in the City of Calgary, at Stock Exchange Building, Suite 1230, 300 5th Avenue SW, Calgary, Alberta, T2P 3C4; Attention: Vice President, Corporate Trust; Email: corptrust@odysseytrust.com; ; or if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three days following the mailing thereof.

Section 12.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 12.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 12.3.

ARTICLE 13 CONCERNING THE TRUSTEE

Section 13.1 No Conflict of Interest

The Trustee represents to the Company that to the best of its knowledge at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 13.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture, and the Debentures issued hereunder, shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises but the Trustee shall, within 30 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 13.2.

Section 13.2 Replacement of Trustee

(1) Subject to the approval of the Company, the Debentureholders shall have the power to replace the Trustee by requisition in writing by the holders of more than 50% of the Principal Amount of Debentures then outstanding.

(2) The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Company 90 days' notice in writing or such shorter notice as the Company may accept as sufficient. If at any time a material conflict of interest exists in the Trustee's role as a fiduciary hereunder the Trustee shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 13.2. The validity and enforceability of this Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Company shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Debentureholders. Failing such appointment by the Company, the retiring Trustee or any Debentureholder may apply to a judge of the British Columbia Supreme Court, on such notice as such Judge may direct at the Company's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Company or by the Court shall be subject to removal as aforesaid by the Debentureholders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 13.2 shall be authorized to carry on the business of a trust company in one or more of the provinces of Canada. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee.

(3) Any company into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any company resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, or any company to whom the Trustee may transfer all or substantially all of its corporate trust business, shall be the successor trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Company and, upon receipt by the Trustee ceasing to act of payment in full for any outstanding charges due to it, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon

the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Company be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Company.

Section 13.3 Duties of Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith and exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

Section 13.4 Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties, and obligations hereunder the Trustee may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 13.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a counsel or firm which acts as counsel for the Company.

Section 13.5 Evidence and Authority to Trustee, Opinions, etc.

(1) The Company shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Company or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the Authentication and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Company, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 13.5, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Company written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

(2) Such evidence shall consist of a certificate made by any one officer or director of the Company, on behalf of the Company, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture.

(3) Whenever such evidence relates to a matter other than the certificates and delivery of Debentures and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a trustee, officer or employee of the Company it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately preceding paragraph of this Section.

(4) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) a statement by the person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (b) a brief statement of the nature and scope of the examination

or investigation upon which the statements or opinions contained in such evidence are based, (c) a statement that, in the belief of the person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, and (d) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.

(5) The Company shall furnish or cause to be furnished to the Trustee within 120 days after the end of each twelve month period ending after the date of execution of this Indenture and at any time if the Trustee reasonably so requires, its certificate that the Company has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Company shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Company or as a result of any obligation imposed by this Indenture.

Section 13.6 Officers' Certificates Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Trustee, if acting in good faith, may rely upon an Officers' Certificate.

Section 13.7 Experts, Advisers and Agents

The Trustee may:

(1) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Company, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and shall not be responsible for any misconduct on the part of any of them and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid. The reasonable costs of such services shall be added to and become part of the Trustee's remuneration hereunder; and

(2) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and reimbursements for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Company. The Trustee shall not be responsible for any actions taken by any such agents provided it has chosen such agent with due care.

Section 13.8 Trustee Not to be Appointed Receiver

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

Section 13.9 Trustee May Deal in Debentures

Subject to Sections 13.1 and 13.3, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with the Company or otherwise, without being liable to account for any profits made thereby.

Section 13.10 No Liability for Certain Deposited Monies

The Trustee will bear no liability for monies deposited other than with the Trustee. The Trustee will disburse monies according to this Indenture only to the extent that monies have been deposited with it.

Section 13.11 Trustee Not Ordinarily Bound

Except as provided in Section 7.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 13.3, be bound to give notice to any person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Company of any of the obligations herein imposed upon the Company or of the covenants on the part of the Company herein contained, nor in any way to supervise or interfere with the conduct of the Company's business, unless the Trustee shall have been required to do so in writing by the holders of not less than 25% of the aggregate Principal Amount of the Debentures then outstanding, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

Section 13.12 Trustee Not Required to Give Security

The Trustee shall not be required to give any Debenture or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

Section 13.13 Trustee Not Bound to Act on Company's Request

Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Company until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

Section 13.14 Conditions Precedent to Trustee's Obligations to Act Hereunder

(1) The Company shall promptly reimburse the Trustee for any costs, charges and expenses and liabilities of the Trustee incurred in connection with the Trustee's performance under the Indenture; upon the request of the Trustee, advance funds to the Trustee to cover any of the foregoing; and shall indemnify and hold harmless the Trustee for any loss and damage it may suffer by reason thereof.

(2) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing, when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(3) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(4) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Debentureholders at whose instance it is acting to deposit with the Trustee the Debentures held by them for which Debentures the Trustee shall issue receipts.

Section 13.15 Authority to Carry on Business

The Trustee represents to the Company that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the provinces of Alberta and British Columbia but if, notwithstanding the provisions of this Section 13.15, it ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in either of the provinces of Alberta or British Columbia, either become so authorized or resign in the manner and with the effect specified in Section 13.2.

Section 13.16 Compensation and Indemnity

(1) The Company shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Company and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. Any fees and expenses of the trustee in connection herewith shall be paid by the Company within 30 days of issuance of an invoice therefor and, if not so paid, shall bear interest at a rate per annum to the then-current rate of interest charged by the Trustee to its corporate clients. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.

(2) The Company hereby indemnifies and saves harmless the Trustee and its affiliates, their successors and assigns, as well as its and their directors, officers and employees from and against any and all losses, damages, charges, expenses, claims, demands, assessments, interest, penalties, suits, proceedings, costs, actions or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder including, without limiting the foregoing, expert, consultant and counsel fees and disbursements on a solicitor and client basis, save only in the event of gross negligence, or the willful misconduct or bad faith of the Trustee. For greater certainty, the Company agrees to indemnify and save harmless the Trustee against and from any present and future taxes (other than income taxes), duties, assessments or other charges imposed or levied on behalf of any governmental authority having the power to tax in connection with the Trustee's duties hereunder. In addition, the Company agrees to reimburse, indemnify and save harmless the Trustee for, against and from all legal fees and disbursements (on a substantial indemnity, or solicitor and client, basis) incurred by the Trustee if the Company commences an action, or cross claims or counterclaims, against the Trustee and the Trustee is successful in defending such claim. This indemnity will survive the termination or discharge of this Indenture and the resignation or removal of the Trustee. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. The Company shall defend the claim and the Trustee shall co-operate in the defence. The Trustee may have separate Counsel and the Company shall pay the reasonable fees and expenses of such Counsel. The Company need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee or the discharge of this Indenture.

(3) Notwithstanding any other provision of this Indenture, the Trustee shall not be liable for any (i) breach by any other party of the Applicable Securities Laws, (ii) lost profits or (iii) punitive, consequential or special damages of any Person.

(4) The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee through gross negligence or bad faith or breach of the Trustee's duties hereunder.

Section 13.17 Acceptance of Trust

The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

Section 13.18 Third Party Interests

Each party to this Indenture (in this paragraph referred to as a "representing party") hereby represents to the Trustee that any account to be opened by, or interest to be held by, the Trustee in connection with this Indenture, 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 Trustee a declaration, in the Trustee's prescribed form or in such other form as may be satisfactory to it, as to the particulars of such third party.

Section 13.19 Anti-Money Laundering

The Trustee 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 Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in noncompliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice sent to the Company provided that (i) the Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Trustee's satisfaction within such 10-day period, then such resignation shall not be effective.

Section 13.20 Trustee Not Bound

(1) The Trustee shall not be bound to give any notice or to do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall be required so to do under the terms hereof; nor, subject to any Event of Default which may be known by the Trustee, shall the Trustee be required to take notice of any Event of Default hereunder, unless and until notified in writing of such Event of Default, which notice shall distinctly specify the Event of Default desired to be brought to the attention of the Trustee, and in the absence of such notice, the Trustee may for all purposes of this Indenture conclusively assume that the Company is not in default hereunder or interest on Debentures or in the observance or performance of any of the covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any Event of Default;

(2) The Company shall provide to the Trustee an incumbency certificate setting out the names and sample signatures of persons authorized to give instructions to the Trustee hereunder. The Trustee shall be entitled to rely on such certificate until a revised certificate is provided to it hereunder. The Trustee shall be entitled to refuse to act upon any instructions given by a party which are signed by any person other than a person described in the incumbency certificate provided to it pursuant to this Section.

(3) The Trustee shall not be liable for any consequential, punitive or special damages.

(4) The Trustee shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Trustee ("**Electronic Methods**") from a

person purporting to be (and whom such Trustee, acting reasonably, believes in good faith to be) the authorized representative of the Company, as sufficient instructions and authority of the Company for the Trustee to act and shall have no duty to verify or confirm that person is so authorized. The Trustees shall have no liability to the Company for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon or compliance with such instructions or directions. The Company agrees to assume all risks arising out of the use of Electronic Methods to submit instructions and directions to the Trustee including the risk of the Trustee acting on unauthorized instructions and the risk of interception or misuse by third parties.

Section 13.21 Privacy Laws

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to certain obligations and activities under this Indenture. Notwithstanding any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Company shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees: (a) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (b) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and to comply with Applicable Laws and not to use it for any other purpose except with the consent of or direction from the Company or the individual involved or as permitted by Privacy Laws; (c) not to sell or otherwise improperly disclose personal information to any third party; and (d) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

Section 13.22 Force Majeure

The Trustee shall not be liable, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section. In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever in connection with any delay that is excusable under this Section (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

ARTICLE 14 SUPPLEMENTAL INDENTURES

Section 14.1 Supplemental Indentures

(1) The Trustee and, when authorized by a resolution of the Board of Directors, the Company, may, and they shall when required by this Indenture, execute, acknowledge and deliver by the proper officers deeds or indentures supplemental hereto which thereafter shall form part hereof, for any one or more of the following purposes:

(a) adding to the covenants of the Company herein contained for the protection of the Debentureholders, or providing for events of default, in addition to those herein specified;

(b) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof

and which in the opinion of the Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Debentureholders;

(c) evidencing the succession, or successive successions, of others to the Company and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture (including Article 10); and

(d) for any other purpose not inconsistent with the terms of this Indenture.

(2) Unless the supplemental indenture requires the consent or concurrence of Debentureholders, the consent or concurrence of Debentureholders shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture. The Trustee may also, without the consent of concurrence of the Debentureholders by supplemental indenture or otherwise, concur with the Company in making any changes or corrections in this Indenture which it shall have been advised by an opinion of Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any deed or indenture supplemental or ancillary hereto, provided that in the opinion of the Trustee relying on an opinion of Counsel the rights of the Trustee and of the Debentureholders are not in any way prejudiced thereby.

ARTICLE 15 EXECUTION AND FORMAL DATE

Section 15.1 Execution

(1) This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

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

Section 15.2 Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of September 4, 2025, irrespective of the actual date of execution hereof.

[Signature page to immediately follow]

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

HYDREIGHT TECHNOLOGIES INC.

Per: "*Shane Madden*"
Name: Shane Madden
Title: Chief Executive Officer

Per: *"Joshua Sorin"*
Name: Joshua Sorin
Title: Chief Financial Officer

ODYSSEY TRUST COMPANY

Per: *"Amy Douglas"*
Name: Amy Douglas
Title: Managing Director, Corporate Trust

Per: *"Sandi MacGregor"*
Name: Sandi MacGregor
Title: Senior Director, Corporate Trust

SCHEDULE "A"

FORM OF DEBENTURE

UNLESS PERMITTED UNDER THE SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY 5, 2026.

[To be inserted for Debentures issued to U.S. Purchasers:

"THE SECURITIES REPRESENTED HEREBY AND SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (1) RULE 144 THEREUNDER, IF AVAILABLE, OR (2) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IN THE CASE OF (C)(1) OR (D) THE HOLDER HAS PRIOR TO SUCH SALE FURNISHED TO THE ISSUER AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."]

No. CD – [●] **$[●]**

CUSIP 44877LAA9

ISIN CA44877LAA94

HYDREIGHT TECHNOLOGIES INC.
(A company governed by the laws of British Columbia)
9% CONVERTIBLE UNSECURED DEBENTURES

HYDREIGHT TECHNOLOGIES INC. (the "**Company**") for value received, hereby acknowledges itself indebted and, subject to the provisions of the Convertible Debenture Indenture (the "**Indenture**") dated as of September 4, 2025, between the Company and **ODYSSEY TRUST COMPANY** (the "**Trustee**"), promises to pay to the registered holder hereof, being [●] (the "**holder**"), three years from the Issue Date (the "**Maturity Date**") and in such manner, as the principal amount hereof may become due in accordance with the provisions of the Indenture the principal sum of [●] Dollars ([$●]) in lawful money of Canada on presentation and surrender of this Debenture at the main branch of the Trustee in Calgary, Alberta in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay the Applicable Interest on the Principal Amount hereof from the date hereof, at the rate of 9% per annum and in such manner as is provided for under the Indenture.

This Debenture is one of the Convertible Unsecured Debentures of the Company (the "**Debentures**") issued under the provisions of the Indenture. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Debentures are or are to be issued and held and the rights and remedies of the holders of the Debentures and of the Company and of the Trustee, all to the

same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Debenture by acceptance hereof assents.

The Debentures are issuable only in denominations of $1,000 and integral multiples thereof. Upon compliance with the provisions of the Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

Upon surrender of this Debenture at the principal office of the Trustee in Calgary, Alberta, the Principal Amount of this Debenture is convertible into Conversion Securities at the Conversion Price of $4.06 per Share all subject to the terms and conditions and in the manner set forth in the Indenture.

No fractional Shares will be issued on any conversion but in lieu thereof, the Company will satisfy such fractional interest by a cash payment equal to the market price of such fractional interest determined in accordance with the Indenture. Notwithstanding the foregoing, the Company will not be required to satisfy any factional interest determined in accordance with the Indenture to be lower than $1.00.

Subject to the provisions in the Indenture and without further action on the part of the holder, if at any time following the second anniversary of the Issue Date and prior to the Maturity Date, (i) the VWAP of the Shares for a period of 20 consecutive trading days exceeds $5.08 per Share (being approximately 125% of the Conversion Price) (the "**Trading Period**"), (ii) the Company is not in default of its obligation to pay interest on, or repay the principal amount of, the Debentures, and (iii) the Forced Conversion Notice is provided to the Indenture Trustee within 10 calendar days after such Trading Period, the Company may exercise its right to force the conversion of all but not less than all of the principal amount (less any tax required to be deducted or withheld). The Company shall pay all accrued and unpaid interest (less any tax required by law to be deducted or withheld) in cash. In the event that the Company exercises its Forced Conversion right, the effective date for the forced conversion (the "**Forced Conversion Date**") shall be: (i) the date stipulated in the Forced Conversion Notice (which, for the avoidance of doubt shall be no less than 30 days following the date of such Forced Conversion Notice); or (ii) if no date is so stipulated in the Forced Conversion Notice, the date that is 30 days following the date of such Forced Conversion Notice, and upon such Forced Conversion Date: (A) each $1,000 of the principal amount (less any tax required by law to be deducted or withheld) of the Debentures shall be deemed to be converted into that number of Shares equal to the Conversion Number; and (B) the holder shall be entered in the books of the Company as at the Forced Conversion Date as the holder of the number of Shares, as applicable, into which the Debentures held by them are convertible.

Within 10 days following the occurrence of a Change of Control of the Company, the Company is required to make an offer to purchase all of the Debentures of the Principal Amount at a purchase price equal to 104% of the face value of the Debentures, plus Applicable Interest up to, but excluding, the Change of Control Purchase Date. If 90% or more of the principal amount of all Debentures outstanding on the date the Company provides the Change of Control Notice to the Trustee have been tendered for purchase pursuant to the Change of Control Purchase Offer and not withdrawn, the Company has the right to redeem all the remaining outstanding Debentures on the same date and at the same price, subject to the terms and conditions described in the Indenture.

The Debentures and the Shares issuable upon conversion hereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. The Debentures and Shares may only be offered, sold or transferred pursuant to an exemption from the registration requirements of the U.S. Securities Act or pursuant to an available exemption from such registration requirements.

The indebtedness evidenced by this Debenture, and by all other Debentures now or hereafter Authenticated and delivered under the Indenture, is a direct unsecured obligation of the Company.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder actions of the Trustee taken at the direction of holders of Debentures owning more than 50% of the Principal Amount then outstanding.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Shares and officers, directors and employees of the Company in respect of any obligation or claim arising out of the Indenture or this Debenture.

This Debenture may only be transferred in accordance with Applicable Law in the register to be kept at the principal office of the Trustee in the City of Calgary, Alberta and in such other place or places and/or by such other registrars (if any) as the Company with the approval of the Trustee may designate. No transfer of this Debenture shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Debenture for cancellation. Thereupon a new Debenture or Debentures in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

[Remainder Of This Page Has Intentionally Been Left Blank]

This Debenture shall not become obligatory for any purpose until it shall have been executed and delivered by the Trustee under the Indenture.

This Debenture is governed by the Indenture. If any provisions of this Debenture are inconsistent with the provisions of the Indenture, the provisions of the Indenture shall take precedence and shall govern.

Capitalized words or expressions used in this Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

IN WITNESS WHEREOF THE PARTIES HERETO have caused this Debenture to be signed by their authorized representatives as of the ____day of _____, 20__.

HYDREIGHT TECHNOLOGIES INC.

By: _____
Name:
Title:

Certified this _____ day of _____

ODYSSEY TRUST COMPANY

By: _____
Authorized Signing Officer

SCHEDULE "B"

FORM OF CONVERSION NOTICE

TO: HYDREIGHT TECHNOLOGIES INC.

c/o Odyssey Trust Company (the "Trustee")

The undersigned registered holder of the accompanying Debenture hereby irrevocably elects to convert the entire Principal Amount of such Debenture into Conversion Securities in accordance with the provisions of the accompanying Debenture and hereby delivers this Debenture to the Company for such purpose and directs that the certificate for such Conversion Securities be registered and delivered as follows:

Register the Shares or Conversion Securities as follows:	**Deliver the Shares or Conversion Securities as follows:**
_____ (Full Name)	_____ (Full Name)
_____ (Account reference, if applicable)	_____ (Contact Name)
_____ (Address)	_____ (Address)
_____ (Address)	_____ (Address)

[IF DEBENTURES BEAR A U.S. RESTRICTIVE LEGEND, CHECK BELOW]

☐ (i) The conversion is being effected pursuant to and in accordance with an available exemption from the registration requirements under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States, (ii) the restrictions on transfer contained in the Indenture and the U.S. restrictive legend are not required to be imposed on the beneficial interest of the undersigned in order to maintain compliance with the U.S. Securities Act and (iii) an opinion of counsel of recognised standing, in form and substance reasonably satisfactory to the Company, has been delivered to the Company and the Trustee to the foregoing effect.

Applicable Interest shall be paid to the holder in cash in accordance with the Indenture.

NOTE: If Conversion Securities are to be issued in the name of, or delivered to, a person other than the holder, the signature must be guaranteed by a Schedule I Canadian chartered bank, or by a medallion signature guarantee from a member of a recognized Signature Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED". For Conversion Securities issued to a person other than the registered holder, the holder must pay to the Trustee all applicable taxes.

(Print name in which Shares are to be issued, delivered and registered)

Name: _____

Address:_____
(City, Province/State and Postal/Zip Code)

Name of guarantor: _____

Authorized signature:_____

The undersigned hereby acknowledges and understands that upon issuance of the Conversion Securities pursuant to this Conversion Notice, all rights of the undersigned in connection with the Debenture including, but not limited to, payment of the Principal Amount or any Applicable Interest shall be extinguished.

Terms not defined in this Conversion Notice have the meanings ascribed to such terms in the Debenture certificate accompanying this Conversion Notice.

The undersigned certifies that each of the representations and warranties made by the undersigned to the Company in connection with the undersigned's acquisition of the Debenture remains true and correct on the date hereof.

DATED the _____ day of _____, 20 _____.

_____
(Signature of Debentureholder)

_____
(Print Name of Debentureholder)