

SHARE SUBSCRIPTION AGREEMENT

[NAME OF CORPORATION]
(Shares and Warrants)

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

BETWEEN:

[NAME OF CORPORATION]
a corporation incorporated under the laws of the
Province of British Columbia
(the "Corporation")

- and -

THE PARTY NAMED AS PURCHASER BELOW
(the "Purchaser")

WHEREAS:

- A. The Purchaser wishes to subscribe for common shares and warrants (the "Securities") of the Corporation; and
- B. It is the intention of the parties to this agreement (the "Agreement") that this subscription will be made pursuant to appropriate exemptions (the "Exemptions") from the registration and prospectus or equivalent requirements of all rules, policies, notices, orders and legislation of any kind whatsoever (collectively the "Securities Rules") of all jurisdictions applicable to this subscription.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the receipt of which is hereby acknowledged, the parties covenant and agree with each other as follows:

1. Representations and Warranties of the Purchaser

1.1 The Purchaser represents and warrants to the Corporation, and acknowledges that the Corporation is relying on these representations and warranties to, among other things, ensure that it is complying with all of the applicable Securities Rules, as follows:

- (a) that the Purchaser is purchasing the Securities as principal for its own account and not for the benefit of any other person or is deemed to be acting as principal by virtue of it being:
 - (i) a trust corporation or insurer which is authorized to carry on business in British Columbia under the *Financial Institutions Act* (British Columbia) and which is acting as agent or trustee for accounts that are fully managed by it within the meaning of ss. 74(1)(a) of the *Securities Act* (British Columbia) (the "Act") and BCIN 45-701 issued by the British Columbia Securities Commission (the "Commission"); **OR**
 - (ii) a portfolio manager within the meaning of ss. 1(1) of the Act which is carrying on business in British Columbia and which is registered or exempt from registration under

the Act and which is acting as agent for accounts that are fully managed by it within the meaning of ss. 74(1)(b) of the Act and BCIN 45-701; **OR**

- (iii) a trust corporation, insurer or portfolio manager in Canada within the meaning of BCI 45-504 issued by the Commission which is acting, in the case of trust corporation or insurer, as agent or trustee or, in the case of a portfolio manager in Canada, as agent, for accounts that are fully managed by it within the meaning of BCI 45-504 and BCIN 45-701;

and the Purchaser is also deemed to be acting as principal under the analogous provisions of any other Securities Rules having application;

- (b) the Purchaser is a resident (as defined in the *Income Tax Act* (Canada)) of the Province of British Columbia;
- (c) the Purchaser is not a "U.S. Person" (as defined under Regulation S made under the United States Securities Act of 1933, which definition includes an individual resident in the United States and an estate or trust of which any executor or administrator or trustee, respectively, is a U. S. Person) and the Purchaser understands and acknowledges that the Securities have not and will not be registered under the United States Securities Act of 1933, and, subject to certain exceptions, the Securities may not be offered or sold within the United States;
- (d) if the Purchaser is an individual, he or she has attained the age of majority and has the legal capacity and competence to execute this Agreement, and to take all actions required pursuant hereto;
- (e) if the Purchaser is a corporation, the Purchaser is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser is a partnership, syndicate, trust or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in either case, upon the Corporation executing and delivering this Agreement, this Agreement will constitute a legal, valid and binding contract of the Purchaser enforceable against the Purchaser in accordance with its terms and neither the agreement resulting from such acceptance nor the completion of the transactions contemplated hereby conflicts with, or will conflict with, or results, or will result, in a breach or violation of any law applicable to the Purchaser, any constating documents of the Purchaser or any agreement to which the Purchaser is a party or by which the Purchaser is bound;
- (f) prior to entering into this Agreement, the Purchaser received a copy of the Offering Memorandum prepared for the distribution of these Securities, and confirms that the Purchaser has thoroughly read the Offering Memorandum and understands the nature of and risks involved in the proposed investment;
- (g) other than the Offering Memorandum, the Purchaser has not requested access to and does not need to receive any other information concerning the Corporation;
- (h) in the Purchaser's decision to execute this Agreement and purchase the Securities agreed to be purchased hereunder, it has relied solely upon the Offering Memorandum and this Agreement, and the Purchaser's decision has not been based upon any oral or written representation as to fact or otherwise made by or on behalf of the Corporation or any

employee, director, officer, agent or affiliate of, or any other person associated with the Corporation;

- (i) the Purchaser acknowledges that because this subscription is being made pursuant to the Exemptions:
 - (i) the Purchaser is restricted from using certain of the civil remedies available under the applicable Securities Rules;
 - (ii) the Purchaser may not receive information that might otherwise be required to be provided to the Purchaser under the applicable Securities Rules if the Exemptions were not being used; and
 - (iii) the Corporation is relieved from certain obligations that would otherwise apply under the applicable Securities Rules if the Exemptions were not being used;
- (j) the Purchaser will not resell, assign or otherwise dispose of the Securities other than in accordance with the Securities Rules and the requirements of any stock exchange or quotation system upon which any securities of the Corporation are then listed;
- (k) the Purchaser acknowledges that its investment in the Securities is speculative and involves a high degree of risk, substantial financing for the Corporation will be required in the future, and there is no assurance that any such additional financing can be obtained;
- (l) the Purchaser is able to bear the economic risks of an investment in the Securities, including, without limiting the generality of the foregoing, the risk of losing all or part of the Subscription Funds (as hereinafter defined), and the inability to sell, convert, exchange or transfer the Securities for an indefinite period of time or at a price which would enable the Purchaser to recoup his, her or its investment in the Securities;
- (m) the Purchaser acknowledges that one or more agents, brokers, dealers, sponsors, finders or consultants may receive a commission or other fees from the Corporation in connection with the Purchaser's purchase of Securities as set out in the Offering Memorandum;
- (n) the Purchaser will execute, deliver, file and otherwise assist the Corporation in filing, any report, undertaking or document with respect to the purchase of the Securities as required by the Securities Rules within the applicable time periods;
- (o) the Purchaser hereby authorizes the Corporation to correct any minor errors in, or complete any minor information missing from, any document which has been executed by the Purchaser and delivered to the Corporation with respect to this subscription;
- (p) if, for any reason, the offering of Securities is terminated or the Purchaser's subscription is rejected, the Purchaser will have no claims against the Corporation, its directors and officers, shareholders, agents, advisors and affiliates, and shall have no interest in the Corporation or in any property or assets of the Corporation;
- (q) in evaluating the merits and risks of an investment in the Securities, the Purchaser has relied solely upon the disclosure set out in the Offering Memorandum and the advice of his/her/its legal, tax and investment advisors and not in any way upon the Corporation or any employee, director, officer, agent or affiliate of the Corporation, or any advisors of the Corporation; and

(r) **THE PURCHASER IS RESPONSIBLE FOR OBTAINING HIS/HER/ITS OWN LEGAL, INVESTMENT AND TAX ADVICE.**

1.2 The Corporation represents and warrants to the Purchaser, and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement, that:

- (a) the Corporation is a valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated;
- (b) the Corporation has good and sufficient right and authority to enter into this Agreement and complete its transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (c) the Agreement has been authorized by all necessary corporate action on the part of the Corporation; and
- (d) to the best of its knowledge, the execution and delivery of this Agreement, the performance of its obligations under this Agreement and the completion of its transactions contemplated under this Agreement will not conflict with, or result in the breach of or the acceleration of any indebtedness under, or constitute default under, the constating documents of the Corporation or any indenture, mortgage, agreement, lease, license or other instrument or any kind whatsoever to which the Corporation is a party or by which it is bound, or any judgment or order of any kind whatsoever or any Court or administrative body of any kind whatsoever by which it is bound.

2. Subscription

2.1 The Purchaser hereby subscribes for that number of common shares and/or share purchase warrants of the Corporation, at a price of CAD \$_____ per common share and CAD \$_____ per common share purchase warrant, as is set forth under "Subscription Amount" in Schedule "A" to this Agreement. Each warrant entitles the holder to subscribe for one additional common share at a price of \$_____ at any time during [insert year], \$_____ at any time during [insert year], \$_____ at any time during [insert year], \$_____ at any time during [insert year], and \$_____ at any time during [insert year]. The warrants expire on December 31, [insert year].

2.2 The Purchaser will deliver the full purchase price ("Subscription Funds") for the Securities subscribed for to the Corporation in the form of cash, solicitor's trust cheque, certified cheque, bank draft, money order or wire transfer payable to "[NAME OF CORPORATION]". The Corporation will hold the Subscription Funds in trust pending the closing of the subscription, and the expiry of the Purchaser's two-day statutory rights to cancel this Agreement, as set out in the Offering Memorandum, which rights are incorporated by reference herein.

THIS IS AN 11-PAGE DOCUMENT.