

[NAME OF CORPORATION]

____% **CONVERTIBLE DEBENTURE DUE** _____ [DATE]

AMOUNT: \$ _____

FOR VALUE RECEIVED **CORPORATION** (hereinafter called the "Corporation") acknowledges itself indebted to and hereby promises to pay to the registered holder hereof on _____, on presentation and surrender of this Debenture at the registered office of the Corporation, the sum of \$ _____, and to pay interest thereon at the rate of ____% per annum, calculated yearly, in like money on the ____ day of _____ of each year during the term, as well after as before maturity or default, and payable within ninety (90) days thereafter at such address as may be specified by the holder.

This Debenture shall be subject to the following conditions:

1. Redemption

1.1 The Corporation may redeem this Debenture without penalty by paying the principal amount outstanding on this Debenture (the "Principal") together with all interest accrued but unpaid thereon as at the effective date of redemption on or before _____ and shall redeem this Debenture on _____.

1.2 In order to effect a redemption of this Debenture, the Corporation shall deliver notice to the holder of its intention to redeem the Debenture not less than 60 days prior to the effective date of redemption.

1.3 If the Corporation gives the notice referred to in paragraph 1.2, at any time during such notice period the holder may elect to convert any amount outstanding on this Debenture into _____ Shares of the Corporation (the "Shares") provided that the holder follows the procedure referred to in Section 2.

1.4 If the holder does not elect to convert this Debenture into Shares, the Corporation may deposit in a special account in any chartered bank or any trust company in _____ named in the Corporation's redemption notice, sufficient funds to fully redeem the Debenture, and thereafter the Debenture shall be deemed to be redeemed as of the effective date of the redemption and the rights of the holder after such redemption date shall be limited to receiving his or her Principal outstanding under the Debenture together with any accrued but unpaid interest payable thereon at redemption, upon presentation of the original Debenture for redemption. Following such deposit, no further interest will be payable upon the redemption moneys after the effective date of redemption. Any interest which may accrue on any such account shall belong to the Corporation.

1.5 Upon the issue of the Shares and the payment of any requisite moneys pursuant to the conversion privilege referred to in section 2, this Debenture shall be deemed to be redeemed by the Corporation.

2. Conversion

2.1 The holder of the Debenture shall have the right at any time prior to the repayment of the Principal to convert all or portion of the principal (but not including any accrued but unpaid interest thereon) into fully paid and non assessable Shares at a price of \$ _____ per share.

THIS IS A 2-PAGE FORM.