

WARRANT INDENTURE

THIS WARRANT INDENTURE made the ____ day of _____, _____.

BETWEEN:

(TRUSTEE) , a corporation carrying on the practice of law and existing under the laws of the Province of _____ (hereinafter referred to as the "Trustee")

OF THE FIRST PART

and

(CORPORATION), a corporation existing under the laws of the Province of _____ (hereinafter referred to as the "Corporation")

OF THE SECOND PART

WHEREAS:

- A. The Corporation proposes to issue share purchase warrants in bearer form, one (1) whole Warrant entitling the bearer thereof to purchase one (1) Class "___" Common Share of the Corporation at the price and upon the terms and conditions herein set forth;
- B. For such purpose the Corporation deems it necessary to create and issue Warrants constituted and issued in the manner hereinafter appearing;
- C. The Corporation is duly authorized to create and issue Warrants to be issued as herein provided;
- D. All things necessary have been done and performed to make the Warrants, when evidenced by a certificate or certificates, issued and certified by the Trustee and issued as in this Indenture provided, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture.

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

ARTICLE ONE - INTERPRETATION

1.01 Definitions - In this Indenture, unless there is something in the subject matter or context inconsistent therewith, the terms defined in this Section or elsewhere shall, for the purposes of this Indenture and all deeds or instruments supplemental or ancillary thereto, have the respective meanings specified in this Section or elsewhere herein, and

- (a) "Business Day" means a day which is not a Saturday or Sunday or legal holiday in the Province of _____;
- (b) "Corporation's Accountants" means an independent firm of chartered accountants duly appointed as accountants of the Corporation;
- (c) "Director" means a director of the Corporation for the time being, and reference to action by the directors means action by the directors of the Corporation as a board or, whenever duly empowered, action by a committee of such board;

- (d) "Dividends Paid in the Ordinary Course" means dividends, whether in cash or securities of the Corporation or in any other property, paid on the Shares in any fiscal year of the Corporation;
- (e) "Execution Date" means the ____ day of _____, _____;
- (f) "Exercise Date" with respect to any Warrant means the date on which such Warrant is surrendered in accordance with the provisions of Article Four hereof;
- (g) "Exercise Price" means \$_____ per Share, unless such price shall have been adjusted in accordance with the provisions of Article Four hereof, in which case it shall mean the adjusted price in effect at such time;
- (h) "Extraordinary Resolution" has the meaning ascribed thereto in Section 7.12 hereof;
- (i) "Person" means an individual, corporation, partnership, trust, trustee or any unincorporated organization, and words importing persons have a similar meaning;
- (j) "Purchase Price" means \$_____ per Warrant;
- (k) "Shareholder" means a holder of record of one (1) or more Shares;
- (l) "Shares" means the Class "____" Common Shares in the capital of the Corporation as such Shares exist at the close of business on the Execution Date; provided that in the event of any adjustment of subscription rights pursuant to Section 4.07 hereof, "Shares" shall thereafter mean the shares or other securities or property resulting from such adjustment;
- (m) "Subsidiary of the Corporation" means a corporation of which voting securities carrying a majority of the votes attached to all outstanding voting securities, directly or indirectly, are owned by the Corporation or by one (1) or more Subsidiaries of the Corporation, or by the Corporation and one (1) or more Subsidiaries of the Corporation, and, as used in this definition, "voting securities" means securities, other than debt securities, carrying a voting right to elect Directors generally either under all circumstances or under some circumstances that have occurred and are continuing;
- (n) "this Warrant Indenture", "this Trust Indenture", "this Indenture", "herein", "hereby", or any similar expression means or refers to this Indenture and any indenture, deed or instrument supplemental or ancillary hereto, and the expressions "Article", "Section" and "Subsection" followed by a number means and refers to the specified Article, Section or Subsection of this Indenture;
- (o) "Time of Expiry" means 5:00 in the afternoon, local time, two (2) years from the Execution Date;
- (p) "Warrantholders" or "Holders" (without reference to Shares) means the holders of bearer certificates evidencing the Warrants for the time being prior to the Time of Expiry;
- (q) "Warrantholders' Request" means an instrument signed in one or more counterparts by Warrantholders entitled, at any one particular time, to purchase in the aggregate not less than _____ percent (____%) of the aggregate number of Shares which could be purchased pursuant to all Warrants then unexercised and outstanding, requesting the Trustee to take some action or proceeding specified therein;

- (r) "Warrants" means the Share purchase warrants entitling the Holders upon payment of the Exercise Price to purchase Shares on the basis of one (1) Share for each Warrant, evidenced by a certificate or certificates, issued and certified hereunder and for the time being outstanding;
- (s) "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 or certificate signed in the name of the Corporation by its chairman or vice-chairman of the board, or president or a vice-president, or a Director and, in addition, by a person who is one of the foregoing persons or the secretary or treasurer or assistant secretary or assistant treasurer of the Corporation, and may consist of one or more instruments so executed.

1.02 Headings - The division of this Indenture into Articles, Sections, Subsections and paragraphs, and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Indenture.

1.03 Number and Gender - In this Indenture, unless otherwise expressly provided or unless the context otherwise requires, words importing number include the singular and the plural, and words importing gender include the masculine, the feminine and the neuter.

1.04 Currency - Except as otherwise expressly provided, all dollar amounts herein are expressed in lawful money of Canada.

1.05 Applicable Law - This Indenture and the certificates evidencing Warrants to be issued and certified hereunder shall be construed in accordance with the laws of the Province of _____ and shall be treated in all respects as _____ contracts.

1.06 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 on or before the next succeeding day that is a Business Day.

ARTICLE TWO - CREATION AND ISSUE OF WARRANTS

2.01 Creation of Warrants - The Corporation hereby authorizes and creates Warrants entitling the Holders thereof from time to time to purchase an aggregate of _____ Shares at the times and upon the terms and conditions herein set forth.

2.02 Execution Date - Upon the Execution Date, the Warrants authorized and created in Section 2.01 hereof, in definitive form, shall be executed by the Corporation, certified by or on behalf of the Trustee, and shall be delivered by the Corporation to the Trustee to be delivered by the Trustee in compliance by it with the instructions of the Corporation.

2.03 Form and Terms of Warrants

- (a) The price at which Warrants may be purchased shall be the Purchase Price.
- (b) The Warrants authorized to be issued hereunder shall entitle the Holder thereof to purchase one (1) Share for each whole Warrant held at any time from the Execution Date until the Time of Expiry. The price at which Shares may be purchased upon the exercise of the Warrants shall be the Exercise Price.
- (c) The number of Shares which may be purchased pursuant to the Warrants and the Exercise Price shall be adjusted in the events and in the manner specified in Article Four hereof.

- (d) The certificates evidencing the Warrants shall be substantially in the form noted and referred to in Article Ten hereof, shall bear such distinguishing letters and numbers as the Corporation may with the approval of the Trustee prescribe, and shall be issuable in any denomination, excluding fractions. Notwithstanding any adjustments pursuant to Article Four hereof, all replacement Warrant certificates shall continue to express the number of Warrants evidenced thereby and the Exercise Price thereof as if such Warrant were initially issued on the Execution Date.

2.04 Issue in Substitution for Mutilated Warrants

- (a) In case any of the Warrants shall become mutilated, the Corporation, subject to applicable law, shall issue and thereupon the Trustee shall certify and deliver a new certificate of like date and tenor as the one mutilated in exchange for and in place of and upon cancellation of such mutilated certificate and the substituted certificate shall be in a form approved by the Trustee and shall be entitled to the benefit hereof and 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 certificate pursuant to this Section shall bear the cost of the issue thereof.

2.05 Warrantholder Not a Shareholder - The holding of a Warrant certificate, or otherwise, shall not constitute the Holder thereof a holder of Shares nor entitle him to any right or interest in respect thereof except as herein and in the Warrant expressly provided.

2.06 Warrants to Rank *Pari Passu* - All Warrants shall rank *pari passu*, whatever may be the actual date of issue of the same.

2.07 Signing and Certification of Warrants

- (a) Subject to Subsection 2.07(b) hereof the Warrant certificates shall be signed by the President of the Corporation.
- (b) No Warrant certificate shall be issued or, if issued, shall be valid or entitle the Holder to the benefit hereof until it has been certified by or on behalf of the Trustee substantially in the form of the certificate set out in Article Ten hereof or in some other form approved by the Trustee, and such certification by the Trustee 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 Holder is entitled to the benefit hereof.
- (c) The certification of the Trustee on Warrant certificates issued hereunder shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Warrant certificate (except the due certification thereof) and the Trustee shall in no respect be liable or answerable for the use made of the Warrants or any of them or of the consideration therefor except as expressly provided in this Indenture.

THIS IS A 21-PAGE FORM.