

LOGAN RESOURCES LTD.

- and -

HAYWOOD SECURITIES INC.

- and -

TSX TRUST COMPANY

SUBSCRIPTION RECEIPT AGREEMENT

**Providing for the Issue of
Subscription Receipts**

Dated April 30, 2019

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SUBSCRIPTION RECEIPT AGREEMENT

THIS SUBSCRIPTION RECEIPT AGREEMENT made as of the 30th day of April, 2019.

AMONG:

LOGAN RESOURCES LTD., a corporation incorporated pursuant to the laws of the Province of British Columbia (hereinafter referred to as the "**Corporation**" or "**Logan**")

AND

HAYWOOD SECURITIES INC. (hereinafter referred to as "**Haywood**" or the "**Agent**") on behalf of the agents who are party to the Agency Agreement (as defined herein) providing for the purchase and sale of the Subscription Receipts

AND

TSX TRUST COMPANY, a trust company incorporated under the federal laws of Canada having an office in the City of Vancouver, in the Province of British Columbia, hereinafter referred to as the "**Subscription Receipt Agent**")

WHEREAS the Corporation is proposing to issue and sell Subscription Receipts (as defined herein) representing the right to receive Units (as defined herein);

AND WHEREAS the Corporation and Haywood have agreed that:

- (a) the Proceeds (as defined herein) are to be delivered to and held by the Subscription Receipt Agent and invested on behalf of the holders of Subscription Receipts in the manner set forth herein;
- (b) if the Escrow Conditions (as defined herein) are satisfied on or before the Deadline (as defined herein): (i) each holder of Subscription Receipts shall be automatically issued, without payment of additional consideration or further action on the part of the holder thereof, one Unit for each Subscription Receipt held; (ii) the Escrowed Funds (as defined herein) less the Balance of the Agent's Fee (as defined herein) and any Earned Interest (as defined herein) thereon shall be released to the Corporation or as the Corporation may direct in writing; and (iii) the Balance of the Agent's Fee and any Earned Interest thereon shall be released and paid to the Agents; and
- (c) if (i) the Escrow Conditions are not satisfied on or before the Deadline; (ii) the Amalgamation Agreement (as defined herein) has been terminated in accordance with its terms; or (iii) the Corporation has advised the Agent and the Subscription Receipt Agent in writing, or announced to the public that it does not intend to proceed with the Amalgamation (as defined herein), then holders of Subscription Receipts shall be and shall be deemed to be paid, an amount per Subscription Receipt equal to the Subscription Price (as defined herein) of the Subscription Receipts and their *pro rata* entitlement of Earned Interest thereon less applicable withholding taxes;

AND WHEREAS all things necessary have been done and performed to make the Subscription Receipts, when Authenticated by the Subscription Receipt Agent and issued as provided in this Agreement, legal, valid and binding obligations of the Corporation with the benefits of and subject to the terms of this Agreement;

AND WHEREAS the foregoing recitals are made by the Corporation and the Agent, and not by the Subscription Receipt Agent;

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the recitals, unless there is something in the subject matter or context inconsistent therewith or unless otherwise expressly provided, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) "**Agent's Fee**" means an aggregate fee equal to \$0.02 per Offered Subscription Receipt, excluding those Offered Subscription Receipts purchased by President's List Subscribers for which a fee equal to \$0.005 per Offered Subscription Receipt purchased by a President's List Subscriber shall be payable, and excluding the Agent's Subscription Receipts for which no fee is payable;
- (b) "**Agent's Subscription Receipts**" means 100,000 Subscription Receipts payable to the Agents as a portion of the work fee as set out in the Agency Agreement;
- (c) "**Agency Agreement**" means the agreement dated effective April 17, 2019 among the Corporation and the Agents in respect of the offering of Offered Subscription Receipts by the Corporation;
- (d) "**Agents**" means, collectively, Haywood and PI Financial Corp.;
- (e) "**Agreement**" means this agreement, as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof;
- (f) "**Amalgamation**" means the amalgamation of Logan Acquisition Corp. and Voleo pursuant to the terms of the Amalgamation Agreement;
- (g) "**Amalgamation Agreement**" means the amalgamation agreement dated effective January 29, 2018, as amended January 11, 2019, between Logan, Logan Acquisition Corp. and Voleo providing for the Amalgamation;
- (h) "**Approved Bank**" means a Canadian chartered bank listed in Schedule 1 of the *Bank Act* (Canada);
- (i) "**Authenticated**" means (a) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized signatory of the Subscription Receipt Agent, (b) with respect to the issuance of a non-certificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such non-certificated Subscription Receipts are entered in the register of Receiptholders, but for clarity, such particulars shall not include underlying beneficial owners or participants of CDS; "Authenticate", "Authenticating" and "Authentication" have the appropriate correlative meanings;

- (j) "**Balance of the Agent's Fee**" means the remaining fifty percent (50%) of the Agent's Fee, payable on the satisfaction of the Escrow Conditions and the release of the Escrowed Funds to the Corporation in accordance with the Agency Agreement;
- (k) "**Business Day**" means a day which is not Saturday or Sunday or a holiday in Vancouver, British Columbia or Toronto, Ontario;
- (l) "**CDS**" means CDS Clearing and Depository Services Inc. and its successors in interest;
- (m) "**Closing Date**" means the date that the closing of the Offering occurs;
- (n) "**Common Shares**" means the common voting shares in the capital of the Corporation, on a post-Consolidation basis;
- (o) "**Corporation**" or "**Logan**" means Logan Resources Ltd.;
- (p) "**Consolidation**" means the consolidation of the outstanding common shares of the Corporation on the basis of one post-consolidation common share for each five (5) pre-consolidation common shares;
- (q) "**Counsel**" means a barrister or solicitor or a firm of barristers or solicitors, who may be counsel for the Corporation, acceptable to the Subscription Receipt Agent, acting reasonably;
- (r) "**Deadline**" means 5:00 p.m. (Toronto time) on the date that is 120 days after the Closing Date;
- (s) "**Designated Offices**" means the principal office of the Subscription Receipt Agent from time to time in the city of Toronto;
- (t) "**Earned Interest**" means the interest or other income actually earned on the investment of the Proceeds between the date hereof and the earlier to occur of the date the Escrow Conditions are satisfied and the other requirements of Section 3.1 are satisfied and the Termination Date;
- (u) "**Escrow Account**" has the meaning given to such term in Section 2.1(a);
- (v) "**Escrow Conditions**" means Haywood being satisfied and receiving a certificate from the Corporation to the effect that: (i) all conditions precedent to the closing of the Amalgamation have been satisfied or waived to the satisfaction of the Corporation and Voleo (other than the release of the Escrowed Funds), (ii) all required court, shareholder and regulatory approvals, including the approval of the TSX Venture Exchange, as applicable for the Amalgamation have been obtained, (iii) all required regulatory approvals have been obtained in connection with the listing on the TSX Venture Exchange of the Common Shares issuable on the conversion of the Subscription Receipts and the Common Shares issuable on the exercise of the Warrants, (d) neither the Corporation nor Voleo is in material breach of the Agency Agreement, and (e) the Agency Agreement has not been terminated.
- (w) "**Escrowed Funds**" means the Proceeds and the Earned Interest;
- (x) "**Extraordinary Resolution**" has the meaning given to it in Section 7.11;
- (y) "**Haywood**" means Haywood Securities Inc.;

- (z) **"Internal Procedures"** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Subscription Receipt Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Subscription Receipt Agent;
- (aa) **"Irrevocable Direction"** has the meaning given to it in Section 3.1;
- (bb) **"Issue Time"** means the time on the date upon which the closing of the Amalgamation takes place at which each of the parties to the Amalgamation Agreement are able to complete the Amalgamation in all material respects in accordance with the terms of the Amalgamation Agreement without material amendment or waiver adverse to Logan but for the release of the Escrowed Funds;
- (cc) **"Offered Subscription Receipts"** means the Subscription Receipts qualified by the Prospectus in connection with the Offering, including the Option Receipts and Agents' Subscription Receipts;
- (dd) **"Offering"** means the offering of the Offered Subscription Receipts pursuant to the Prospectus;
- (ee) **"Option Receipts"** mean the Subscription Receipts issuable to the Agents pursuant to the exercise of the Over-allotment Option;
- (ff) **"Original Purchasers"** has the meaning given to such term in Section 2.18(a);
- (gg) **"Over-allotment Option"** means the over-allotment option granted to the Agents pursuant to the Agency Agreement to purchase up to 2,400,000 Option Receipts at a price of \$0.25 per Option Receipt exercisable in whole or in part by the Agents at any time up to the earlier of (i) the 30th day following the closing of the Offering; and (ii) the Termination Date;
- (hh) **"Person"** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;
- (ii) **"President's List Subscribers"** means a list of eligible purchasers for the Offering for up to the amount of \$3,000,000 as agreed between the Corporation and Haywood;
- (jj) **"Proceeds"** means the aggregate gross proceeds of the Offering less 50% of the Agents' Fee, the cash portion of the Corporate Finance Fee (as defined in the Agency Agreement) and the Agents' Expenses (as defined in the Agency Agreement);
- (kk) **"Prospectus"** means the (final) short form prospectus of the Corporation dated April 17, 2019 relating to the distribution in each of the Provinces of Canada (excluding Quebec) of the Offered Subscription Receipts and, unless the context otherwise requires, includes all documents incorporated therein by reference and any amendments thereto;
- (ll) **"Receipholders"** or **"holders"** means the registered holders from time to time of Subscription Receipts;
- (mm) **"Receipholders' Request"** means an instrument signed in one or more counterparts by Receipholders holding in the aggregate not less than ten (10%) of the then outstanding

Subscription Receipts, with evidence reasonably satisfactory to the Subscription Receipt Agent that such signatories are Receiptholders, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;

- (nn) "**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act.
- (oo) "**Release Notice**" has the meaning given to such term in Section 3.1;
- (pp) "**Released Amount**" has the meaning given to such term in Section 3.2;
- (qq) "**SEC**" means the United States Securities and Exchange Commission;
- (rr) "**Shareholders**" means the registered holders from time to time of Common Shares;
- (ss) "**Subscription Price**" means the sum of \$0.25 per Subscription Receipt;
- (tt) "**Subscription Receipt Agent**" means TSX Trust Company or its successors from time to time under this Agreement, in its capacity as registrar and transfer agent of the Subscription Receipts;
- (uu) "**Subscription Receipt Certificate**" means a certificate evidencing Subscription Receipts in the form attached as **Schedule "A"** hereto;
- (vv) "**Subscription Receipts**" means the subscription receipts issued hereunder and from time to time outstanding, each Subscription Receipt evidencing the rights set out in Subsection 2.2(a);
- (ww) "**Termination Date**" means the date on which the Termination Time occurs;
- (xx) "**Termination Time**" has the meaning given to such term in Section 2.2(a);
- (yy) "**Unit**" means a unit of the Corporation with such unit consisting of one Common Share and one half of one Warrant;
- (zz) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;
- (aaa) "**Voleo**" means Voleo, Inc.;
- (bbb) "**Warrant**" means a warrant, issuable under the Warrant Indenture, to acquire a Common Share at an exercise price of \$0.40 for a period of twenty-four (24) months from the Closing Date, subject to the Corporation's Warrant Acceleration Right;
- (ccc) "**Warrant Acceleration Right**" means in the event that the closing price (or closing bid price on days when there are no trades) of Common Shares on the TSX Venture Exchange exceeds \$0.60 per Common Share for a minimum of 10 consecutive trading days, the Corporation may provide written notice to each holder of Warrants requiring each holder to exercise such Warrants within 30 days following the date of delivery of such written notice; and
- (ddd) "**Warrant Indenture**" means an indenture between the Corporation and TSX Trust Company as warrant agent, dated the date hereof providing for, among other things, the issuance of the Warrants;

1.2 Headings

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

1.3 References

Unless otherwise specified in this Agreement:

- (a) references to Articles, Sections, and Schedules are to Articles, Sections, and Schedules in this Agreement; and
- (b) "hereto", "herein", "hereby", "hereunder", "hereof " and similar expressions, without reference to a particular provision, refer to this Agreement.

1.4 Certain Rules of Interpretation

Unless otherwise specified in this Agreement:

- (a) the singular includes the plural and *vice versa*; and
- (b) references to any gender shall include references to all genders.

1.5 Day Not a Business Day

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

1.6 Applicable Law

This Agreement and the Subscription Receipts shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

1.7 Conflict

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

1.8 Currency

All dollars amounts expressed in this Agreement and in the Subscription Receipts are in lawful money of Canada and all payments required to be made hereunder or thereunder shall be made in Canadian dollars.

1.9 Severability

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

ARTICLE 2
ISSUE OF SUBSCRIPTION RECEIPTS

2.1 Payment Acknowledgement

- (a) If Proceeds are deposited with the Subscription Receipt Agent in accordance with Section 2.3(a), the Subscription Receipt Agent shall, in writing with a separate receipt, acknowledge receipt from the Agents of such funds and shall confirm that such funds have been deposited in a segregated account in the name of the Subscription Receipt Agent designated as "TSX Trust Company as Subscription Receipt Agent for Logan Resources Ltd." (the "**Escrow Account**") or as otherwise jointly directed in writing by the Corporation and Haywood, on behalf of the Agents, and the Subscription Receipt Agent shall retain such amount in accordance with the terms of this Agreement pending payment of such amount in accordance with the terms of this Agreement.

2.2 Terms and Issue of Subscription Receipts

- (a) Each Subscription Receipt shall evidence the right of each holder to receive, without payment of additional consideration or further action on part of the holder:
- (i) if the Escrow Conditions are satisfied on or before the Deadline, and provided that the Release Notice and Irrevocable Direction have been delivered in accordance with Section 3.1, one Unit for each Subscription Receipt held; or
 - (ii) if on or before the Deadline:
 - (A) the Escrow Conditions are not satisfied and the Release Notice has not been delivered to the Subscription Receipt Agent;
 - (B) the Amalgamation Agreement is terminated in accordance with its terms at any earlier time; or
 - (C) the Corporation has advised Haywood, on behalf of the Agents, and the Subscription Receipt Agent by written notice, or has announced to the public, that it does not intend to proceed with the Amalgamation,

(the time of occurrence of any such event being the "**Termination Time**"), an amount per Subscription Receipt (excluding the Agents' Subscription Receipts) equal to the Subscription Price of the Subscription Receipts and their *pro rata* entitlement of Earned Interest thereon, less applicable withholding taxes. The Corporation shall be responsible and liable for any shortfall (including as a result of Section 3.8) between the full Subscription Price plus the amount of the Earned Interest of the Subscription Receipts (excluding the Agents' Subscription Receipts) and the Escrowed Funds.
- (b) A maximum of 18,500,000 Subscription Receipts are hereby created and authorized to be issued.
- (c) The Subscription Receipt Agent is hereby directed, immediately following the execution and delivery of this Agreement, to:
- (i) deliver to Haywood, or deposit at the direction of the Corporation, on behalf of the Agents, such number of Subscription Receipts as directed by the Corporation and registered in the

name of "CDS & Co" NCI Account bearing ISIN: CA5410951134/ CUSIP 541095113;
and

- (ii) deliver to Haywood (or as the Corporation and Haywood may otherwise direct) a number definitive Subscription Receipt Certificates in such numbers and registrations as directed by the Corporation.

2.3 Escrowed Funds to be Placed in Escrow

- (a) Upon any issuance of Offered Subscription Receipts, the Proceeds in respect thereof shall be delivered by Haywood, on behalf of the Agents, to the Subscription Receipt Agent by electronic transfer of funds into the Escrow Account to be held pursuant to the terms hereof.
- (b) The Subscription Receipt Agent hereby agrees to hold the Escrowed Funds as agent on behalf of the Receptholders and the Corporation and to invest, disburse and deal with the same as provided herein.

2.4 Fractional Subscription Receipts

No fractional Subscription Receipts shall be issued or otherwise provided for hereunder.

2.5 Register for Subscription Receipts

The Corporation hereby appoints the Subscription Receipt Agent as registrar of the Subscription Receipts, and the Corporation shall cause to be kept by the Subscription Receipt Agent at the Designated Office, a securities register in which shall be entered the names and addresses of holders of Subscription Receipts and the other particulars, prescribed by law, of the Subscription Receipts held by them. The Corporation shall also cause to be kept by the Subscription Receipt Agent at the Designated Office the register of transfers, and may also cause to be kept by the Subscription Receipt Agent, with their prior consent, branch registers of transfers in which shall be recorded the particulars of the transfers of Subscription Receipts registered in that branch register of transfers.

2.6 Registers Open for Inspection

The registers referred to in Section 2.5 shall be open at all reasonable times during regular business hours of the Subscription Receipt Agent on a Business Day for inspection by the Corporation, the Subscription Receipt Agent or any Receptholder. The Subscription Receipt Agent shall, from time to time when requested so to do by the Corporation and upon payment of its reasonable fees, furnish the Corporation with a list of the names and addresses of Receptholders entered in the registers kept by the Subscription Receipt Agent and showing the number of Subscription Receipts held by each such holder.

2.7 Receptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt evidenced by a Subscription Receipt Certificate or otherwise, shall confer or be construed as conferring upon a Receptholder any right or interest whatsoever as a Shareholder, including, but not limited to, the right to vote at, to receive notice of, or to attend meetings of Shareholders, or the right to receive dividends or any continuous disclosure materials of the Corporation. Receptholders are entitled to exercise the rights expressly provided for in the Subscription Receipts and this Agreement on the terms and conditions set forth herein.

2.8 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts shall rank *pari passu*, whatever may be the actual date of issue of same.

2.9 Electronic Deposit of Offered Subscription Receipts

- (a) Subject to the provisions hereof, the Offered Subscription Receipts will be issued on a non-certificated, book-entry only basis and registered in the name of and deposited electronically with CDS or its nominee.
- (b) Owners of the beneficial interests in the Offered Subscription Receipts shall not be entitled to have Offered Subscription Receipts registered in their names, shall not receive or be entitled to receive Subscription Receipt Certificates in definitive form and shall not be considered owners or holders thereof under this Agreement or any supplemental agreement except in circumstances where CDS resigns or is removed from its responsibility and the Corporation is unable or does not wish to locate a qualified successor. Beneficial interests in the Offered Subscription Receipts will be represented solely through a non-certificated position which will be evidenced by customer confirmations of purchase from the registered dealer from which the Offered Subscription Receipts were purchased in accordance with the practices and procedures of that registered dealer. In addition registration of interests in and transfers of the Offered Subscription Receipts will be made only through the depository service of CDS. The Corporation and the Subscription Receipt Agent shall not have any responsibility or liability for any aspects of the records relating to or payments made by CDS, or its nominee, on account of the beneficial interests in the Offered Subscription Receipts. Nothing herein shall prevent the owners of beneficial interests in the Offered Subscription Receipts from voting such Offered Subscription Receipts using duly executed proxies.
- (c) All references herein to actions by, notices given or payments made to Receiptholders shall refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Receiptholders evidencing a specified percentage of the aggregate Offered Subscription Receipts outstanding, such direction or consent may be given by holders of Offered Subscription Receipts acting through CDS and the CDS participants owning Offered Subscription Receipts evidencing the requisite percentage of the Offered Subscription Receipts. The rights of a Receiptholder whose Offered Subscription Receipts are held through CDS shall be exercised only through CDS and the CDS participants and shall be limited to those established by law and agreements between such beneficial owners and CDS and the CDS participants upon instructions from the CDS participants. Each of the Subscription Receipt Agent and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective beneficial owners and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder.
- (d) For so long as Offered Subscription Receipts are held through CDS, if any notice or other communication is required to be given to Receiptholders who hold Offered Subscription Receipts, the Subscription Receipt Agent will give such notices and communications to CDS.
- (e) If CDS resigns or is removed from its responsibility as depository and the Corporation is unable or does not wish to locate a qualified successor, CDS shall provide the Subscription Receipt Agent with instructions for registration of Offered Subscription Receipts in the names and in the amounts specified by CDS and the Corporation shall issue and the Subscription Receipt Agent shall

Authenticate and deliver the aggregate number of Offered Subscription Receipts then outstanding in the form of definitive Subscription Receipt Certificates representing such Subscription Receipts.

- (f) Notwithstanding anything herein to the contrary, none of the Corporation, the Agents nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for:
- (i) the electronic records maintained by CDS or any CDS participant relating to any ownership interests or any other interests in the Offered Subscription Receipts or the depository system maintained by CDS, or payments made on account of any ownership interest or any other interest of any person in any Offered Subscription Receipt represented by an electronic position in the non-certificated inventory system administered by CDS;
 - (ii) maintaining, supervising or reviewing any records of CDS or any CDS participant relating to any such interest; or
 - (iii) any advice or representation made or given by CDS or those contained herein that relate to the rules and regulations of CDS or any action to be taken by CDS on its own direction or at the direction of any CDS participant.
- (g) Subscription Receipt Certificates, if issued, including all replacements issued in accordance with this Agreement shall be substantially in the form attached hereto as **Schedule "A"**, shall be dated as of the date hereof and shall bear such distinguished letters and numbers as the Corporation may, with the approval of the Subscription Receipt Agent, prescribe, and shall be issuable in any whole number denominations.

2.10 Signing of Subscription Receipt Certificates

Subscription Receipt Certificates, if issued, shall be signed by an officer of the Corporation. The signature of such officer may be mechanically reproduced in facsimile and Subscription Receipt Certificates bearing such facsimile signature shall, subject to Section 2.11, be binding upon the Corporation as if they had been manually signed by such officer. Notwithstanding that the person whose manual or facsimile signature appears on any Subscription Receipt Certificate as such officer may no longer hold such position at the date of such Subscription Receipt Certificate or at the date of Authentication or delivery thereof, any Subscription Receipt Certificate signed as aforesaid shall, subject to Section 2.11, be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Agreement.

2.11 Authentication by the Subscription Receipt Agent

- (a) Subscription Receipts will be Authenticated by the Subscription Receipt Agent upon the receipt of written treasury directions of the Corporation.
- (b) No Subscription Receipt shall be issued or, if issued, shall be valid for any purpose or entitle the Receiptholder to the benefit hereof until:
 - (i) in the case of an Offered Subscription Receipt in non-certificated form, it has been Authenticated by entry on the register of the particulars of the non-certificated Subscription Receipt. Such entry on the register of the particulars of a non-certificated Subscription Receipt shall be conclusive evidence that such non-certificated Subscription Receipt is a valid and binding obligation of the Corporation and that the holder is entitled to the benefits of this Agreement;

- (ii) in the case of a Subscription Receipt in certificated form, the Subscription Receipt Certificate has been Authenticated by manual signature by or on behalf of the Subscription Receipt Agent, and such Authentication by the Subscription Receipt Agent upon any Subscription Receipt Certificate shall be conclusive evidence as against the Corporation that the Subscription Receipt Certificate so Authenticated has been duly issued hereunder and that the holder is entitled to the benefits hereof.
- (c) The Authentication of the Subscription Receipt Agent of a Subscription Receipt issued hereunder shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or the Subscription Receipt Certificates (except the due Authentication thereof) and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipt Certificates or any of them or of the consideration therefor except as otherwise specified herein. The Authentication by or on behalf of the Subscription Receipt Agent on Subscription Receipt Certificates shall constitute a representation and warranty by the Subscription Receipt Agent that the said Subscription Receipt Certificates have been duly Authenticated by or on behalf of the Subscription Receipt Agent pursuant to the provisions of this Agreement.

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

- (a) In case any Subscription Receipt Certificate issued pursuant to this Agreement shall become mutilated or be lost, destroyed or stolen, the Corporation, subject to applicable law and compliance with paragraph (b) below, shall issue and thereupon the Subscription Receipt Agent shall Authenticate and deliver, a new Subscription Receipt Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Subscription Receipt Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be in a form approved by the Subscription Receipt Agent and shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Subscription Receipt Certificates issued or to be issued hereunder. When a new Subscription Receipt Certificate has been issued in substitution for a Subscription Receipt Certificate that has been lost, stolen or destroyed, only the Subscription Receipts represented by one of such certificates shall be counted for the purpose of determining the number of Subscription Receipts outstanding.
- (b) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.12 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Subscription Receipt Agent in their discretion, and such applicant shall also be required to furnish an indemnity and surety bond in amount and form satisfactory to the Corporation and the Subscription Receipt Agent in their discretion and shall pay the reasonable charges of the Corporation and the Subscription Receipt Agent in connection therewith.

2.13 Exchange of Subscription Receipt Certificates

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

- (b) Subscription Receipt Certificates may be surrendered for exchange only at the Designated Office during regular business hours of the Subscription Receipt Agent.

2.14 Charges for Exchange

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

2.15 Transfer and Ownership of Subscription Receipts

- (a) There are no restrictions on the transfer of the Subscription Receipts. However, Subscription Receipts may only be transferred on the register kept at the Designated Office by the Receiptholder or his legal representatives or his attorney duly appointed by an instrument in writing. Upon surrender for registration of transfer of Subscription Receipts at the Designated Office and upon compliance with this Section 2.15, the Corporation shall issue and thereupon the Subscription Receipt Agent shall Authenticate and deliver a new Subscription Receipt Certificate of like tenor in the name of the designated transferee. If less than all the Subscription Receipts evidenced by the Subscription Receipt Certificate(s) so surrendered are transferred, the transferor shall be entitled to receive, in the same manner, a new Subscription Receipt Certificate registered in his name evidencing the Subscription Receipts not transferred. However, notwithstanding the foregoing, Subscription Receipts shall only be transferred upon:
- (i) payment to the Subscription Receipt Agent of a reasonable sum for each new Subscription Receipt Certificate issued upon such transfer, and reimbursement of the Subscription Receipt Agent or the Corporation for any and all stamp taxes or governmental or other charges required to be paid in respect of such transfer;
 - (ii) compliance with all requirements of any legends affixed to a Subscription Receipt Certificate; and
 - (iii) such reasonable requirements as the Subscription Receipt Agent may prescribe,
- and all such transfers shall be duly noted in such register by the Subscription Receipt Agent.
- (b) The Corporation and the Subscription Receipt Agent shall deem and treat the registered owner of any Subscription Receipt as the beneficial owner thereof for all purposes and neither the Corporation nor the Subscription Receipt Agent shall be affected by any notice to the contrary.
- (c) The transfer register in respect of Subscription Receipts shall be closed at the Designated Offices at 5:00 p.m. (Toronto time), on the earlier to occur of the date the Escrow Conditions are satisfied and the Release Notice and Irrevocable Direction have been delivered in accordance with Section 3.1 and the Termination Date (subject to settlement). Trades settling after the date the Escrow Conditions are satisfied and the Release Notice and Irrevocable Direction have been delivered in accordance with Section 3.1 shall be completed by the delivery of Common Shares and Warrants.

- (d) Subject to the provisions of this Agreement and applicable law, a Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts. Either the issue and delivery of Common Shares and Warrants as provided in Section 3.3, or the payment of the Subscription Price and the holder's *pro rata* entitlement of Earned Interest, less applicable withholding taxes, as provided in Section 3.5, all in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Corporation and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Corporation nor the Subscription Receipt Agent shall be bound to inquire into the title of a Receiptholder or a transferee of Subscription Receipts who surrenders a Subscription Receipt Certificate.
- (e) If a Subscription Receipt Certificate tendered for transfer bears a legend, the Subscription Receipt Agent shall not register such transfer unless the Corporation notifies the Subscription Receipt Agent that the Corporation is reasonably satisfied that the transfer is being made in a transaction exempt from, or not subject to, the prospectus requirements of applicable securities laws in Canada and, if applicable, the registration requirements of the U.S. Securities Act and all applicable state securities laws. Prior to any transfer of Subscription Receipts, the Corporation may require delivery of evidence, which may include, without limitation, an opinion of counsel of recognized standing reasonably satisfactory to the Corporation to the effect that the proposed transfer may be effected without registration under the U.S. Securities Act.
- (f) If required by the U.S. Securities Act or any applicable state securities laws, certificates representing Subscription Receipts issued pursuant to transfers of Subscription Receipts shall bear the legend set forth in Section 2.16 and the Corporation will provide direction to the Subscription Receipt Agent to affix such legends to the applicable Subscription Receipt Certificates.

2.16 U.S. Legends

- (a) The Subscription Receipt Agent acknowledges that, upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the U.S. Securities Act and state securities laws, the certificates representing the Offered Subscription Receipts originally issued pursuant to Regulation D and the Common Shares and Warrants issuable in respect thereof, and in each case, all certificates issued in exchange therefor or in substitution thereof, shall bear on the face of such certificates the following legend (in addition to any other legend that may be required under applicable securities laws):

"THE SECURITIES REPRESENTED HEREBY [*FOR THE WARRANTS AND SUBSCRIPTION RECEIPTS ADD: AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF*] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF LOGAN RESOURCES LTD. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES."

[if a Warrant: "THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A PERSON IN THE UNITED STATES OR A U.S. PERSON UNLESS THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE."]

provided, that if such Subscription Receipts or the Common Shares and Warrants issuable pursuant thereto are being transferred in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act, the Subscription Receipts or the Common Shares and Warrants issuable pursuant thereto, may, subject to the expiry of any hold or restricted period under Canadian securities laws, be transferred into an unrestricted CUSIP/ISIN number or, if applicable, the above legend may be removed by providing a declaration to the transfer agent for the applicable securities to the following effect (or as the Corporation may prescribe from time to time) (together with any other evidence required by the transfer agent for the applicable securities, which may, without limitation, include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under the applicable requirements of the U.S. Securities Act):

"The undersigned (A) acknowledges that the sale of _____ securities of Logan Resources Ltd. to which this declaration relates, represented by certificate no. _____, is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and (B) certifies that (1) it is not an "affiliate" (as defined in Rule 405 under the Securities Act) of Logan Resources Ltd., (2) the offer of such securities was not made to a person in the United States and either (a) at the time the transfer or buy order was originated, the transferee or buyer was outside the United States, or the seller or transferor and any person acting on its

behalf reasonably believed that the transferee or buyer was outside the United States or (b) the transaction was executed on or through the facilities of the TSX Venture Exchange, the Toronto Stock Exchange or any other designated offshore securities market, and neither the seller or transferor nor any person acting on its behalf knows that the transaction has been prearranged with a buyer or transferee in the United States, (3) neither the seller nor any person acting on its behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the Securities Act), (5) the seller does not intend to replace such securities with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration requirements of the Securities Act. Terms used herein have the meanings given to them by Regulation S.",

and the Corporation shall use its reasonable best efforts to cause the Subscription Receipt Agent or the registrar and transfer agent for the Common Shares or the warrant agent of the Warrants to remove the foregoing legend or transfer to an unrestricted CUSIP/ISIN number, as applicable, within five (5) Business Days of receipt of the foregoing, as applicable.

- (b) Notwithstanding anything to the contrary contained herein, no transfer of: (i) Subscription Receipts; or (ii) Common Shares and Warrants issuable in respect of such Subscription Receipts, in either case that bears the legend set forth above, is to be made except in accordance with the requirements of such legend, applicable securities laws and, in the case of Subscription Receipts, subsections 2.15(e) and 2.15(f). In particular, such Subscription Receipts and Common Shares and Warrants issuable in respect of such Subscription Receipts may be offered, sold, pledged or otherwise transferred only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

2.17 Listing of Offered Subscription Receipts

The Corporation confirms that application has been made for the Common Shares issuable on the conversion of the Offered Subscription Receipts, and the Common Shares issuable on the exercise of the Warrants, to be listed for trading on the TSX Venture Exchange and that the conditional approval of such stock exchange for the listing of such Common Shares, has been obtained. The Corporation shall use its commercially reasonable efforts to satisfy all of the conditions of such conditional approval as may be required for the purpose of securing such listing.

2.18 Right of Rescission

- (a) If the Prospectus, together with any amendment thereto, contains a misrepresentation (as such term is defined in the *Securities Act* (British Columbia)) and it was a misrepresentation on the date hereof, purchasers of Offered Subscription Receipts to whom the Prospectus was sent or delivered and who were the original purchasers of the Subscription Receipts (the "**Original Purchasers**") shall have a right of action against the Corporation for rescission to receive the Subscription Price exercisable on notice given to the Corporation not more than 180 days subsequent to the date hereof. The right of action for rescission is only available to an Original Purchaser either while he or she is a holder of the Offered Subscription Receipts purchased or while he or she is a holder of the Common Shares issuable upon surrender of such Offered Subscription Receipts.

- (b) In no event shall the Corporation be liable under this Section 2.18 if the Original Purchaser purchased the Offered Subscription Receipts with knowledge of the misrepresentation.

2.19 Reliance by Subscription Receipt Agent

The Subscription Receipt Agent shall have no obligation to ensure or verify compliance with any applicable laws or regulatory requirements on the issue, conversion or transfer of any Subscription Receipts or any Common Shares and Warrants issuable upon the exercise thereof provided such issue, conversion or transfer, as the case may be, is effected in accordance with the terms of this Agreement. The Subscription Receipt Agent may assume for the purposes of this Agreement that any address on the register is the holder's actual address and is also determinative as to residency and that the address of any transferee to whom any Subscription Receipts or Common Shares, as applicable, are to be registered, as shown on the transfer document, is the transferee's residency. The Subscription Receipt Agent shall have no obligation to ensure that the legends appearing on the Subscription Receipts Certificates, Common Shares, or Warrants, as applicable, comply with regulatory requirements or securities laws of any applicable jurisdiction.

ARTICLE 3 SATISFACTION OF ISSUANCE RIGHT OR TERMINATION PAYMENT RIGHT

3.1 Notice of the Amalgamation

If the Escrow Conditions are satisfied on or prior to the Deadline, the Corporation: (a) shall cause a notice executed by the Corporation, substantially in the form attached as **Schedule "C"** hereto (a "**Release Notice**") to be delivered to the Subscription Receipt Agent and to Haywood, on behalf of the Agents; (b) shall concurrently deliver a direction to the Subscription Receipt Agent, substantially in the form attached as **Schedule "B"** hereto (the "**Irrevocable Direction**"), executed by the Corporation and by Haywood, on behalf of the Agents, to issue and deliver the Common Shares and Warrants issuable pursuant to the Subscription Receipts and make the payments as provided for herein; and (c) shall, thereafter, issue a press release setting out the date upon which the closing of the Amalgamation takes place and that the Common Shares and Warrants will be issued effective as at the Issue Time.

3.2 Release of Funds

- (a) Upon the receipt of the Release Notice and the Irrevocable Direction, the Corporation shall be entitled to receive from the Subscription Receipt Agent the Escrowed Funds, less the amounts payable, if any, set forth in section 3.2(b) (the "**Released Amount**"). The Subscription Receipt Agent shall deliver the Released Amount to the Corporation, or to such other party as the Corporation directs in writing, as soon as reasonably practicable after the delivery of the Release Notice and the Irrevocable Direction referred to in Section 3.1 and in any event not later than the Issue Time.
- (b) The Subscription Receipt Agent shall pay or cause to be paid to Haywood on behalf of the Agents, in accordance with the Agency Agreement, the Balance of the Agent's Fee plus Earned Interest thereon, forthwith upon delivery of the documents set forth in Section 3.1 and in any event not later than the Issue Time.

3.3 Issue of Common Shares and Payments thereon

- (a) If the Escrow Conditions are satisfied on or before the Deadline, upon receipt by the Subscription Receipt Agent of the Release Notice and the Irrevocable Direction, the Common Shares and Warrants shall be and shall be deemed to be issued to the Receiptholders in accordance with the right of such holder as described in Section 2.2(a) hereof (which right shall be and shall be deemed to be exercised upon the occurrence of the Issue Time) and such Common Shares and Warrants shall be deemed to be issued at the Issue Time, notwithstanding that a customer confirmation or certificates representing Common Shares and Warrants, as applicable, therefor may not yet have been issued, and the persons to whom such Common Shares and Warrants are to be issued in accordance with the provisions of this Agreement shall be deemed to have become the holders of record of such Common Shares and Warrants at the Issue Time.
- (b) If the Escrow Conditions are satisfied by the Deadline and the Release Notice and Irrevocable Direction have been delivered to the Subscription Receipt Agent in accordance with Section 3.1, the holder of Offered Subscription Receipts shall be entitled from and after the Issue Time, but shall receive no later than five (5) Business Days following the Issue Time, a customer confirmation or certificate, respectively, representing the applicable number of Common Shares and Warrants issuable pursuant to such holder's Offered Subscription Receipts.
- (c) Upon the deemed issuance of the Common Shares and Warrants pursuant to the Subscription Receipts, the Corporation shall direct:
 - (i) CDS to cause to be entered and issued, as the case may be, to the person or persons in whose name or names such Common Shares and Warrants have been issued, a customer confirmation; and
 - (ii) TSX Trust Company, as registrar and transfer agent of the Common Shares and warrant agent of the Warrants, to be issued, to the person or persons in whose name or names such Common Shares and Warrants have been issued and whom previously held Subscription Receipt Certificates, a Common Share and Warrant certificate.
- (d) If any of the Common Shares and Warrants are to be issued to a person or persons other than the Receiptholder, the Receiptholder shall comply with such reasonable requirements as the Corporation may prescribe and pay to the Corporation or the Subscription Receipt Agent on behalf of the Corporation, all applicable transfer or similar taxes or fees and the Corporation shall not be required to issue or deliver certificates evidencing the Common Shares and Warrants unless such Receiptholder shall have paid the amount of such tax or fee or shall have established to the satisfaction of the Corporation that such fee or tax has been paid or that no fee or tax is due.
- (e) Effective immediately after the Common Shares and Warrants have been deemed to be issued as contemplated in Section 3.3(a), the Subscription Receipts relating thereto shall be void and of no value or effect.

3.4 Fractions

Notwithstanding anything herein contained, the Corporation shall not be required, upon the exercise or deemed exercise of the Subscription Receipts to issue fractions of Common Shares or Warrants. All fractions of a Common Share or Warrant will be rounded down to the nearest whole number without any compensation therefor.

3.5 Payment on Termination

- (a) If the Termination Time occurs, the Corporation shall forthwith notify the Subscription Receipt Agent thereof in writing and shall issue a press release setting forth the Termination Date.
- (b) If the Termination Time occurs, the subscription evidenced by each Subscription Receipt shall be automatically terminated and cancelled and each Receiptholder (or a transferee thereof if all applicable transfer requirements, other than registration, have been satisfied) shall be entitled (subject to Section 3.5(d)) from and after the Termination Time, to payment in the aggregate amount of (i) the Subscription Price in respect of each of such holder's Subscription Receipts; and (ii) such holder's *pro rata* entitlement of the Earned Interest, less applicable withholding taxes. The amount paid to each Receiptholder under (i) shall be satisfied by the Escrowed Funds and the amount in (ii), if any, shall be satisfied by the Earned Interest. Any amount not satisfied from the Escrowed Funds (including as a result of Section 3.8) shall be satisfied by the Corporation which shall deposit an amount equal to such shortfall with the Subscription Receipt Agent no later than the Business Day immediately preceding the date such payments are made pursuant to Section 3.5(d).
- (c) If the Escrow Conditions are not satisfied by the Deadline, registers shall be closed at the close of business on the Deadline.
- (d) The obligation to make the payment of the amount specified in Section 3.5(b) shall be satisfied by mailing or delivering payment by cheque or wire transfer to the registered holder of the Subscription Receipts at its registered address by no later than the third Business Day following the Termination Date. The Subscription Receipt Agent shall only be obliged to make payments under this Section 3.5 to the extent that the Escrowed Funds and any additional amount paid by the Corporation pursuant to Subsection 3.5(b) are sufficient to satisfy the aggregate amount owed to the Receiptholders pursuant to Subsections 3.5(b)(i) and 3.5(b)(ii) above.
- (e) Upon the mailing or delivery of any cheque or wire transfer as provided in Section 3.5 (and provided such cheque has been honoured for payment, if presented for payment within six months of the date thereof) all rights evidenced by the Subscription Receipts relating thereto shall be satisfied and such Subscription Receipts shall be void and of no value or effect. For greater certainty, any Escrowed Funds, interest or other monies held by the Subscription Receipt Agent pursuant hereto after the cheque or cheques or wire transfers for the amount specified in Section 3.5 have been mailed or delivered, as the case may be, shall be delivered to the Corporation as soon as reasonably practicable thereafter.

3.6 Cancellation of Surrendered Subscription Receipt Certificates

All Subscription Receipt Certificates surrendered to the Subscription Receipt Agent shall be returned to or received by the Subscription Receipt Agent for cancellation and, if required by the Corporation, the Subscription Receipt Agent shall furnish the Corporation with a cancellation certificate identifying the Subscription Receipt Certificates so cancelled and the number of Subscription Receipts evidenced thereby.

3.7 Share and Warrant Adjustments

- (a) If and whenever at any time after the date hereof and prior to the issue of Common Shares pursuant to Subsection 3.3(a), the Corporation shall subdivide, redivide or change its outstanding Common Shares into a greater number of common shares; reduce, combine or consolidate its outstanding

Common Shares into a smaller number of common shares (other than pursuant to the Consolidation); or distribute to all or substantially all of the holders of Common Shares of rights, options, warrants, evidences of indebtedness or assets (other than dividends in the ordinary course), subject to the prior approval of the TSX Venture Exchange, the number of Common Shares obtainable under each Subscription Receipt shall be adjusted immediately after the effective date of such subdivision, redivision, change, reduction, combination, consolidation or distribution, by multiplying the number of Common Shares theretofore obtainable under each Subscription Receipts by a fraction of which the numerator shall be the total number of Common Shares outstanding immediately after such date and the denominator shall be the total number of Common Shares outstanding immediately prior to such date. Alternatively, such securities, evidences of indebtedness or assets distributed to all or substantially all of the holders of Common Shares, may, at the option of the Corporation and subject to the prior approval of the TSX Venture Exchange, be issued to the holders of Subscription Receipts contemporaneously with the Common Shares issued pursuant to Subsection 3.3(a). The Subscription Receipt Agent shall be entitled to act and rely upon the certificate of the Corporation and any other documents filed by the Corporation pursuant to this Section 3.7 and shall not at any time be under any duty or responsibility to any Receiptholder to determine whether any facts exist which may require any adjustment contemplated by this Section 3.7, or with respect to the nature or extent of any such adjustment when made or the method employed in making such adjustment.

- (b) Any adjustment to the number of Common Shares issuable upon exercise of the Warrants and the price of the Warrants shall be determined in accordance with the terms of the Warrant Indenture.

3.8 Conversion of the Escrowed Funds to Close the Amalgamation

- (a) Notwithstanding anything to the contrary in this Agreement, the Corporation and Haywood shall be jointly entitled to instruct the Subscription Receipt Agent to convert some or all of the Released Amount, into US dollars, prior to the receipt of the Release Notice and the Irrevocable Direction, upon the Subscription Receipt Agent receiving, on or before the Deadline, a written notice and instruction (the "**Conversion Notice and Instruction**") signed by the Corporation and Haywood: (A) to convert some or all of the Released Amount into US dollars, for purposes of closing the Amalgamation and for no other purpose; and (B) instruct the Subscription Receipt Agent that if the Issue Time occurs on or before the Deadline, that portion of the Released Amount (as converted into US dollars) will be delivered to or to the order of such person as the Corporation directs in writing in accordance with Section 3.2, and that if the Issue Time does not occur on or before the Deadline, that portion of the Released Amount (as converted into US dollars) will be immediately converted back into Canadian dollars and subject to the provisions of Section 3.5.
- (b) Upon receipt of such Conversion Notice and Instruction, the Subscription Receipt Agent shall promptly convert such amounts into US dollars at the prevailing exchange rate at such date. The provisions of Section 4.1 shall continue to govern any investment by the Subscription Receipt Agent following any delivery of a Conversion Notice and Instruction. Upon the Subscription Receipt Agent receiving the Release Notice and the Irrevocable Direction, the provisions of Sections 3.1 and 3.2 shall apply to the Escrowed Funds (including such portion thereof converted into US dollars).
- (c) Any Conversion Notice and Instruction delivered to the Subscription Receipt Agent must be received by the Subscription Receipt Agent no later than 4:00 p.m. (Toronto time), or any later time as may be agreed to by the Corporation and the Subscription Receipt Agent, acting reasonably, on the Business Day prior to the day on which the Released Amount is to be converted into US dollars. Any notice received by the Subscription Receipt Agent after such time or received on a day which is not

a Business Day will be handled on a reasonable efforts basis and may result in the Released Amount being converted into US dollars on the next Business Day.

- (d) Subject to Subsection 3.8(e), the Corporation shall be responsible and liable for any shortfall between the full Subscription Price plus the amount of the Earned Interest of the Subscription Receipts and the Escrowed Funds as a result of any currency conversions contemplated by this Section 3.8 in the event of a Termination Time (or otherwise).
- (e) The Agents (or any one of them) may request evidence of the Corporation's compliance with any provision of this Section 3.8.

**ARTICLE 4
INVESTMENT OF PROCEEDS
AND PAYMENT OF INTEREST**

4.1 Investment of Proceeds

- (a) Until released in accordance with this Agreement, the Escrowed Funds shall be kept segregated in the records of the Subscription Receipt Agent and shall be deposited in one or more interest-bearing trust accounts to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more Approved Banks or in a Government of Canada short-term debt obligation or such other short-term investment-grade debt obligations that the Corporation may open as directed by written notice.
- (b) All amounts held by the Subscription Receipt Agent pursuant to this Agreement shall be held by the Subscription Receipt Agent for the benefit of the Receiptholders and the delivery of the Escrowed Funds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship between the Subscription Receipt Agent and the Receiptholders. Subject to the Subscription Receipt Agent's compliance with Section 4.1(a), the amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Receiptholders and, without limiting the generality of the foregoing, the Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 4.1, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. The Corporation acknowledges and agrees that the Subscription Receipt Agent acts prudently in depositing the Escrowed Funds at any Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of any such bank.
- (c) At any time and from time to time, the Corporation shall be entitled to direct the Subscription Receipt Agent by written notice (i) not to deposit any new amounts in any Approved Bank specified in the notice and/or (ii) to withdraw all or any of the Escrowed Funds that may then be deposited with any Approved Bank specified in the notice and re-deposit such amount with one or more of such other Approved Banks as specified in the notice. With respect to any withdrawal notice, the Subscription Receipt Agent will endeavor to withdraw such amount specified in the notice as soon as reasonably practicable and the Corporation acknowledges and agrees that such specified amount remains at the sole risk of the Receiptholders prior to and after such withdrawal.
- (d) For tax reporting purposes, all interest and other taxable income earned from the investment of the Escrowed Proceeds in any tax year shall: (i) to the extent such interest is distributed by the Subscription Receipt Agent to any person or entity pursuant to the terms of this Agreement during

such tax year, be allocated to such person or entity; and (ii) otherwise be allocated to the Corporation in the taxation year that it was earned notwithstanding that no such amount has been distributed. The Corporation agrees to provide the Subscription Receipt Agent with its certified tax identification numbers and other forms, documents and information that the Subscription Receipt Agent may request in order to fulfill any tax reporting function.

4.2 Segregation of Proceeds

The Escrowed Funds received by the Subscription Receipt Agent and any securities or other instruments received by the Subscription Receipt Agent upon the investment or reinvestment of such Escrowed Funds, shall be received as agent for, and shall be segregated and kept apart by the Subscription Receipt Agent as agent and bailee for, the Receiptholders, and for greater certainty shall not form part of the property, estate, assets, undertaking or effects of the Subscription Receipt Agent.

ARTICLE 5 RIGHTS OF THE CORPORATION AND COVENANTS

5.1 Optional Purchases by the Corporation

Subject to applicable law, the Corporation may from time to time purchase by private contract or otherwise any of the Subscription Receipts which will be delivered to the Subscription Receipt Agent for cancellation.

5.2 General Covenants

- (a) The Corporation covenants with the Subscription Receipt Agent and Haywood, on behalf of the Agents, that so long as any Subscription Receipts remain outstanding:
- (i) it will use its reasonable best efforts to maintain its existence, carry on and conduct its business, and that of its material subsidiaries, in a proper, efficient and business-like manner and keep or cause to be kept proper books of account in accordance with generally accepted accounting principles;
 - (ii) it will make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in each of the Provinces of Canada (excluding Quebec);
 - (iii) it will announce by press release the occurrence of the satisfaction of the Escrow Conditions or the Termination Time, as the case may be, in accordance with Section 3.1 or Section 3.5(a), as the case may be;
 - (iv) it will perform and carry out all of the acts or things to be done by it as provided in this Agreement;
 - (v) it will reserve and keep available a sufficient number of Common Shares and Warrants for the purpose of enabling it to satisfy its obligations to issue Common Shares and Warrants pursuant to the Subscription Receipts and Common Shares issuable on the exercise of the Warrants;
 - (vi) it will cause the Common Shares issued pursuant to the Subscription Receipts, and the Common Shares issuable on the exercise of the Warrants, to be duly issued as fully paid

and non-assessable Common Shares and delivered in accordance with the Subscription Receipts and the terms hereof;

- (vii) it will cause the Warrants to be issued under the Warrant Indenture and in accordance with the provisions of this Agreement;
- (viii) it will use its commercially reasonable efforts to ensure that (until the earlier of the satisfaction of the Escrow Conditions and the Termination Date) the Common Shares continue to be or are listed and posted for trading on the TSX Venture Exchange;
- (ix) it will promptly advise the Subscription Receipt Agent, the Agents and the holders of Subscription Receipts in writing of any default under the terms of this Agreement; and
- (x) will perform and carry out all acts and things to be done by it as provided in this Agreement or in order to consummate the transactions contemplated hereby.

5.3 Subscription Receipt Agent's Remuneration, Expenses and Indemnification

- (a) The Corporation covenants that it will pay to the Subscription Receipt Agent from time to time agreed remuneration for its services hereunder and will pay or reimburse the Subscription Receipt Agent upon its request by way of an invoice for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in the administration or execution of this Agreement (including the reasonable compensation and the 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 Subscription Receipt Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Subscription Receipt Agent's gross negligence, wilful misconduct or fraud. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable on demand. The Subscription Receipt Agent shall provide the Corporation with an invoice detailing all amounts owing hereunder at least two Business Days prior to the date that the Corporation has communicated to the Subscription Receipt Agent as the anticipated Issue Time and it is understood and agreed that, upon payment by the Corporation of such invoice prior to the Issue Time, no amount shall be deducted from the Escrowed Funds for outstanding amounts payable to the Subscription Receipt Agent pursuant to this Agreement. It is understood and agreed that the Subscription Receipt Agent's remuneration and expenses shall survive the termination or the discharge of this Agreement or the resignation or replacement of the Subscription Receipt Agent.
- (b) The Corporation hereby indemnifies and saves harmless the Subscription Receipt Agent and its officers, directors, employees and agents from and against any and all liabilities, losses, costs, claims, actions or demands whatsoever which may be brought against the Subscription Receipt Agent or which it may suffer or incur as a result or arising out of the performance of its duties and obligations under this Agreement, save only in the event of the gross negligence, wilful misconduct or fraud of the Subscription Receipt Agent. It is understood and agreed that this indemnification shall survive the termination or the discharge of this Agreement or the resignation or replacement of the Subscription Receipt Agent.

5.4 Performance of Covenants by Subscription Receipt Agent

If the Corporation shall fail to perform any of its covenants contained in this Agreement, the Subscription Receipt Agent may notify the Receiptholders and Haywood, on behalf of the Agents, of

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

5.5 Accounting

The Subscription Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Subscription Receipt Agent hereunder and the receipt, investment, reinvestment and disbursement of the Escrowed Funds, and shall provide to the Corporation and the Agents records and statements thereof periodically upon written request. The Corporation shall have the right to audit any such books, records, accounts and statements.

5.6 Payments by Subscription Receipt Agent

In the event that any funds to be disbursed by the Subscription Receipt Agent in accordance herewith are received by the Subscription Receipt Agent in the form of an uncertified cheque or cheques, the Subscription Receipt Agent shall be entitled to delay the time for disbursement of such funds hereunder until such uncertified cheque or cheques have cleared in the ordinary course the financial institution upon which the same are drawn. The Subscription Receipt Agent will disburse monies according to this Agreement only to the extent that monies have been deposited with it.

5.7 Regulatory Matters

The Corporation shall file all such documents, notices and certificates and take such steps and do such things as may be necessary under applicable securities laws to permit the issuance of the Common Shares and Warrants in the circumstances contemplated by Section 3.3 such that: (i) such issuance will comply with the prospectus and registration requirements of applicable securities laws; and (ii) the first trade in Common Shares and Warrants issued pursuant to the Subscription Receipts will not be subject to, or will be exempt from, the prospectus requirements of applicable securities laws.

ARTICLE 6 ENFORCEMENT

6.1 Suits by Receiptholders

Subject to Section 7.10 hereof, all or any of the rights conferred upon any Receiptholder by any of the terms of the Subscription Receipt Certificates or of this Agreement, or of both, may be enforced by the Receiptholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Subscription Receipt Agent to proceed in its own name to enforce each and all of the provisions contained herein for the benefit of the Receiptholders.

6.2 Immunity of Shareholders, etc.

The Subscription Receipt Agent and, by the acceptance of the Subscription Receipts, the Receiptholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any settlor or any past, present or future Shareholder, director, officer, employee or agent of the Corporation or any successor entity for the issue of the Common Shares pursuant to any

Subscription Receipt or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Subscription Receipt Certificate(s).

6.3 Limitation of Liability

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

ARTICLE 7 MEETINGS OF RECEIPHOLDERS

7.1 Right to Convene Meetings

The Subscription Receipt Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Receiptholders' Request and upon being funded and indemnified to its reasonable satisfaction by the Corporation or by the Receiptholders signing such Receiptholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Receiptholders. In the event of the Subscription Receipt Agent failing to so convene a meeting within five (5) days after receipt of such written request of the Corporation or such Receiptholders' Request and such funding and indemnity given as aforesaid, the Corporation or such Receiptholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver or at such other place as may be determined by the Subscription Receipt Agent and approved by the Corporation.

7.2 Notice

At least ten (10) days prior notice of any meeting of Receiptholders shall be given to the Receiptholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Subscription Receipt Agent (unless the meeting has been called by the Subscription Receipt Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the date (which should be a Business Day) and time when, and the place where the meeting, is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Receiptholders to make 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 7.

7.3 Chairman

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

7.4 Quorum

Subject to the provisions of Section 7.11, at any meeting of the Receiptholders a quorum shall consist of not less than two (2) Receiptholder present in person or by proxy and holding 25% of the then outstanding Subscription Receipts. If a quorum of the Receiptholders shall not be present within thirty

(30) minutes from the time fixed for holding any meeting, the meeting, if summoned by the Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not hold at least 25% of the then outstanding Subscription Receipts.

7.5 Power to Adjourn

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

7.6 Show of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an extraordinary resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7.7 Poll and Voting

On every extraordinary resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Receiptholders acting in person or by proxy and holding at least 5% of the then outstanding Subscription Receipts, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by extraordinary resolution shall be decided by a majority of the votes cast on the poll.

On a show of hands, every person who is present and entitled to vote, whether as a Receiptholder or as proxy for one or more absent Receiptholders, or both, shall have one vote. On a poll, each Receiptholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Subscription Receipt(s) then held or represented by him. A proxy need not be a Receiptholder. In the case of joint holders, any 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 shall be present in person or by proxy, they shall vote together in respect of Subscription Receipts of which they are joint registered holders. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held or represented by him.

7.8 Regulations

The Subscription Receipt Agent, or the Corporation with the approval of the Subscription Receipt Agent, may from time to time make and from time to time vary such regulations as it shall think fit for:

- (a) the setting of the record date for a meeting of holders of Subscription Receipts for the purpose of determining Receiptholders entitled to receive notice of and vote at such meeting;

- (b) the issue of voting certificates by any bank, trust company or other depository satisfactory to the Subscription Receipt Agent stating that the Subscription Receipt Certificates specified therein have been deposited with it by a named person and will remain on deposit until after the meeting, which voting certificate shall entitle the persons named therein to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof in the same manner and with the same effect as though the persons so named in such voting certificates were the actual holders of the Subscription Receipt Certificates specified therein;
- (c) the deposit of voting certificates and instruments appointing proxies at such place and time as the Subscription Receipt Agent, the Corporation or the Receiptholders, convening the meeting, as the case may be, may in the notice convening the meeting direct;
- (d) the deposit of voting certificates and 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 or otherwise sent electronically before the meeting to the Corporation or to the Subscription Receipt Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
- (e) the form of the instrument of proxy; and
- (f) generally for the calling of meetings of Receiptholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Receiptholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Receiptholders or their counsel, or proxies of Receiptholders.

7.9 Corporation and Subscription Receipt Agent may be Represented

The Corporation and the Subscription Receipt Agent, by their respective authorized agents, and the counsel for the Corporation and for the Subscription Receipt Agent may attend any meeting of the Receiptholders, but shall have no vote as such unless in their capacity as Receiptholder or a proxy holder.

7.10 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred upon them by any other provisions of this Agreement or by law, the Receiptholders at a meeting shall, subject to the provisions of Section 7.11, have the power, subject to all applicable regulatory and exchange approvals, exercisable from time to time by extraordinary resolution:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Receiptholders or the Subscription Receipt Agent (subject to its prior consent) against the Corporation or against its undertaking, property and assets or any part thereof whether such rights arise under this Agreement or the Subscription Receipt Certificates or otherwise;
- (b) to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Receiptholders;

- (c) to direct or to authorize the Subscription Receipt Agent to enforce any of the covenants on the part of the Corporation contained in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, and to direct the Subscription Receipt Agent to waive, any default on the part of the Corporation in complying with any provisions of this Agreement or the Subscription Receipt Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;
- (e) to restrain any Receiptholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Agreement or the Subscription Receipt Certificates or to enforce any of the rights of the Receiptholders;
- (f) to direct any Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Receiptholder in connection therewith;
- (g) to assent to any modification of, change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission;
- (h) with the consent of the Corporation (such consent not to be unreasonably withheld), to remove the Subscription Receipt Agent or its successor in office and to appoint a new subscription receipt agent to take the place of the Subscription Receipt Agent so removed;
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any Common Shares or other securities of the Corporation; and
- (j) to assent to any modification of the Corporation's constating documents in circumstances where, had the Common Shares then been outstanding, an extraordinary resolution of the holders of Common Shares would have been required.

7.11 Meaning of Extraordinary Resolution

- (a) The expression "extraordinary resolution" when used in this Agreement means, subject as hereinafter provided in this Section 7.11 and in Section 7.14, a resolution proposed at a meeting of Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy at least two (2) Receiptholders holding more than 25% of the then outstanding Subscription Receipts and passed by the affirmative votes of Receiptholders holding not less than 66 2/3% of the then outstanding Subscription Receipts represented at the meeting and voted on the poll upon such resolution.
- (b) If, at any meeting called for the purpose of passing an extraordinary resolution, at least two (2) Receiptholders holding more than 25% of the then outstanding Subscription Receipts are not present in person or by proxy within thirty (30) minutes after the time appointed for the meeting, then the meeting, if convened by Receiptholders or on a Receiptholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than seven (7)

or more than thirty (30) days later, and to such place and time as may be appointed by the chairman. At the adjourned meeting the Receiptholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting:

- (i) if the extraordinary resolution purports to exercise any of the powers conferred pursuant to Subsection 7.10 (a), (d), (g), (i) or (j) or purports to change the provisions of this Section 7.11 or of Section 7.14 or purports to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Receiptholders in exercise of the powers referred to in this paragraph, a quorum for the transaction of business shall consist of Receiptholders holding more than 25% of the then outstanding Subscription Receipts present in person or by proxy; and
 - (ii) in any other case, a quorum for the transaction of business shall consist of such Receiptholders as are present in person or by proxy.
- (c) Subject to Subsection 7.11(b)(i), at any such adjourned meeting, any resolution passed by the requisite votes as provided in Subsection 7.11(a) shall be an extraordinary resolution within the meaning of this Agreement notwithstanding that Receiptholders holding more than 25% of the then outstanding Subscription Receipts are not present in person or by proxy at such adjourned meeting.
- (d) 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.

7.12 Powers Cumulative

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

7.13 Minutes

Minutes of all resolutions and proceedings at every meeting of Receiptholders shall be made and duly entered in books to be provided from time to time for that purpose by the Subscription Receipt Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had or by the chairman or secretary of the next succeeding meeting held 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 shall be deemed to have been duly passed and taken.

7.14 Instruments in Writing

All actions which may be taken and all powers that may be exercised by the Receiptholders at a meeting held as provided in this Article 7 may also be taken and exercised by an instrument in writing signed in one or more counterparts by such Receiptholders in person or by attorney duly appointed in writing, by Receiptholders holding at least 66 2/3% of then outstanding Subscription Receipts with respect to an extraordinary resolution, and the expression "extraordinary resolution" when used in this Agreement

shall include an instrument so signed by Receiptholders holding at least 66 2/3% of the then outstanding Subscription Receipts.

7.15 Binding Effect of Resolutions

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

7.16 Holdings by Corporation Disregarded

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

**ARTICLE 8
SUPPLEMENTAL AGREEMENTS**

8.1 Provision for Supplemental Agreements for Certain Purposes

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

- (a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Subscription Receipt Agent, relying on the advice of its counsel, prejudicial to the interests of the Receiptholders;
- (b) giving effect to any extraordinary resolution passed as provided in Article 7;
- (c) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Subscription Receipt Agent, relying on the advice of its counsel, prejudicial to the interests of the Receiptholders;
- (d) adding to or altering the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipt Certificates, and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof,
- (e) modifying any of the provisions of this Agreement, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or

relief shall be or become operative or effective only if, in the opinion of the Subscription Receipt Agent, relying on the advice of its counsel, such modification or relief in no way prejudices any of the rights of the Receiptholders or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any such supplemental agreement which in its opinion may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and

- (f) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Subscription Receipt Agent, relying on the advice of its counsel, the rights of the Subscription Receipt Agent and of the Receiptholders are in no way prejudiced thereby.

The Subscription Receipt Agent may rely on any advice or opinions of Counsel it determines necessary in order to furnish any opinion required by this Section 8.1.

ARTICLE 9 CONCERNING THE SUBSCRIPTION RECEIPT AGENT

9.1 Rights and Duties of Subscription Receipt Agent

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent shall exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. No provision of this Agreement shall be construed to relieve the Subscription Receipt Agent from liability for its own gross negligence, wilful misconduct or fraud.
- (b) The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Subscription Receipt Agent or the Receiptholders hereunder shall be conditional upon the Receiptholders furnishing, when required by notice by the Subscription Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and to hold harmless the Subscription Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Agreement shall require the Subscription Receipt Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipts held by them, for which Subscription Receipts the Subscription Receipt Agent shall issue receipts.
- (d) Every provision of this Agreement that by its terms relieves the Subscription Receipt Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of this Section 9.1 and of Section 9.2.
- (e) The Subscription Receipt Agent shall have no duties except those expressly set forth herein, and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of, this Agreement, unless received by it in writing and

signed by the other parties hereto and, if its duties herein are affected, unless it shall have given its prior written consent thereto.

- (f) The Subscription Receipt Agent shall not be responsible for ensuring that the Proceeds are used in the manner contemplated by the Prospectus.
- (g) The Subscription Receipt Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement, which documentation does not require the exercise of any discretion or independent judgment.
- (h) The Subscription Receipt Agent shall incur no liability whatsoever with respect to the delivery or non-delivery of any certificates whether delivery by hand, mail or any other means.
- (i) The Subscription Receipt Agent shall not be responsible or liable in any manner whatsoever for the deficiency, correctness, genuineness or validity of any securities deposited with it.
- (j) The Subscription Receipt Agent shall not be bound to do or give any notice or take any act, action, proceeding for the enforcement of any of the obligations of the Corporation under this Indenture unless and until it shall have received a Receiptholders' Request specifying the act, action or proceeding which the Subscription Receipt Agent is requested to take, nor shall the Subscription Receipt Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and, in the absence of any such notice, the Subscription Receipt Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements, or conditions contained herein.

9.2 Evidence, Experts and Advisers

- (a) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Corporation shall furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as the Subscription Receipt Agent may reasonably require by written notice to the Corporation.
- (b) In the exercise of its rights and duties hereunder, the Subscription Receipt Agent may rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Subscription Receipt Agent pursuant to any provision hereof or pursuant to a request of the Subscription Receipt Agent.
- (c) Whenever applicable legislation requires that evidence referred to in Subsection 9.2(a) be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a certificate of the Corporation required by any provision hereof. Any such statutory declaration may be made by one or more of the authorized officers of the Corporation.
- (d) Whenever it is provided in this Agreement that the Corporation shall deposit with the Subscription Receipt Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions

precedent to the right of the Corporation to have the Subscription Receipt Agent take the action to be based thereon.

- (e) Proof of the execution of an instrument in writing, including a Receiptholders' Request, by any Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to the officer the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Subscription Receipt Agent may consider adequate.
- (f) The Subscription Receipt Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Subscription Receipt Agent. The Corporation shall pay or reimburse the Subscription Receipt Agent for any reasonable fees, expenses and disbursements of such counsel or advisors.

9.3 Documents, Monies, etc. Held by Subscription Receipt Agent

Any securities, documents of title or other instruments that may at any time be held by the Subscription Receipt Agent pursuant to this Agreement may be placed in the deposit vaults of the Subscription Receipt Agent or of any Approved Bank or deposited for safekeeping with any such bank. If the Subscription Receipt Agent has not received a direction under Section 4.1, any monies so held pending the application or withdrawal thereof under any provisions of this Agreement may be deposited in the name of the Subscription Receipt Agent in any Approved Bank, or in the deposit department of the Subscription Receipt Agent or any other loan or trust company authorized to accept deposits under the laws of Canada or a province thereof, at the rate of interest (if any) then current on similar deposits.

9.4 Actions by Subscription Receipt Agent to Protect Interest

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

9.5 Subscription Receipt Agent not Required to Give Security

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

9.6 Protection of Subscription Receipt Agent

By way of supplement to the provisions of this Subscription Receipt Agreement or any law for the time being relating to trustees it is expressly declared and agreed as follows:

- (a) the Subscription Receipt Agent shall not be liable for or by reason of any statements of fact or recitals in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 9.8 or in the certificate of the Subscription Receipt Agent on the Subscription Receipt Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

- (b) nothing herein contained shall impose any obligation on the Subscription Receipt Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;
- (c) the Subscription Receipt Agent shall not be bound to give notice to any person or persons of the execution hereof;
- (d) the Subscription Receipt Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;
- (e) the Subscription Receipt Agent shall be protected in acting upon any written notice, request, waiver, consent, certificate, receipt, statutory declaration or other paper or document furnished to it hereunder, not only as to its due execution and the validity and the effectiveness of its provisions but also as to the truth and acceptability of any information therein contained which it in good faith believes to be genuine and what it purports to be; and
- (f) without limiting any protection or indemnity of the Subscription Receipt Agent under any other provisions hereof, or otherwise at law, the Corporation agrees to indemnify and save harmless the Subscription Receipt Agent and each of its directors, officers, employees, shareholders and agents from and against any and all liabilities, losses, costs, claims, actions, or demands whatsoever which may be brought against the Subscription Receipt Agent or which it may suffer or incur as result of or arising out of the performance of its duties and obligations under this Agreement, save only in the event of the gross negligence, wilful misconduct or fraud of the Subscription Receipt Agent. It is understood and agreed that this indemnification shall survive the termination or discharge of this Agreement or the resignation or replacement of the Subscription Receipt Agent, as the case may be.
- (g) The Subscription Receipt Agent shall disburse monies according to the provisions of this Agreement only to the extent that it is in possession of such monies. The Subscription Receipt Agent shall not under any circumstances be required to disburse funds in excess of the amounts on deposit with the Subscription Receipt Agent at the time of such disbursement. If the Subscription Receipt Agent delivers any payment as required under this Agreement, the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such payment is not received or paid on due presentation; provided that in the event of the non-receipt of such electronic deposit, wire transfer or cheque by the payee, or the loss or destruction of such cheque, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and funding and indemnity reasonably satisfactory to it, shall initiate a new electronic deposit, wire transfer, if the funds have been returned, or issue to such payee a replacement cheque for the amount of such wire transfer or cheque.

9.7 Replacement of Subscription Receipt Agent; Successor by Merger

- (a) The Subscription Receipt Agent may resign its appointment and be discharged from all other duties and liabilities hereunder, subject to this Section 9.7, by giving to the Corporation not less than thirty (30) days prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Receiptholders by extraordinary resolution shall have power at any time to remove the existing Subscription Receipt Agent and to appoint a new subscription receipt agent. In the event of the Subscription Receipt Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder,

Haywood, on behalf of the Agents, shall forthwith appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Receiptholders; failing such appointment by Haywood Agents, on behalf of the Agents, the retiring Subscription Receipt Agent or any Receiptholder may apply to a justice of the Supreme Court of the Province of British Columbia on such notice as such justice may direct, for the appointment of a new subscription receipt agent; but any new subscription receipt agent so appointed by Haywood, on behalf of the Agents, or by the Court shall be subject to removal as aforesaid by the Receiptholders. Any new subscription receipt agent appointed under any provision of this Section 9.7 shall be a corporation authorized to carry on the business of a trust company in the Provinces of British Columbia and Ontario and, if required by the applicable legislation for any other provinces, in such other provinces. On any such appointment the new subscription receipt agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent hereunder. At the request of the Corporation or the new Subscription Receipt Agent, the retiring Subscription Receipt Agent, upon payment of the amounts, if any, due to it pursuant to Section 5.3, shall duly assign, transfer and deliver to the new Subscription Receipt Agent all property and money held and all records kept by the retiring Subscription Receipt Agent hereunder or in connection herewith.

- (b) Upon the appointment of a successor subscription receipt agent, the Corporation shall promptly notify the Receiptholders thereof in the manner provided for in Article 10.
- (c) Any corporation into or with which the Subscription Receipt Agent may be merged or consolidated or amalgamated, or to which all or substantially all of its corporate trust business is sold or otherwise transferred, or any corporation resulting therefrom to which the Subscription Receipt Agent shall be a party, or any corporation succeeding to the corporate trust business of the Subscription Receipt Agent shall be the successor to the Subscription Receipt Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor subscription receipt agent under Subsection 9.7(a).
- (d) Any Subscription Receipt Certificates Authenticated but not delivered by a predecessor subscription receipt agent may be delivered by the successor subscription receipt agent in the name of the predecessor or successor subscription receipt agent.

9.8 Conflict of Interest

- (a) The Subscription Receipt Agent represents to the Corporation and Haywood, on behalf of the Agents, that at the time of execution and delivery hereof no material conflict of interest exists between its role as a subscription receipt agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within ninety (90) days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its appointment as subscription receipt agent hereunder to a successor subscription receipt agent approved by the Corporation and meeting the requirements set forth in Subsection 9.7(a). Notwithstanding the foregoing provisions of this Subsection 9.8(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipt Certificates shall not be affected in any manner whatsoever by reason thereof.
- (b) Subject to Subsection 9.8(a), the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any affiliated entity of the Corporation without being liable to account for any profit made thereby.

9.9 Acceptance of Appointment

The Subscription Receipt Agent hereby accepts the appointment as subscription receipt agent in this Agreement and agrees to perform its duties hereunder upon the terms and conditions herein set forth.

9.10 Subscription Receipt Agent Not to be Appointed Receiver

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

9.11 Anti-Money Laundering and Anti-Terrorist Legislation

The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment, acting reasonably, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) days written notice to the other parties to this Agreement, provided (i) that the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

9.12 Privacy Laws

The Corporation acknowledges that the Subscription Receipt Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes: (a) to provide the services required under this Agreement and other services that may be requested from time to time; (b) to help the Subscription Receipt Agent manage its servicing relationships with such individuals; (c) to meet the Subscription Receipt's Agent legal and regulatory requirements; and (d) if Social Insurance Numbers are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

The Corporation acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of its acting as agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website or upon request, including revisions thereto. The Subscription Receipt Agent may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides. Further, the Corporation agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless the Corporation has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

9.13 Force Majeure

The Subscription Receipt Agent shall not be personally liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, economic sanctions, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

ARTICLE 10 GENERAL

10.1 Notice to the Corporation, Subscription Receipt Agent and Agents

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation, the Agents or the Subscription Receipt Agent shall be deemed to be validly given if delivered by hand courier or if transmitted by telecopier:

(i) if to the Corporation:

Logan Resources Ltd.
Suite 1240 – 1140 West Pender St.
Vancouver, B.C. V6E 4G1

Attention: Carlo Valente, CFO
Facsimile: 604.681.8039
Email: cvalente@kingandbay.com

(ii) if to the Agents:

Haywood Securities Inc.
200 Burrard Street
Vancouver, B.C. V6C 3A6

Attention: Don Wong
Facsimile: 604-697-7499
Email: dwong@haywood.com

(iii) if to the Subscription Receipt Agent:

TSX Trust Company
301 – 100 Adelaide Street W.
Toronto, Ontario M5H 4H1

Attention: Vice-President, Corporate Trust
Facsimile: 416-361-0470
Email: tmxestaff-corporatetrust@tmx.com

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if telecopied or emailed on the day of transmission or, if such day is not a Business Day, on the first Business Day following the day of transmission.

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

10.2 Notice to Receptholders

- (a) Any notice to the Receptholders under the provisions of this Agreement shall be valid and effective if delivered or sent by letter or circular through the ordinary post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five (5) Business Days following actual posting of the notice.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Receptholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Receptholders or if delivered to the address for such Receptholders contained in the register of Subscription Receipts maintained by the Subscription Receipt Agent.
- (c) Accidental error or omission in giving notice or accidental failure to mail notice to any Receptholder will not invalidate any action or proceeding founded thereon. A Receptholder may waive notice of a meeting either before or after the meeting.

10.3 Ownership and Transfer of Subscription Receipts

The Corporation and the Subscription Receipt Agent may deem and treat the registered owner of any Subscription Receipt Certificate or, in the case of a transferee who has surrendered a Subscription Receipt Certificate in accordance with and as contemplated in Section 2.15, such transferee, as the absolute owner of the Subscription Receipt represented thereby for all purposes, and the Corporation and the Subscription Receipt Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Receptholder shall be entitled to the rights evidenced by such Subscription Receipt Certificate free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder thereof and all persons may act accordingly and the receipt of any such Receptholder for the Common Shares and Warrants which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Subscription Receipt Agent for the same and neither the Corporation nor the Subscription Receipt Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Evidence of Ownership

- (a) Upon receipt of a certificate of any bank, trust company or other depository satisfactory to the Subscription Receipt Agent stating that the Subscription Receipts specified therein have been deposited by a named person with such bank, trust company or other depository and will remain so deposited until the expiry of the period specified therein, the Corporation and the Subscription

Receipt Agent may treat the person so named as the owner, and such certificate as sufficient evidence of the ownership by such person of such Subscription Receipt during such period, for the purpose of any requisition, direction, consent, instrument or other document to be made, signed or given by the holder of the Subscription Receipt so deposited.

- (b) The Corporation and the Subscription Receipt Agent may accept as sufficient evidence of the fact and date of the signing of any requisition, direction, consent, instrument or other document by any person (i) the signature of any officer of any bank, trust company, or other depositary satisfactory to the Subscription Receipt Agent as witness of such execution, (ii) the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made that the person signing acknowledged to him the execution thereof, or (iii) a statutory declaration of a witness of such execution.

10.5 Satisfaction and Discharge of Agreement

Upon the earliest of:

- (a) the issue of customer confirmations and/or certificates representing Common Shares and Warrants, and the payment of all monies required as provided in Section 3.2; or
- (b) the payment of all monies required where a Termination Time occurs as provided in Section 3.5,

this Agreement shall cease to be of further effect and the Subscription Receipt Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Subscription Receipt Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with and upon payment of any outstanding fees and expenses, shall execute proper instruments acknowledging satisfaction of and discharging this Agreement. Notwithstanding the foregoing, the indemnities provided to the Subscription Receipt Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Agreement.

10.6 Provisions of Agreement and Subscription Receipts for the Sole Benefit of Parties and Receiptholders

Nothing in this Agreement or in the Subscription Receipt Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto, the Receiptholders and the transferees of Subscription Receipts as contemplated in Section 2.15, as the case may be, any legal or equitable right, remedy or claim under this Agreement, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto, the Receiptholders and such transferees.

10.7 Subscription Receipts Owned by the Corporation or its Subsidiaries - Certificate to be Provided

For the purpose of disregarding any Subscription Receipts owned legally or beneficially by the Corporation or any subsidiary entity of the Corporation in Section 7.16, the Corporation shall provide to the Subscription Receipt Agent, from time to time, a certificate of the Corporation setting forth as at the date of such certificate the number of Subscription Receipts owned legally or beneficially by the Corporation or any affiliated entity of the Corporation, and the Subscription Receipt Agent, in making the computations in Section 7.16, shall be entitled to rely on such certificate without requiring further evidence thereof.

10.8 Effect of Execution

Notwithstanding any provision of this Agreement, should any Subscription Receipt Certificates be issued and Authenticated in accordance with the terms hereof prior to the actual time of execution of this Agreement by the Corporation and the Subscription Receipt Agent, any such Subscription Receipt Certificates shall be void and of no value and effect until such actual execution.

10.9 Time of Essence

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

10.10 Counterparts

This Agreement may be executed and delivered in counterparts, each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. Each of the parties to this Agreement will be entitled to rely on delivery of a facsimile copy of this Agreement and acceptance by each party of any such facsimile copy will be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

10.11 Third Party Interests

The Corporation represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by the Subscription Receipt Agent in connection with this Agreement, for or to the credit of the Corporation, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case the Corporation agrees to complete and execute forthwith a declaration in the Subscription Receipt Agent's prescribed form as to the particulars of such third party.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under their respective corporate seals and the hands of their proper officers in that behalf.

LOGAN RESOURCES LTD.

Per: "Carlo Valente"

**HAYWOOD SECURITIES INC., ON ITS OWN
BEHALF AND ON BEHALF OF PI FINANCIAL
CORP.**

Per: "Lawrence Rhee"
Haywood Securities Inc.

TSX TRUST COMPANY

Per: "Janet Shodipo"

Per: "Tiffany Hu"

SCHEDULE "A"

FORM OF SUBSCRIPTION RECEIPTS

FORM OF SUBSCRIPTION RECEIPT

[Note: If a Subscription Receipt is originally sold pursuant to Regulation D under the U.S. Securities Act or is otherwise required by Section 2.15 or 2.16 to bear the following legend, this certificate will have the following legend added hereto in accordance with Section 2.15 or 2.16 of the Agreement.]

[THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES DELIVERABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF LOGAN RESOURCES LTD. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT, IF AVAILABLE, OR (2) RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES.]

LOGAN RESOURCES LTD.

(a corporation organized pursuant to the laws of the Province of British Columbia)

Number: • CUSIP/ISIN: 541095113/ CA5410951134 [Note: CUSIP/ISIN will only be applicable for Offered Subscription Receipts]

THIS IS TO CERTIFY THAT • (the "**holder**") is the registered holder of • Subscription Receipts represented hereby.

The Subscription Receipts represented by this Subscription Receipt certificate ("**Certificate**") are issued pursuant to a Subscription Receipt Agreement (the "**Agreement**") dated April 30, 2019 among Logan Resources Ltd. (the "**Corporation**"), TSX Trust Company (the "**Subscription Receipt Agent**") and Haywood Securities Inc., on its own behalf and on behalf of PI Financial Corp. (collectively, the "**Agents**").

Capitalized terms used in the Agreement have the same meaning herein as therein, unless otherwise defined.

Each Subscription Receipt entitles each holder, without payment of additional consideration or further action on the part of the holder, if the Escrow Conditions are satisfied on or before the Termination Time, to receive one Common Share and one-half of one Warrant for each Subscription Receipt held. If the Termination Time occurs, the subscription for Common Shares and Warrants represented by each Subscription Receipt shall be automatically terminated and cancelled and each holder shall receive an amount equal to the sum of the Subscription Price and such holder's *pro rata* entitlement of the Earned Interest, all in the manner and on the terms and conditions set out in the Agreement.

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

The holding of the Subscription Receipts evidenced by this Certificate shall not constitute the holder hereof a Shareholder or entitle such holder to any right or interest in respect thereof except as herein and in the Agreement expressly provided.

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

The Subscription Receipts evidenced by this Certificate may be transferred on the register kept at the offices of the Subscription Receipt Agent by the registered holder hereof or his legal representatives or his attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent, only upon payment of the charges provided for in the Agreement and upon compliance with the provisions of the Agreement and with such reasonable requirements as the Subscription Receipt Agent may prescribe. The transfer register shall be closed at 5:00 p.m. (Toronto time) on the earlier to occur of the date the Escrow Conditions are satisfied and the Release Notice and Irrevocable Direction have been delivered in accordance with Section 3.1 of the Agreement and the Termination Date (subject to settlement).

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

Time shall be of the essence hereof. This Certificate is governed by the laws of British Columbia and the laws of Canada applicable therein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized representative of Logan Resources Ltd. as of •, 2019.

LOGAN RESOURCES LTD.

Per: _____

Countersigned by:

TSX TRUST COMPANY

Per: _____

Dated: _____, 2019

SCHEDULE "B"

IRREVOCABLE DIRECTION

TO: TSX TRUST COMPANY

This Irrevocable Direction is being provided pursuant to subparagraph 3.1 of the Subscription Receipt Agreement (the "**Agreement**") dated April 30, 2019 among Logan Resources Ltd. (the "**Corporation**"), TSX Trust Company (the "**Subscription Receipt Agent**") and Haywood Securities Inc., on its own behalf and on behalf of PI Financial Corp. (collectively, the "**Agents**"). Capitalized terms used in the Agreement have the same meaning herein as therein, unless otherwise defined.

The Subscription Receipt Agent is hereby irrevocably directed and authorized, in its capacity as registrar and transfer agent of the Common Shares and in its capacity as Subscription Receipt Agent under the Agreement:

- (a) to release to the Corporation, or as it may direct, the Released Amount;
- (b) to release to Haywood Securities Inc., on behalf of the Agents, the Balance of the Agent's Fee plus Earned Interest thereon, being the amount of \$•;
- (c) to issue on behalf of the Corporation, • fully paid and non-assessable Common Shares to the person or persons to whom such Common Shares are to be issued in book entry form in accordance with and pursuant to the terms of the Subscription Receipt Agreement. Such Common Shares shall be delivered to certain Receiptholders through CDS;
- (d) to issue on behalf of the Corporation, • fully paid and non-assessable Common Shares to the person or persons to whom such Common Shares are to be issued in certificated form in accordance with and pursuant to the terms of the Subscription Receipt Agreement. Such Common Shares shall be certificated and such certificates shall be delivered to certain Receiptholders; and
- (e) to issue on behalf of the Corporation, • Warrants to the person or persons to whom such Warrants are to be issued in accordance with the terms of the Subscription Receipt Agreement and pursuant to the terms of the Warrant Indenture.
- (f)

DATED at Vancouver, British Columbia, this ____ day of _____, 2019.

HAYWOOD SECURITIES INC.

LOGAN RESOURCES LTD.

Per: _____

Per: _____

SCHEDULE "C"

RELEASE NOTICE

TO: TSX TRUST COMPANY

AND TO: HAYWOOD SECURITIES INC. ON BEHALF OF THE AGENTS (AS DEFINED BELOW)

This Release Notice is being provided pursuant to subparagraph 3.1 of the Subscription Receipt Agreement (the "**Agreement**") dated April 30, 2019 among Logan Resources Ltd. (the "**Corporation**"), TSX Trust Company (the "**Subscription Receipt Agent**"), and Haywood Securities Inc., on its own behalf and on behalf of PI Financial Corp. (collectively, the "**Agents**"). Capitalized terms used in the Agreement have the same meaning herein as therein, unless otherwise defined.

The Subscription Receipt Agent and the Agents are hereby notified by the Corporation that the Escrow Conditions have been satisfied.

DATED at Vancouver, British Columbia, this ____ day of _____, 2019.

LOGAN RESOURCES LTD.

Per: _____

VOLEO, INC.

Per: _____