

## 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.