

WARRANT INDENTURE

ZAIO CORPORATION

- AND -

COMPUTERSHARE TRUST COMPANY OF CANADA

Dated as of September 21, 2016

THIS WARRANT INDENTURE is made as of September 21, 2016

BETWEEN:

ZAI0 CORPORATION, a corporation incorporated under the laws of the Province of Alberta (the "Corporation")

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company having an office in Calgary, Alberta (the "Warrant Agent")

WHEREAS:

A. the Corporation has authorized the creation of and is proposing to issue Warrants in the manner herein set forth;

B. each whole Warrant shall, subject to adjustment in certain circumstances, entitle the holder thereof to acquire one Common Share upon the terms and conditions herein set forth; and

C. all acts and deeds necessary have been done and performed to create the Warrants which, when certified by the Warrant Agent and issued as provided in this Indenture, are legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture;

NOW THEREFORE, in consideration of the mutual promises contained in this Indenture and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Corporation hereby appoints the Warrant Agent as trustee for the Warrantholders, to hold the rights, interests and benefits contained herein, of and on behalf of those persons who from time to time become holders of Warrants issued pursuant to this Indenture and the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

- (a) "**Applicable Legislation**" means at any time the provisions of the *Business Corporations Act* (Alberta), as amended or replaced from time to time, and the provisions of all statutes of Canada and each of its provinces, and the regulations under those statutes, relating to trust indentures or to the rights, duties and obligations of trustees and of corporations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;
- (b) "**Applicable Securities Laws**" means all securities, corporate and other laws, statutes, rules and regulations applicable in the Province of Alberta and all notices, blanket orders, blanket rulings, rules and policies of the Exchange;

- (c) "**Business Day**" means any day which is not Saturday or Sunday or a legal holiday in Calgary, Alberta;
- (d) "**Common Shares**" means fully paid and non-assessable common shares in the capital of the Corporation as presently constituted, and, except where the context hereof otherwise requires, includes common shares issued or issuable upon exercise of the Warrants;
- (e) "**Corporation**" means Zaio Corporation and its lawful successors from time to time;
- (f) "**Corporation's Auditors**" means a firm of chartered accountants duly appointed as auditors of the Corporation from time to time;
- (g) "**Counsel**" means a barrister or solicitor or a firm of barristers and solicitors retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent;
- (h) "**Date of Issue**" means the date that a Warrant is issued to a Warrantholder under this Indenture;
- (i) "**director**" means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;
- (j) "**Effective Date**" means the date of this Indenture;
- (k) "**Exchange**" means the TSX Venture Exchange (or any other recognized stock exchange where the Common Shares may become listed and posted for trading);
- (l) "**Exercise Date**" means the date on which the Warrant Certificate representing a Warrant (with a duly completed and executed exercise form and any other required supporting documentation) is duly surrendered for exercise in accordance with Sections 3.1 or 3.2;
- (m) "**exercise form**" means the exercise form set forth in the Warrant Certificate evidencing a Warrant;
- (n) "**Exercise Price**" means \$0.11, as may be adjusted pursuant to Section 4.1, payable to the Corporation for each Common Share to be issued from time to time upon the exercise of a Warrant;
- (o) "**extraordinary resolution**" has the meaning set forth in Section 7.11 in respect of the Warrants;
- (p) "**IFRS**" means International Financial Reporting Standards;
- (q) "**Indenture**", "**herein**", "**hereby**", "**hereof**" and similar expressions mean and refer to this indenture and any other indenture, deed or instrument supplemental hereto, and the expressions "**Article**", "**Section**", "**Subsection**" and "**Paragraph**" followed by a

number, letter or both mean and refer to the specified article, section, subsection or paragraph of this indenture;

- (r) "**Market Price**" means, at any time, the greater of the current market price as defined under the policies of the Exchange and the volume weighted average trading price of the Common Shares on the Exchange (or other stock exchange on which the Common Shares might be listed and posted for trading) for the 20 trading days prior thereto;
- (s) "**person**" means an individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative or any unincorporated organization;
- (t) "**Shareholder**" means a holder of record of one or more Common Shares;
- (u) "**Subsidiary**" means any corporation or other person (other than an individual) of which more than 50% of the outstanding Voting Shares are owned, directly or indirectly, by or for the Corporation, provided that the ownership of such shares confers the right to elect at least a majority of the directors or trustees of such entity and includes any entity in like relation to a Subsidiary;
- (v) "**Underlying Securities**" means the Common Shares issuable upon the exercise of the Warrants;
- (w) "**Voting Shares**" means, with respect to a corporation or other person (other than an individual), securities of the capital stock of any class of such entity carrying voting rights under all circumstances, provided that, for greater certainty, securities which only carry the right to vote conditionally on the happening of an event are not considered "**Voting Shares**", whether or not such event has occurred, nor are any shares deemed to cease to be "**Voting Shares**" solely by reason of a right to vote accruing to securities of another class or classes by reason of the happening of any such event;
- (x) "**Warrant**" means a Common Share purchase warrant of the Corporation entitling the holder to subscribe for and purchase, subject to adjustment in certain circumstances, one Common Share at and for a price of \$0.11 per Common Share on or before the Warrant Expiry Time;
- (y) "**Warrant Agent**" means Computershare Trust Company of Canada or its successors from time to time in the trust hereby created;
- (z) "**Warrant Agency**" means the principal office of the Warrant Agent in the city of Calgary, Alberta or such other place as may be designated in accordance with Section 9.14;
- (aa) "**Warrant Certificate**" means a certificate signed by the Corporation and certified by the Warrant Agent and issued under this Indenture to evidence one or more Warrants, the form of which is attached hereto as Schedule "A";
- (bb) "**Warrant Expiry Time**" means at any time prior to 4:00 p.m. (Calgary time) on the date which is 36 months from the effective Date of Issue;

- (cc) **"Warrantholder"** without reference to any Underlying Securities, means a person who is the registered owner of one or more Warrants or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent;
- (dd) **"Warrantholders' Request"** means an instrument signed in one or more counterparts by Warrantholders (within the meaning set forth in Section 7.1) entitled to acquire in aggregate not less than 25% of the aggregate number of Common Shares which could be acquired pursuant to all then outstanding and unexercised Warrants (within the meaning set forth in Section 7.1), requesting the Warrant Agent to take some action or proceeding specified therein; and
- (ee) **"written order of the Corporation"**, **"written request of the Corporation"**, **"written consent of the Corporation"** and **"certificate of the Corporation"** mean, respectively, a written order, request, consent and certificate signed in the name of the Corporation by its Chairman, President, Chief Financial Officer, Vice-President or a Director, and may consist of one or more instruments so executed.

1.2 Gender and Number

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Interpretation not Affected by Headings, etc.

The division of this Indenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or the Warrants.

1.4 Day not a Business Day

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

1.5 Time of the Essence

Time shall be of the essence hereof and of the Warrants issued hereunder.

1.6 Applicable Law

This Indenture and the Warrant Certificate shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as Alberta contracts. Each of the parties irrevocably attorns to the courts of the Province of Alberta with respect to all matters arising out of this Indenture and the transactions contemplated herein.

1.7 Currency

Except as may otherwise be indicated, all dollar amounts stated in this Indenture are expressed in Canadian funds.

ARTICLE 2 ISSUE OF WARRANTS

2.1 Issue of Warrants

- (a) Up to 12,575,758 Warrants can be created and authorized to be certified and issued, from time to time and in different tranches as the Corporation may determine hereunder, upon and subject to the terms and conditions of this Indenture.
- (b) Subject to compliance with the terms and conditions of this Indenture, the Warrant Agent will certify the Warrants upon receipt of the Corporation's written request to such effect signed by one of its officers or directors.
- (c) The Warrant Certificates and the Warrants represented thereby shall be registered, together with the name and address of the registered holder thereof, in the register of Warrantheolders maintained by the Warrant Agent.

2.2 Terms of Warrants

- (a) Each whole Warrant shall entitle the Warrantheolder, upon exercise in accordance with Article 3, to acquire one Common Share (subject to adjustment in accordance with Article 4) at and for the applicable Exercise Price per Common Share before the Warrant Expiry Time.
- (b) The Corporation will not issue and the Warrant Agent will not certify fractional Warrants or Warrant Certificates representing fractional Warrants hereunder.
- (c) Each Warrant shall entitle the Warrantheolder to such other rights and privileges as are set forth in this Indenture.

2.3 Warrantheolder not a Shareholder

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

2.4 Warrants to Rank *Pari Passu*

All Warrants shall rank *pari passu*, whatever may be the actual Date of Issue.

2.5 Form of Warrants

The Warrant Certificates (including all replacements issued in accordance with this indenture) are to be substantially in the form set out in Schedule "A" hereto, dated as of the effective Date of Issue, bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe, and issuable in any denomination excluding fractions.

2.6 Signing of Warrant Certificates

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

2.7 Certification by the Warrant Agent

- (a) No Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefit hereof until it has been certified by manual signature by or on behalf of the Warrant Agent, and such certification by the Warrant Agent upon any Warrant Certificate shall be conclusive evidence as against the Corporation that the Warrant Certificate so certified has been duly issued hereunder and that the Warrantholder is entitled to the benefits hereof.
- (b) The certification of the Warrant Agent on a Warrant Certificate issued hereunder shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or the Warrant Certificate (except the due certification thereof) or as to the performance by the Corporation of its obligations under this Indenture and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrant Certificate or of the consideration therefor except as otherwise specified herein.

2.8 Issue in Substitution for Warrant Certificates Lost, etc.

- (a) in case any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue and thereupon the Warrant Agent shall certify and deliver a new Warrant Certificate of like tenor and bearing the same legend if applicable as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substitute Warrant Certificate shall be in a form approved by the Warrant Agent, and the Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Warrants issued or to be issued hereunder,

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

2.9 Exchange of Warrant Certificates

- (a) One or more Warrant Certificates representing any number of Warrants may, upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for one or more Warrant Certificates representing the same aggregate number of Warrants and bearing the same legend if applicable as represented under the Warrant Certificate(s) so exchanged,
- (b) Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate tendered for exchange shall be surrendered and cancelled by the Warrant Agency to the Warrant Agent.

2.10 Transfer and Ownership of Warrants

- (a) The Warrants may only be transferred on the register of Warrantholders maintained by the Warrant Agent at the Warrant Agency upon the Warrantholder delivering to the Warrant Agent at the Warrant Agency a written instrument of transfer in form and execution satisfactory to the Warrant Agent and surrendering to the Warrant Agent at the Warrant Agency for cancellation with Warrant Certificate(s) evidencing such Warrants and upon compliance with:
 - (i) the terms and conditions governing the Warrants contained in this Indenture and the Warrant Certificate;
 - (ii) such reasonable requirements as the Corporation and the Warrant Agent may prescribe; and
 - (iii) all applicable securities legislation, including without limitation Applicable Securities Laws, and requirements of regulatory authorities relating to the transferability of the Warrants or restrictions thereon.

Upon compliance with such requirements, the Warrant Agent shall issue to the transferee a Warrant Certificate representing the Warrants transferred. A transfer form is attached to the Warrant Certificate which, once duly completed and delivered by a Warrantholder and the transferee of the Warrants, is *prima facie* satisfactory to the Corporation and the Warrant Agent as a written instrument of transfer for the purposes of transfer of Warrants.

- (b) A Warrantholder may transfer a number of Warrants less than the total number of Warrants evidenced by a Warrant Certificate. If less than all the Warrants represented by a Warrant Certificate are transferred, the Warrant Agent shall issue a new Warrant Certificate representing those Warrants not transferred in the same name as the name appearing on the Warrant Certificate surrendered for transfer.
- (c) Notwithstanding anything contained in this Indenture or in the Warrant Certificates, the Warrant Agent, relying solely on the transfer form attached to the Warrant Certificate or such other reasonable requirements as the Corporation and the Warrant Agent have prescribed pursuant to Subsection 2.10(a), will not register any assignment or transfer of a Warrant if it has reasonable grounds to believe that such transfer is otherwise not in accordance with applicable law.

2.11 Charges for Transfer and Exchange

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

2.12 Cancellation of Surrendered Warrants

All Warrant Certificates surrendered to the Warrant Agency pursuant to Sections 2.8, 2.9, 2.10, 3.1, 3.2 or 5.1 shall be returned to the Warrant Agent for cancellation and, after the expiry of any period of retention prescribed by law, destroyed by the Warrant Agent.

2.13 Inspection of Register

The register of Warrantholders maintained by the Warrant Agent at the Warrant Agency, will, at all reasonable times be open for inspection by the Corporation and any Warrantholder. The Warrant Agent will from time to time when requested to do so in writing by the Corporation or any Warrantholder (upon payment of the reasonable charges of the Warrant Agent), furnish the Corporation or such Warrantholder with a list of the names and addresses of Warrantholders (in the case of a Warrantholder of the same class as such Warrantholder) entered on such register and showing the number of Warrants (in the case of a Warrantholder of the same class as such Warrantholder) held by each such holder thereof.

ARTICLE 3 EXERCISE OF WARRANTS

3.1 Method of Exercise of Warrants

- (a) A Warrantholder may exercise the right conferred by the ownership of Warrants on such holder to acquire Common Shares by surrendering, at any time after the Effective Date and prior to the Warrant Expiry Time, to the Warrant Agency the Warrant Certificate evidencing such Warrants together with a duly completed and executed

exercise form and payment (in accordance with Subsection 3.1(d)) of the aggregate Exercise Price for the Common Shares being acquired.

- (b) For the purposes of this Indenture, a Warrant Certificate shall be deemed to be surrendered only upon personal delivery thereof or, if sent by mail, upon actual receipt thereof at, in each case, the Warrant Agency with a duly completed and executed exercise form for such Warrant Certificate.
- (c) The exercise form for Warrants must be signed by the Warrantholder and, if required by the exercise form, with such signature properly guaranteed, and must specify:
 - (i) the number of Common Shares which the Warrantholder wishes to acquire (being not more than those which such holder is entitled to acquire pursuant to the Warrant Certificate(s) surrendered);
 - (ii) the person or persons in whose name or names such Common Shares are to be issued;
 - (iii) the address or addresses of such person(s); and
 - (iv) the number of Common Shares to be issued to each such person if more than one is so specified.

The Warrantholder shall pay to the Corporation, all applicable transfer or similar taxes and the Corporation shall not be required to issue or deliver certificates evidencing any Common Shares unless or until such Warrantholder shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or that no tax is due.

- (d) The Warrantholder shall pay the Exercise Price for each Common Share being acquired pursuant to the exercise of one or more Warrants by delivery of a certified cheque, money order or bank draft payable to the Corporation. The Warrant Agent will promptly but in any event not less than 5 Business Days forward to the Corporation all such subscription proceeds received upon the exercise of Warrants.

3.2 Partial Exercise of Warrants

A Warrantholder may exercise a number of Warrants that is not more than the total number evidenced by a duly surrendered Warrant Certificate, which the holder is entitled to exercise pursuant to such Warrant Certificate. If a Warrantholder exercises a number of Warrants less than the total number which the holder is entitled to exercise, the Warrantholder is entitled to receive, without charge therefor, a new Warrant Certificate evidencing the balance of the Warrants which are not being exercised.

3.3 Effect of Exercise of Warrants

Upon the exercise of Warrants pursuant to Sections 3.1 or 3.2, and subject to Section 3.6, the Common Shares issuable pursuant to the Warrants exercised shall be deemed to have been issued and the person or persons to whom such Common Shares are to be issued pursuant to Sections 3.1 or 3.2 shall be

deemed to have become the Shareholder of such Common Shares on the Exercise Date for such Warrants, unless the transfer registers of the Corporation shall be closed on such date, in which case such Common Shares shall be deemed to have been issued, and such person or persons deemed to have become the Shareholder of such Common Shares, on the date on which such transfer registers are reopened.

3.4 Common Share Certificates

Subject to Section 3.5, within five Business Days after the Exercise Date with respect to a Warrant, the Corporation shall cause to be mailed to the person or persons in whose name or names the Common Shares have been issued pursuant to Section 3.3, as specified in the exercise form for such Warrant Certificate, at the address specified in such exercise form or, if so specified in such exercise form, cause to be delivered to such person or persons at the Warrant Agency where such Warrant Certificate was surrendered, one or more share certificates for such Common Shares.

3.5 No Fractions of Common Shares

Notwithstanding anything contained in this Indenture, including without limitation any adjustment provided for in Article 4, the Corporation is not required, upon the exercise of any Warrants, to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. The Corporation and the Warrant Agent will round down to the nearest whole number those Common Shares issuable upon the exercise of Warrants and will cancel any fraction of a Common Share arising upon such exercise of Warrants without any compensation therefor.

3.6 Expiration of Warrants

Immediately after the Warrant Expiry Time, all rights under those Warrant Certificates in respect of which the rights of acquisition provided for herein and in the Warrant Certificates have not been exercised, if any, shall cease and terminate and such Warrants shall be void and of no further force or effect.

3.7 Accounting and Recording

- (a) The Warrant Agent shall promptly account to the Corporation with respect to Warrants exercised or deemed to be exercised. Any monies, securities or other instruments from time to time received by the Warrant Agent shall be forwarded to the Corporation.
- (b) The Warrant Agent shall record the particulars of Warrants exercised which shall include the names and addresses of the persons who become Shareholders on such exercise, and the Exercise Date in respect thereof. The Warrant Agent shall provide such particulars in writing to the Corporation within five Business Days after any request by the Corporation therefor.

3.8 Securities Restrictions and Endorsement of Warrant Certificates

Notwithstanding anything contained in this Indenture or the Warrant Certificates, the Corporation will issue Common Shares pursuant to any Warrants, in compliance with the Applicable Securities Laws and, without limiting the generality of the foregoing, the Warrant Certificates and if the Warrants are

exercised pursuant to Sections 3.1 and 3.2 prior to the date that is 4 months plus 1 day from the date of issuance, the certificates representing the Common Shares issued thereby will bear such legend as may, in the opinion of Counsel of the Corporation, be necessary in order to avoid a violation of any securities laws of any province in Canada or to comply with the requirements of any Exchange on which the Common Shares are listed or a written order of the Corporation; provided that, if at any time, in the opinion of Counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such Common Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Corporation in exchange for a certificate which does not bear such legend.

ARTICLE 4

ADJUSTMENT OF NUMBER OF COMMON SHARES AND EXERCISE PRICE

4.1 Adjustment for Warrants

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

- (a) if and whenever at any time from the date hereof and prior to the Warrant Expiry Time, the Corporation shall:
 - (i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares; or
 - (ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares;

the Exercise Price for a Common Share obtainable under each Warrant shall be adjusted immediately after the effective date of such subdivision, redivision, change, reduction, combination or consolidation, by multiplying the Exercise Price theretofore applicable by a fraction of which the denominator shall be the total number of Common Shares outstanding immediately after such date and the numerator shall be the total number of Common Shares outstanding immediately prior to such date. Such adjustment shall be made successively whenever any event referred to in this Subsection shall occur. Upon any adjustment of the Exercise Price pursuant to this Subsection, the number of Common Shares obtainable under each Warrant shall be adjusted contemporaneously by multiplying the number of Common Shares theretofore purchasable on the exercise of a Warrant by a fraction of which the numerator is the Exercise Price in effect immediately prior to such adjustment and the denominator is the Exercise Price resulting from such adjustment;

- (b) if and whenever at any time from the date hereof and prior to the Warrant Expiry Time, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common

Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the current Market Price of a Common Share on such record date, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable; any Common Shares owned by or held for the account of the Corporation or any Subsidiary shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

- (c) if and whenever at any time from the date hereof and prior to the Warrant Expiry Time, the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class, whether of the Corporation or any other person, (ii) rights, options or warrants (excluding those referred to in Subsection 4.1(b)), (iii) evidences of its indebtedness or (iv) assets then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the current Market Price of a Common Share on such record date, less the aggregate fair market value (as determined by the directors, which determination shall be conclusive) of such securities shares, rights, options, warrants, evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such current Market Price; any Common Shares owned by or held for the account of the Corporation or any Subsidiary shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon such shares or rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be.
- (d) if and whenever at any time from the date hereof and prior to the Warrant Expiry Time, there is a reclassification of the Common Shares or a capital reorganization of the

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

- (e) the adjustments provided for in this Section 4.1 are cumulative and, in the case of adjustments to the Exercise Price, are to be computed to the nearest whole cent and apply (without duplication) to successive subdivisions, consolidations or other events resulting in any adjustment under the provisions of this Section 4.1 provided that, notwithstanding any other provisions of this Section, no adjustment of the Exercise Price is required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price in effect (except that any adjustment which by reason of this Subsection are not required to be made are to be carried forward and taken into account in any subsequent adjustment). After any adjustment pursuant to this Section 4.1, the term "Common Shares" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, the Warrantholder is

entitled to receive upon the exercise of its Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 4.1, upon the full exercise of a Warrant.

4.2 Entitlement to Shares on Exercise of a Warrant

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

4.3 No Adjustment for Stock Options

Notwithstanding anything in this Article 4, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Indenture or pursuant to any stock option or stock purchase plan for directors, officers, employees or consultants of the Corporation in force from time to time or pursuant to any other option or right to purchase Common Shares, including without limitation, compensation options, share purchase warrants granted to any person acting as an agent in connection with the distribution of securities of the Corporation or convertible debentures issued by the Corporation prior to the date hereof.

4.4 Determination by Corporation's Auditors

If a question arises with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by the Corporation's Auditors, or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the Corporation, who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Warrant Agent, all Warrantholders and all other persons interested therein.

4.5 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of Counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the securities which the Warrantholders are entitled to receive on the full exercise of Warrants in accordance with the provisions hereof.

4.6 Certificate of Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 4, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of

the Corporation's Auditors verifying such calculation. The Warrant Agent shall rely, and shall be protected in so doing, upon the certificate of the Corporation pursuant to this Article 4 for all purposes.

4.7 Notice of Special Matters

The Corporation covenants with the Warrant Agent that, so long as any Warrants remain outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix a record date that is prior to the Warrant Expiry Time for the issuance of rights, options or warrants (other than the Warrants) to all or substantially all the Shareholders. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date.

4.8 No Action after Notice

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

4.9 Other Action

In case the Corporation, after the date hereof, shall take any action affecting the Common Shares other than actions described in Section 4.1, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholders, the number of Common Shares which may be acquired upon exercise of the Warrants, as the case may be, and the Exercise Price for the Warrants shall be adjusted in such manner and at such time, by action of the directors, as they determine, acting reasonably, to be equitable in the circumstances.

4.10 Participation by Warrantholders

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

4.11 Protection of Warrant Agent

Except as provided in Section 9.2, the Warrant Agent shall not

- (a) at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 4.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (b) at any time be under any duty or responsibility to any Warrantholder to determine or confirm the Warrant Expiry Time contemplated by Section 1.1(bb)(ii);

- (c) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Warrant;
- (d) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and
- (e) incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation.

ARTICLE 5 RIGHTS AND COVENANTS OF THE CORPORATION

5.1 Optional Purchases by the Corporation

The Corporation may from time to time purchase by private contract or otherwise any of the Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. Any Warrant Certificates representing the Warrants purchased pursuant to this Section 5.1 shall forthwith be surrendered to and cancelled by the Warrant Agent. No Warrants shall be issued in replacement thereof.

5.2 General Covenants

The Corporation covenants with the Warrant Agent that, so long as any Warrants remain outstanding, it will use its reasonable efforts to:

- (a) reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Warrants, where the Corporation does not have any unlimited number of Common Shares authorized;
- (b) cause the Common Shares and the certificates representing the Common Shares acquired pursuant to the exercise of the Warrants to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof;
- (c) issue all Common Shares upon the exercise of Warrants as fully paid and non-assessable upon receipt of the aggregate Exercise Price for such Common Shares;
- (d) maintain its corporate existence and carry on, and conduct and will cause to be carried on and conducted, its business in the same manner as heretofore carried on and conducted;

- (e) ensure that all Common Shares outstanding or issuable from time to time (including without limitation the Common Shares issuable on the exercise of the Warrants) are listed and posted for trading on the Exchange or such other stock exchange as may be applicable;
- (f) make all requisite filings under Applicable Securities Laws including those necessary to remain a reporting issuer not in default in each Province of Canada in which it is currently a reporting issuer; and
- (g) generally, well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture.

5.3 Warrant Agent's Remuneration and Expenses

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's gross negligence or wilful misconduct. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section 5.3 will survive the resignation or removal of the Warrant Agent or the termination of this Indenture.

5.4 Securities Qualification Requirements

If, in the opinion of Counsel to the Corporation, any instrument is required to be filed with, or any permission is required to be obtained from, any governmental authority in Canada or any other step is required under any federal or provincial law of Canada before any Underlying Securities which a Warrantholder is entitled to acquire pursuant to the exercise of any Warrant may properly and legally be issued in any jurisdiction where the Corporation is currently a reporting issuer upon due exercise thereof and thereafter traded, without further formality or restriction, the Corporation covenants that it will take such required action.

5.5 Performance of Covenants by Warrant Agent

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Warrantholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it but, subject to Section 9.2, shall be under no obligation to perform such covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

ARTICLE 6 ENFORCEMENT

6.1 Suits by Warranholders

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

6.2 Immunity of Shareholders, etc.

The Warrant Agent and, by the acceptance of the Warrant Certificates, as the case may be, and as part of the consideration for the issue of the Warrants, the Warranholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, officer, employee or agents of the Corporation or any successor corporation on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Warrant Certificates.

6.3 Limitation of Liability

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

6.4 Waiver of Default

Upon the occurrence of any default by the Corporation hereunder:

- (a) the Warranholders of not less than 51% of the aggregate number of Warrants then outstanding shall have the power (in addition to the powers exercisable by extraordinary resolution as provided for in Section 7.10) by requisition in writing to instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or
- (b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, if, in the Warrant Agent's opinion, the same shall have been cured or adequate provision made therefor, provided that no delay or omission of the Warrant Agent or of the Warranholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Warranholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

ARTICLE 7 MEETINGS OF WARRANTHOLDERS

7.1 Right to Convene Meetings

The Warrant Agent may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warranholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Warranholders signing such Warranholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Warranholders. If the Warrant Agent fails to so convene a meeting within 7 days after receipt of such written request of the Corporation or such Warranholders' Request and indemnity and funding being given as aforesaid, the Corporation or such Warranholders, as the case may be, may convene such meeting. Every such meeting shall be held in Calgary, Alberta or at such other place as may be approved or determined by the Warrant Agent and approved by the Corporation, acting reasonably.

7.2 Notice

At least 21 days prior written notice of any meeting of Warranholders shall be given to the Warranholders in the manner provided for in Section 10.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the 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 Warranholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7.

7.3 Chairman

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

7.4 Quorum

Subject to the provisions of Section 7.1, at any meeting of the Warranholders a quorum shall consist of Warranholders present in person or by proxy and entitled to purchase at least 25% of the aggregate number of Common Shares which could be acquired pursuant to all the then outstanding and unexercised Warrants, provided that at least two persons entitled to vote thereat are personally present. If a quorum of the Warranholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by Warranholders or on a Warranholders' Request, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place 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 Warrantholders 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 be entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all then outstanding and unexercised Warrants.

7.5 Power to Adjourn

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

7.6 Show of Hands

Every question submitted to a meeting 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 provided in Section 7.7. 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

- (a) 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 Warrantholders acting in person or by proxy and entitled to acquire in the aggregate at least 5% of the aggregate number of Common Shares which could be acquired pursuant to all the then outstanding and unexercised Warrants, 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.
- (b) On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote.
- (c) On a poll, each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each whole Common Share which he is entitled to acquire pursuant to the then outstanding and unexercised Warrant(s) then held or represented by it.
- (d) A proxy need not be a Warrantholder.
- (e) The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Warrants and proxies, if any, held or represented by him.

7.8 Regulations

The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may make and vary such regulations not contrary to the provisions of this Indenture as it shall think fit for:

- (a) the setting of the record date for a meeting for the purpose of determining, Warrantholders entitled to receive notice of and to vote at the meeting;
- (b) the issue of voting certificates by any bank, trust company or other depository satisfactory to the Warrant Agent stating that the Warrant 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 bearers of the Warrant Certificates specified therein;
- (c) the deposit of voting certificates and instruments appointing proxies at such place and time as the Warrant Agent, the Corporation or the Warrantholders 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 electronically delivered before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting,
- (e) the form of the instrument of proxy for meetings of the Warrantholders, and
- (f) generally for the calling of meetings of Warrantholders 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 Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 7.9), shall be Warrantholders or their counsel, or proxies of Warrantholders.

7.9 Corporation and Warrant Agent May be Represented

Either or both of the Corporation and the Warrant Agent, by their respective directors, employees and officers, and Counsel, may attend any meeting of the Warrantholders. The Corporation and the Warrant Agent shall not be entitled to vote thereat, whether in respect of any Warrants held or deemed to be held by them or otherwise.

7.10 Powers Exercisable by Extraordinary Resolution

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

- (a) agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warranholders or the Warrant Agent in its capacity as trustee hereunder or on behalf of the Warranholders against the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;
- (b) amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Warranholders;
- (c) direct or to authorize the Warrant Agent to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warranholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;
- (d) waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;
- (e) restrain any Warranholder 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 Indenture or the Warrant Certificates or to enforce any of the rights of the Warranholders;
- (f) direct any Warranholder 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 Warranholder in connection therewith;
- (g) assent to any change in or omission from the provisions contained in the Warrant Certificates and this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- (h) with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Warrant Agent or its successor in office and to appoint a new trustee or trustees to take the place of the Warrant Agent so removed; and
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

7.11 Meaning of Extraordinary Resolution

- (a) The expression "extraordinary resolution" when used in this Article means, subject as hereinafter provided in this Section 7.11 and in Section 0, a resolution proposed at a meeting of Warranholders 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 Warranholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding and unexercised

Warrants and passed by the affirmative votes of Warranholders entitled to acquire not less than 66 2/3% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding and unexercised Warrants represented at the meeting and voted on the poll upon such resolution.

- (b) If, at the meeting at which an extraordinary resolution is to be considered, Warranholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding and unexercised Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, convened by Warranholders or on a Warranholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. To be valid as an adjournment for the purposes of this Indenture, not less than ten days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 10.2. Such notice shall state that at the adjourned meeting the Warranholders 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 the Warranholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in this Subsection 7.11 shall be an extraordinary resolution of the Warranholder within the meaning of this Indenture notwithstanding that Warranholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding and unexercised Warrants are not present in person or by proxy at such adjourned meeting.
- (c) Subject to Section 7.14, 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 Indenture stated to be exercisable by the Warranholders by extraordinary resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warranholders to exercise such 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 Warranholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had 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 Warranholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warranholders entitled to acquire at least 66 2/3% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding and unexercised Warrants by an instrument in writing signed in one or more counterparts by such Warranholders in person or by attorney duly appointed in writing, and the expression "extraordinary resolution" when used in this Article shall include an instrument so signed.

7.15 Binding Effect of Resolutions

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

7.16 Holdings by Corporation and its Subsidiaries Disregarded

In determining whether Warranholders holding or deemed to be holding Warrants to acquire the required number of Common Shares are present at a meeting of Warranholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Warranholders' Request or other action under this Article, Warrants owned legally or beneficially by the Corporation or any Subsidiary and not cancelled pursuant to Section 5.1 shall be disregarded and a certificate of the Corporation shall be delivered to the Warrant Agent in accordance with Section 10.7.

ARTICLE 8 SUPPLEMENTAL INDENTURES

8.1 Provision for Supplemental Indentures for Certain Purposes

From time to time the Corporation (when authorized by action of the directors) and the Warrant Agent may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 4;
- (b) increasing the number of Warrants that may be created and authorized to be certified pursuant to Section 2.1;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the circumstances, provided that the same are not in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warranholders;

- (d) giving effect to any extraordinary resolution passed as provided in Article 7;
- (e) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the advice of Counsel, prejudicial to the interests of the Warrantholders;
- (f) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- (g) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, relying on the advice of Counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative; and
- (h) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the advice of Counsel, the rights of the Warrant Agent, relying on the advice of Counsel, and of the Warrantholders are in no way prejudiced thereby.

8.2 Successor Corporations

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

ARTICLE 9 CONCERNING THE WARRANT AGENT

9.1 Trust Indenture Legislation

- (a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

9.2 Rights and Duties of Warrant Agent

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its gross negligence, wilful misconduct or fraud.
- (b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warranholders hereunder shall be conditional upon the Warranholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent, and its officers, directors, employees and agents against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as aforesaid.
- (c) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warranholders, at whose instance it is acting, to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrant Certificates the Warrant Agent shall issue receipts.
- (d) Every provision of this Indenture that by its terms relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it, is subject to the provisions of Applicable Legislation, this Section 9.2 and of Section 9.3.

9.3 Evidence, Experts and Advisers

- (a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.
- (b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to any provision hereof or of Applicable Legislation or pursuant to a request of the Warrant Agent; provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines such evidence and determines that such evidence complies with the applicable requirements of this Indenture.

- (c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.
- (d) Proof of the execution of an instrument in writing, including a Warrantholders' Request, by any Warrantholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof; or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate.
- (e) The Warrant 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, 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 Warrant Agent.
- (f) The Warrant Agent may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser, engineer or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in the administration of the agency hereof.

9.4 Actions by Warrant Agent to Protect Interest

The Warrant 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 Warrantholders.

9.5 Warrant Agent Not Required to Give Security

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

9.6 Warrant Agent Not Required to Give Notice of Default

The Warrant Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required to do so under the terms of this Indenture; nor shall the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant 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. Any such notice shall in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent shall take action with respect to any default.

9.7 Protection of Warrant Agent

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

- (a) the Warrant Agent shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates or the Warrant Certificates (except the representations contained in Section 9.10 and Section 9.15 and in the certificate of the Warrant Agent on the Warrant 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 Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (c) the Warrant Agent shall not be bound to give notice to any person or persons of the execution hereof, and
- (d) the Warrant Agent shall not have any liability or responsibility whatsoever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation.

9.8 Limitation of Liability

Notwithstanding the foregoing or any other provision of this Indenture, any liability of the Warrant Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Corporation to the Warrant Agent under this Indenture in the twelve (12) months immediately prior to the Warrant Agent receiving the first notice of the claim. Notwithstanding any other provision of this Indenture, and whether such losses or damages are foreseeable or unforeseeable, the Warrant Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

9.9 Replacement of Warrant Agent; Successor by Merger

- (a) The Warrant Agent may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this Section 9.8, by giving to the Corporation not less than 90 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by extraordinary resolution passed by each of the Warrantholders shall have power at any time to remove the existing Warrant Agent and to appoint a new Warrant Agent. If the Warrant Agent resigns or is removed as aforesaid or dissolves, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Corporation shall forthwith appoint a new Warrant Agent unless a new Warrant Agent has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Warrant Agent or any Warrantholder may apply to a justice of the Court of Queen's Bench of the Province of Alberta on such notice as such justice may direct, for the appointment of a new Warrant

Agent; but any new Warrant Agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new Warrant Agent appointed under any provision of this Section 9.8 shall be an entity authorized to carry on the business of a trust company in the Province of Alberta and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new Warrant Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent hereunder.

- (b) Upon the appointment of a successor Warrant Agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in Section 10.2 hereof.
- (c) Any corporation into or with which the Warrant Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to the trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Warrant Agent under Subsection 9.9(a).
- (d) Any Warrant Certificates certified but not delivered by a predecessor Warrant Agent may be certified by the successor Warrant Agent in the name of the predecessor or successor Warrant Agent.

9.10 Conflict of Interest

- (a) The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a trustee hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its trust hereunder to a successor trustee approved by the Corporation and meeting the requirements set forth in Subsection 9.9(a). Notwithstanding the foregoing provisions of this Subsection 9.10(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificates shall not be affected in any manner whatsoever by reason thereof.
- (b) Subject to Subsection 9.10(a), the Warrant 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 Subsidiary without being liable to account for any profit made thereby.

9.11 Indemnity

The Corporation hereby indemnifies and agrees to hold harmless the Warrant Agent, its affiliates, their officers, directors, employees, agents, successors and assigns (the "Indemnified Parties") from and against any and all liabilities whatsoever, losses, damages, penalties, claims, demands, actions, suits, proceedings, costs, charges, assessments, judgments, expenses and disbursements, including reasonable legal fees and disbursements of whatever kind and nature which may at any time be imposed on or incurred by or asserted against the Indemnified Parties, or any of them, whether at law

or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Indemnified Parties' duties, or any other services that Warrant Agent may provide in connection with or in any way relating to this Indenture. The Corporation agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding; provided that the Corporation shall not be required to indemnify the Indemnified Parties in the event of the gross negligence or wilful misconduct of the Warrant Agent, and this provision shall survive the resignation or removal of the Warrant Agent or the termination or discharge of this Indenture.

9.12 Acceptance of Trust

This Indenture is entered into with the Warrant Agent for the benefit of, and the Warrant Agent declares that it holds this Indenture and all rights, interests and benefits of this Indenture for, such persons, firms and corporations, and each of them, who are from time to time Warrantholders. The Warrant Agent hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

9.13 Warrant Agent Not to be Appointed Receiver

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

9.14 Warrant Agency

In connection with the exchange of Warrant Certificates and the exercise of Warrants and compliance with such other terms and conditions of this Indenture as may be required, the Corporation hereby appoints the principal office of the Warrant Agent in Calgary, Alberta, and the Warrant Agent hereby accepts such appointment, as the Warrant Agency at which Warrant Certificates may be surrendered for exchange or at which Warrants may be exercised.

The Corporation, with the approval of the Warrant Agent, may from time to time designate alternate or additional places as the Warrant Agency and will give notice to the Warrant Agent of any change in the Warrant Agency.

9.15 Warrant Agent's Authority to Carry on Business

The Warrant Agent represents to the Corporation that at the date of this Indenture, it is authorized to carry on the business of a trust company in the Provinces in which the Corporation is a reporting issuer. If, notwithstanding the provisions of this Section 9.15, it ceases to be authorized to carry on such business in such jurisdictions, the validity and enforceability of this Indenture and the Warrants shall not be affected in any manner whatsoever by reason only of such event provided that the Warrant Agent shall, within 30 days after ceasing to be authorized to carry on such business in any of such jurisdictions, either become so authorized or resign in the manner and with the effects specified in Section 9.8.

**ARTICLE 10
GENERAL**

10.1 Notice to the Corporation and the Warrant Agent

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

If to the Corporation:

Zaio Corporation
3115 Melrose Drive, Suite 130
Carlsbad, California 92010

Facsimile No:
Email: Scopeland@valuationvision.com

Attention: Chief Executive Officer

If to the Warrant Agent:

Computershare Trust Company of Canada
530, 8th Avenue SW, Suite 600
Calgary, Alberta T2P 3S8

Facsimile No: (403) 267-6598
Email: corporatetrust.calgary@computershare.com

Attention: Manager, Corporate Trust

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if mailed, on the fifth Business Day following the date of the postmark on such notice or, if sent by facsimile or other electronic communication, on the next Business Day following the date of transmission, provided the notice is transmitted and received.

- (b) The Corporation or the Warrant Agent, as the case may be, may notify the other in the manner provided in Subsection 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.
- (c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed by facsimile, electronically or other means of prepaid, transmitted and recorded communication.

10.2 Notice to Warrantholders

- (a) Except as otherwise provided herein, any notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if sent by facsimile, electronic communication or ordinary post addressed to such holders at their addresses appearing on the registers hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five Business Days following actual posting of the notice or, if sent by facsimile or other electronic communication on the next Business Day following the date of transmission, provided that its contents are transmitted and received.
- (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 Warrantholders 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 Warrantholders or if delivered by facsimile, electronic communication or other means of prepaid transmitted and recorded communication.

10.3 Ownership of Warrants

The Corporation and the Warrant Agent may deem and treat the registered owner of any Warrants as the absolute owner thereof for all purposes and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights evidenced by its Warrant Certificate, free from all equities or rights of set off or counterclaim between the Corporation and the transferor or any other previous holder of such Warrants, save in respect of equities of which the Corporation or the Warrantholder is required to take notice by statute or by order of a court of competent jurisdiction. The receipt of any such Warrantholder for any Underlying Securities (and such other property, assets and securities) which may be acquired pursuant thereto (or such monies as may be payable to such Warrantholders) shall be a good discharge to the Corporation and the Warrant Agent for the same and neither the Corporation nor the Warrant Agent shall be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 Evidence of Ownership

The Corporation and the Warrant 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 depository satisfactory to the Warrant 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, (iii) a satisfactory declaration of a witness of such execution, or (iv) any other documentation satisfactory to the Corporation or the Warrant Agent.

10.5 Satisfaction and Discharge of Indenture:

Upon the earlier of:

- (a) all Warrant Certificates certified hereunder have been surrendered to the Warrant Agent for exercise or cancellation; or
- (b) the Warrant Expiry Time has occurred; or
- (c) all certificates evidencing Underlying Securities required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions,

this Indenture ceases to be of further effect and the Warrant Agent, on demand of and at the Corporation's cost and expense and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, will execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder remain in full force and effect and survive the termination of this Indenture.

10.6 Sole Benefit of Parties and Warranholders

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

10.7 Warrants Owned by the Corporation or its Subsidiaries

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

- (a) the names (other than the name of the Corporation) of the registered holders of Warrants which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any Subsidiary; and
- (b) the number of Warrants owned legally or beneficially by the Corporation or any Subsidiary which have not been cancelled pursuant to Section 5.1.

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

10.8 Matters Relating to the Privacy of Personal Information

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

The Corporation acknowledges and agrees that the Warrant Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of 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 Warrant Agent shall make available on its website or upon request, including revisions thereto. Some of this personal information may be transferred to servicers in the United States for data processing and/or storage. Further, the Corporation agrees that it shall not provide or cause to be provided to the Warrant Agent any personal information relating to an individual who is not a party to this Indenture unless the Corporation has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

10.9 Stock Exchange Consents

Any action provided for in this Indenture requiring the prior consent of the Exchange or over-the-counter market on which the Common Shares are then listed or quoted, as the case may be, shall not be completed until the requisite consent of the Exchange or over-the-counter market on which the Common Shares are then listed or quoted, as the case may be, is obtained. The Warrant Agent is entitled to assume that all such required consents have been obtained unless it has been otherwise notified in writing by the Corporation.

10.10 Stock Exchange Commission Certification

The Corporation confirms that as at the date of execution of this agreement it does not have a class of securities registered pursuant to Section 12 of the US Securities and Exchange Act of 1934, as amended (the "**Act**") or have a reporting obligation pursuant to Section 15(d) of the Act.

The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the Act or Corporation shall incur a reporting obligation pursuant to Section 15(d) of the Act, or (ii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the Act, the Corporation shall promptly deliver to the Warrant Agent an Officers' Certificate (in a form provided by the Warrant Agent notifying the Warrant Agent of such registration or termination and such other information as the Warrant Agent may require at the time. The Corporation acknowledges that Computershare is relying upon the foregoing representation and

covenants in order to meet certain United States Securities and Exchange Commission ("SEC") obligations with respect to those clients who are filing with the SEC.

10.11 Power to Amend

All and any provisions of this Indenture and the Warrant Certificates may from time to time be amended by agreement between the Corporation and the Warrant Agent on its own behalf and on behalf of the Warrantholders in any respect which they deem necessary or desirable, without the need for any additional consent by or on behalf of the Warrantholders, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained herein or in any manner which the Corporation and the Warrant Agent on its own behalf or on behalf of the Warrantholders may deem necessary or expedient and which does not in the opinion of the Warrant Agent materially prejudice the rights exercisable by extraordinary resolution of the Warrantholders within the meaning of and in accordance with the procedures set forth in Article 6 and any amendments are binding on all Warrantholders from and after the effective date thereof. If this Indenture is so amended, reference herein to this Indenture is, unless the context otherwise requires, construed, as and from the date from which such amendment is expressed to be made, as references to this Indenture as so amended.

10.12 Severability

Any provision of this Indenture which is or becomes void, illegal or unenforceable in any jurisdiction shall be severed from this Indenture and be ineffective in such jurisdiction to the extent thereof but without affecting the validity, legality or enforceability of the provision in any other jurisdiction or of any of the other provisions of this Indenture.

10.13 Further Assurances

The parties to this Indenture and each of them covenant and agree to do such things and execute such further documents, agreements, and assurances as may be reasonably necessary or advisable from time to time in order to carry out the terms and conditions of this Indenture in accordance with their true intent.

10.14 Successors

All the covenants and provisions of this Indenture by or for the benefit of the Corporation or the Warrant Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

10.15 Entire Agreement

This Indenture constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior or contemporaneous agreement, understandings, negotiations and discussions, whether oral or written, of the parties and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Indenture or the subject matter hereof except as specifically set forth in this Indenture.

10.16 Counterparts

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

10.17 Force Majeure

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

10.18 Anti-Money Laundering and Anti-Terrorist Legislation

- (1) Each party to this Agreement other than the Warrant Agent hereby represents to the Warrant Agent that any account to be opened by, or interest to be held by the Warrant Agent in connection with this Agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Warrant Agent's prescribed form as to the particulars of such third party.
- (2) The Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent, in its sole 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 Warrant Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, 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 Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such ten (10) day period, then such resignation shall not be effective.

10.19 Certificates of No Default

At any time if requested by the Warrant Agent, the Corporation shall deliver to the Warrant Agent an Officers' Certificate stating that the Corporation has complied to the best of its knowledge, in all material respects, with all covenants, conditions or other requirements contained in this Indenture. In the event that the Corporation has not complied, in all material respects, with all the covenants and conditions contained herein, it will advise the Warrant Agent and the Warrantholders of such default as soon as reasonably practicable, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance.

[Signature page follows]

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

ZAIO CORPORATION

Per: "Shane Copeland"
Shane Copeland, Chief Executive Officer

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: "W. Anne DeWaele"

Per: "Beatriz Fedozzi"

If issued prior to ____ [THE DATE THAT IS 4 MONTHS PLUS 1 DAY FROM THE DATE OF ISSUANCE] this Certificate shall bear the following legends:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ____ [BEING THE DATE THAT IS 4 MONTHS PLUS 1 DAY FROM THE DATE OF ISSUANCE]"

"WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ____ [BEING THE DATE THAT IS 4 MONTHS PLUS 1 DAY FROM THE DATE OF ISSUANCE]"

THE WARRANTS REPRESENTED HEREBY WILL BE VOID AND OF NO VALUE UNLESS EXERCISED WITHIN THE TIME LIMIT HEREIN PROVIDED.

COMMON SHARE WARRANT CERTIFICATE

ZAIO CORPORATION

(incorporated under the laws of Alberta)

WARRANT

Certificate No. _____

WARRANTS

entitling the Warrantholder to acquire, subject to adjustment, one Common Share for each Warrant represented hereby upon payment of \$0.11 per Common Share.

_____ Date of Issue

THIS IS TO CERTIFY that, for value received _____

(the "Warrantholder") holds _____ common share purchase warrants ("Warrants") and may subscribe for and purchase one common share of the Corporation ("Common Share"), as such shares were constituted on September ____, 2016 on payment of \$0.11 per Common Share (the "Exercise Price"), for each Warrant evidenced hereby in the manner and subject to the restrictions and adjustments set forth herein exercisable at any time and from time to time until 4:00 p.m. (Calgary time) on the date which is 36 months from the Date of Issue of the Warrants (the "Warrant Expiry Time").

The Warrantholder may exercise the right to acquire subject to the terms and conditions governing the Common Shares in whole or in part (but not as to a fractional share) Warrants before the Warrant Expiry Time only by:

- (a) duty completing and executing the exercise form attached hereto;

- (b) surrendering this Warrant Certificate to **COMPUTERSHARE TRUST COMPANY OF CANADA** (the "Warrant Agent") at the principal office of the Warrant Agent in Calgary, Alberta or such other alternate or additional places as the Corporation may from time to time designate in accordance with the Indenture hereinafter referred to (such office or place is referred to as the "Warrant Agency"); and
- (c) submitting payment to the Warrant Agent payable to the Corporation of the Exercise Price of \$0.11 per Common Share as being subscribed for, by certified cheque, money order or bankdraft in lawful money of Canada.

This Warrant Certificate and the Warrants represented hereby are deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt hereof by the Warrant Agent at one of the places referred to above with a duly completed and executed exercise form.

The registered Warrantholder may exercise any number of Warrants that is less than the total number of Warrants evidenced by this Warrant Certificate. In such event, the Warrantholder is entitled to receive a new Warrant Certificate evidencing the balance of the Warrants which have not been exercised. The Corporation will issue no fractional Common Shares or Warrants.

Upon surrender of this Warrant Certificate for the exercise of Warrants evidenced hereby, the person or persons in whose name or names the Common Shares issuable upon the exercise of such Warrants are to be issued, as set forth in the exercise form, are deemed for all purposes (except as provided in the Indenture) to be the holder or holders of record of such Common Shares and the Corporation will (subject to the provisions of the Indenture) within five Business Days cause one or more certificates evidencing such Common Shares to be mailed to such person or persons at the address or addresses specified in the exercise form or, if so specified in the exercise form, to be delivered to such person or persons at the Warrant Agency where this Warrant Certificate was surrendered.

The Warrants evidenced by this certificate are issued under and pursuant to a Share Purchase Warrant Indenture dated September ____, 2016 between the Corporation and the undersigned Warrant Agent, as trustee on behalf of the Warrantholders (the "Indenture"). Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the Warrantholders and the terms and conditions upon which Warrants are, or are to be, issued, held and exercised, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth. In the event of any conflict between the provisions of this Warrant Certificate and the Indenture, the provisions of the Indenture govern. By acceptance hereof, the Warrantholder assents to all provisions of the Indenture. Capitalized terms used in this Warrant Certificate have the meanings ascribed thereto in the Indenture, unless otherwise defined.

In the event of any alteration of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of any form of reorganization of the Corporation, including any amalgamation, merger or arrangement, the Warrantholder is, upon exercise of the Warrants following the occurrence of any of those events, entitled to receive the same number and kind of securities that it would have been entitled to receive had the Warrantholder exercised its Warrants immediately prior to the occurrence of those events, all as provided in the Indenture. The Exercise Price is adjusted to give effect to such events, all as provided in the Indenture.

The Warrantholder may, at any time prior to the Warrant Expiry Time, upon surrender hereof to the Warrant Agent at the Warrant Agency, exchange this Warrant Certificate for other Warrant Certificates evidencing, in the aggregate, the same number of Warrants as are evidenced by this Warrant Certificate.

The holding of the Warrants evidenced by this Warrant Certificate does not constitute the Warrantholder hereof a Shareholder or entitle the Warrantholder to any right or interest in respect thereof except as expressly provided in the Indenture and in this Warrant Certificate.

The Indenture provides that all Warrantholders are bound by any resolution passed at a meeting of the Warrantholders held in accordance with the provisions of the Indenture and by resolutions signed by the Warrantholders entitled to acquire a specified majority of the Common Shares which may be acquired pursuant to all then outstanding and unexercised Warrants.

The Warrants evidenced by this Warrant Certificate may only be transferred on the register of Warrantholders maintained by the Warrant Agent at the Warrant Agency by the registered Warrantholder, or its legal representative or its attorney duly appointed by an instrument in writing, and the transferee of the Warrant, surrendering to the Warrant Agent at the Warrant Agency this Warrant Certificate together with a duly completed, signed and delivered instrument of transfer in writing, in form and execution satisfactory to the Warrant Agent, and upon compliance with the conditions prescribed in the Indenture, such reasonable requirements as the Warrant Agent may prescribe and all applicable securities legislation and requirements of regulatory authorities.

Immediately after the Warrant Expiry Time, all rights under any Warrant evidenced by this Warrant Certificate in respect of which the right to acquire Common Shares has not been exercised shall cease and terminate and such Warrant is void and of no further force and effect.

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

Time is of the essence hereof.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officers as of the ____ day of _____, 20__.

Z A I O CORPORATION

Per: _____
Authorized Signatory

Certified by:
COMPUTERSHARE TRUST COMPANY OF CANADA
Warrant Agent
Date: _____

Per: _____

TRANSFER OF WARRANTS

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

(Print Name and Address of Transferee)

(the "Transferee") a total of Warrants of _____ registered in the name of the _____ undersigned Warrantholder on the records as maintained by **COMPUTERSHARE TRUST COMPANY OF CANADA**, as trustee, evidenced by the Warrant Certificate attached and irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

DATED the ____ day of _____, _____.

Signature Guaranteed

(Signature of Warrantholder)

Instructions:

1. Signature of the Warrantholder must be the signature of the person appearing on the face of this Warrant Certificate.
2. If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.
3. The Warrantholder's signature on the Transfer Form must be guaranteed by a Schedule A major chartered bank/trust company or a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed".

EXERCISE FORM

**TO: ZAIO CORPORATION and
COMPUTERSHARE TRUST COMPANY OF CANADA**

The undersigned hereby exercises the right to acquire _____ Common Shares of ZAIO CORPORATION as such shares were constituted September ____, 2016 (or such number of other securities or property to which such Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the Indenture referred to in the accompanying Warrant Certificate) in accordance with and subject to the provisions of such Indenture.

The Common Shares (or other securities or property) are to be issued as follows:

Name:

(print clearly)

Address in full:

Number of Shares:

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

DATED the ____ day of _____, _____.

Signature Guaranteed

(Signature of Warrantholder)

Print full name

Print full address

Social Insurance Number

Daytime Phone Number _____

Please check if the share certificate(s) are to be picked up at the office of the Warrant Agent where this Warrant Certificate is surrendered, failing which such certificates will be mailed.

Instructions:

1. The registered Warrantholder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate evidencing the Warrants being exercised to **COMPUTERSHARE TRUST COMPANY OF CANADA** at its principal office at 530, 8th Avenue SW, Suite 600, Calgary, Alberta T2P 3S8. Certificates for Common Shares will be delivered or mailed within five Business Days after the exercise of the Warrants.
2. If the Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered Warrantholder of the certificate, the signature of such Warrantholder on the Exercise Form must be guaranteed by a Schedule A major chartered bank/trust company or a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed".
3. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.

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