

SUBSCRIPTION AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, _____.

AMONG:

[CORPORATION], a corporation incorporated under the laws of [jurisdiction] (the "Corporation")

- and -

The person, corporation or other entity whose name and address is set forth on the execution page of this Agreement (the "Subscriber")

WHEREAS the Corporation proposes to issue up to _____ Units to various purchasers;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Corporation and the Subscriber agree as follows:

1. DEFINITIONS

1.1 In this Agreement, unless the subject matter or context is inconsistent therewith, the following words and terms have the prescribed meanings:

- (a) "Agreement" means this Agreement, as amended or supplemented from time to time;
- (b) "Business Day" means a day on which Canadian chartered banks are open for general banking business in Alberta;
- (c) "Unit" means one Class "____" Share of the capital of the Corporation together with a warrant to acquire a Class "____" Share of the capital of the Corporation as described in this Agreement;
- (d) "Closing" means the date on which the Offering is completed, anticipated to be no later than [date];
- (e) "Effective Date" means the date this Agreement is executed by the Subscriber and accepted by the Corporation;
- (f) "Offering" means the offering by the Corporation of up to _____ Units pursuant to this Agreement;
- (g) "Purchased Units" means the number of Units purchased by the Subscriber pursuant to this Agreement as set forth on the execution page hereof;
- (h) "Subscription Price" means the aggregate subscription price paid by the Subscriber for the Purchased Units; and
- (i) "Tax Act" means the *Income Tax Act* (Canada) and the Regulations promulgated thereunder, as amended from time to time.

2. NO OFFERING MEMORANDUM

2.1 The Subscriber hereby acknowledges that no Offering Memorandum or Prospectus has been prepared by the Corporation or delivered to the Subscriber by the Corporation for the purpose of evaluating the investment.

3. SUBSCRIPTION FOR UNITS

3.1 The Subscriber hereby subscribes for and agrees to take up the Purchased Units and agrees that the Subscription Price will be paid by certified cheque or bank draft on the Effective Date, in accordance with the terms of this Agreement.

3.2 The Corporation hereby accepts the subscription of the Subscriber for the Purchased Units and agrees to issue the Purchased Units to the Subscriber no later than fifteen (15) business days from the Closing, subject to the terms of this Agreement.

4. ATTRIBUTES OF THE PURCHASED UNITS

4.1 The preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Class “___” are as follows:

- (a) Holders of the Class “___” Shares shall be entitled to receive notice of and attend all meetings of the Shareholders of the Corporation, except meetings at which only holders of another specified class of shares are entitled to vote, and to one (1) vote in respect of each Class “___” Share held at all such meetings;
- (b) Holders of the Class “___” Shares shall be entitled to receive any dividends specifically declared by the board of directors to be paid to the holders of the Class “___” Shares; provided that the board of directors may, in its absolute discretion but subject to the restrictions on the payment of dividends hereinafter set out, apply any profits or assets of the Corporation properly applicable to the same to the payment of dividends on one (1) or more of the [Class(es)] Shares to the partial or total exclusion of one (1) or more of the other Classes of Shares; and
- (c) Subject to the rights, preferences, restrictions and conditions attached to the [Class(es)] Shares, upon the liquidation, dissolution or winding-up of the Corporation or other distribution of assets or property of the Corporation among its Shareholders for the purpose of winding up its affairs the holders of the Class “___” Shares shall participate fully and ratably in the distribution of the assets or property of the Corporation .

4.2 The preferences, rights, conditions, restrictions, limitations or prohibitions attaching to the Warrants are as follows:

- (a) In the event of any subdivision, consolidation, change, reclassification or alteration of the capital of the Corporation or in the event of the consolidation, amalgamation or merger of the Corporation with another corporation, a proportionate adjustment or change will be made in the number and kind of securities issuable on the exercise of the Warrants;
- (b) The exercise price per share is subject to adjustment in similar circumstances;
- (c) Each Warrant entitles the holder thereof to acquire one Class “___” Share of the Corporation at the subscription price of \$___ per Class “___” Share during the period commencing on the Closing Date and ending on [date];

(d) The Corporation will, during the period in which the Warrants are exercisable, give notice to the Subscriber of certain events at least ten (10) days prior to the effective date of such event.