

SUBSCRIPTION RECEIPT AGREEMENT

Providing for the Issuance of Subscription Receipts

AMONG

SHIFT RARE METALS INC.

- and -

VALLEYVIEW RESOURCES LTD.

- and -

SCP RESOURCE FINANCE LP

- and -

CANACCORD GENUITY CORP.

- and -

ENDEAVOR TRUST CORPORATION

Dated as of December 23, 2024

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SCHEDULE "A" FORM OF SUBSCRIPTION RECEIPT CERTIFICATE
SCHEDULE "B" FORM OF DECLARATION FOR REMOVAL OF LEGEND
SCHEDULE "C" FORM OF RELEASE CERTIFICATE
SCHEDULE "D" FORM OF TERMINATION NOTICE

THIS SUBSCRIPTION RECEIPT AGREEMENT (the "**Agreement**") is dated as of December 23, 2024.

AMONG:

SHIFT RARE METALS INC., a corporation incorporated under the laws of the Province of British Columbia (the "**Company**" or "**Shift**")

- and -

VALLEYVIEW RESOURCES LTD., a corporation incorporated under the laws of the Province of British Columbia ("**Valleyview**")

- and -

SCP RESOURCE FINANCE LP ("**SCP**")

- and -

CANACCORD GENUITY CORP. ("**Canaccord**", and together with SCP, the "**Lead Agents**" or the "**Agents**")

- and -

ENDEAVOR TRUST CORPORATION, a Trust Company incorporated under the laws of the Province of British Columbia and authorized in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba (hereinafter referred to as the "**Subscription Receipt Agent**")

WHEREAS in connection with the Subscription Receipt Offering (as hereinafter defined), the Company proposes to create and issue up to 50,000,000 Subscription Receipts (as hereinafter defined) (up to 57,500,000 including the Agents' Option (as hereinafter defined)), at a price of \$0.30 per Subscription Receipt, which, upon satisfaction or waiver of the Release Conditions (as hereinafter defined), will each be converted, without payment of any additional consideration or action on the part of the Receiptholders (as hereinafter defined) and subject to adjustment, into one Underlying Share (as hereinafter defined) and one-half of one Underlying Warrant (as hereinafter defined) in the manner set forth herein;

AND WHEREAS the Company, Valleyview and 1496946 B.C. Ltd. ("**Subco**") have entered into the Amalgamation Agreement (as hereinafter defined) pursuant to which, among other things, Valleyview will acquire (the "**Acquisition**") all of the issued and outstanding shares of the Company pursuant to a three-cornered Amalgamation (as hereinafter defined) and Valleyview will change its name to "Homeland Uranium Inc.", or such similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors and shareholders of Valleyview (Valleyview following closing of the Acquisition, the "**Resulting Issuer**");

AND WHEREAS prior to the completion of, and as a condition to, the Acquisition, Valleyview will split (the "**Share Split**") the common shares in the capital of Valleyview (the "**Valleyview Shares**") on the basis of 1.5 post-Share Split Valleyview Shares for each 1 pre-Share Split Valleyview Share.

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AND WHEREAS each Underlying Share will be exchanged pursuant to the Amalgamation into one post-Share Split common share in the capital of the Resulting Issuer (each, a "**Resulting Issuer Share**") and each whole Underlying Warrant will be exchanged pursuant to the Amalgamation into one Resulting Issuer Warrant (as hereinafter defined) on economically equivalent terms. Each Resulting Issuer Warrant shall be exercisable into one Resulting Issuer Share at a price of \$0.50 for a period of two years following the Release Date (as hereinafter defined).

AND WHEREAS the Company has agreed that:

- (a) in accordance with the terms herein, the Initial Escrowed Proceeds (as hereinafter defined) are to be delivered to and held by the Subscription Receipt Agent as escrow agent hereunder, for and on behalf of the Company, the Agents and the Receiptholders, unless otherwise directed;
- (b) if the Release Conditions are satisfied or waived at or before the Release Deadline (as hereinafter defined), the Subscription Receipt Agent will release the Escrowed Funds (as hereinafter defined) to the Resulting Issuer, the Lead Agents and the Finders in the manner set forth herein and as directed in the Release Certificate (as hereinafter defined) substantially in the form appended hereto as Schedule "C"; and
- (c) if a Termination Event (as hereinafter defined) occurs prior to the Release Deadline, the Subscription Receipts shall be cancelled and each Receiptholder will be entitled to receive out of the Escrowed Funds an amount equal to their pro rata share of the Escrowed Funds, less applicable withholding tax, if any; provided that if the amount of the Escrowed Funds, including all interest thereon (including any interest that would have been earned on the 50% of the Agents' Cash Compensation and 50% of the Agents' Expenses), would not be sufficient to satisfy the Subscription Price of each Subscription Receipt then the Company and Valleyview will, jointly and severally, be required to deposit an additional amount, sufficient to satisfy the shortfall, with the Subscription Receipt Agent prior to the time at which the payment is required.

AND WHEREAS the Subscription Receipt Agent has agreed to act as registrar and transfer agent for the Subscription Receipts, and as escrow agent to receive and hold the Escrowed Funds;

AND WHEREAS all acts and deeds necessary have been done and performed by the Company to make the Subscription Receipts, when Authenticated (as hereinafter defined) by the Subscription Receipt Agent and issued as provided in this Agreement (as hereinafter defined), legal, valid and binding obligations of the Company with the benefits of and subject to the terms of this Agreement;

AND WHEREAS the Subscription Receipt Agent has agreed to act as agent on behalf of the Receiptholders on the terms and conditions set forth in this Agreement;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Company and not by the Subscription Receipt Agent;

NOW THEREFORE, in consideration of the premises and the covenants of the parties it is hereby agreed and declared as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals and schedules hereto, and in all agreements supplemental hereto:

- (a) **"Acquisition"** has the meaning set forth in the preamble;
- (b) **"Agency Agreement"** means the agency agreement entered into on the date hereof among the Company, Valleyview and the Agents with respect to the Subscription Receipt Offering;
- (c) **"Agents"** has the meaning set forth in the preamble;
- (d) **"Agents' Cash Compensation"** means, together, the Agents' Fee and the Agents' Corporate Finance Fee payable to the Agents in accordance with the Agency Agreement, 50% of which is to be payable to the Agents on the Closing Date and the remaining 50% of which is to be payable to the Agents on the Release Date;
- (e) **"Agents' Corporate Finance Fee"** means the cash corporate finance fee of \$96,327.99, inclusive of applicable provincial sales tax and GST or HST, if any, payable to the Agents in accordance with the Agency Agreement, 50% of which is to be payable to the Agents on the Closing Date and the remaining 50% of which is to be payable to the Agents on the Release Date;
- (f) **"Agents' Expenses"** means the reasonable documented out-of-pocket expenses incurred by the Agents in connection with the Subscription Receipt Brokered Offering payable to the Agents in accordance with the Agency Agreement, 50% of which is to be payable to the Agents on the Closing Date and the remaining 50% of which, plus any Agents' Expenses incurred between the Closing Date and the Release Date, is to be payable to the Agents on the Release Date;
- (g) **"Agents' Fee"** means a cash commission of \$766,436.38, payable to the Agents in accordance with the Agency Agreement, 50% of which is to be payable to the Agents on the Closing Date and the remaining 50% of which is to be payable to the Agents on the Release Date;
- (h) **"Agents' Option"** means the option granted to the Agents to increase the size of the offering by up to 15% exercisable in whole or in part at any time up to three Business Days prior to the final Closing Date in accordance with the Agency Agreement;
- (i) **"Amalgamation"** means the amalgamation of Subco and Shift pursuant to Section 269 of the *Business Corporations Act* (British Columbia) on the terms and conditions set forth in the Amalgamation Agreement;
- (j) **"Amalgamation Agreement"** means the amalgamation agreement dated August 16, 2024, as amended December 23, 2024, among Valleyview, the Company and Subco, in respect of the Amalgamation, as amended from time to time;

- (k) "**Applicable Legislation**" means any statute of Canada or a province thereof, and the regulations under any such named or other statute, relating to subscription receipt agreements or to the rights, duties and obligations of subscription receipt agents under subscription receipt agreements, to the extent that such provisions are at the time in force and applicable to this Agreement;
- (l) "**Approved Bank**" has the meaning set forth in subsection 6.2(a);
- (m) "**Authenticated**" means with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Company and authenticated by signature of an authorized officer of the Subscription Receipt Agent, or with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipt as required by Section 2.5(b) are entered in the register of holders of Subscription Receipts; "**Authenticate**" and "**Authentication**" have the appropriate correlative meanings;
- (n) "**Beneficial Owner**" means a person that has a beneficial interest in a Subscription Receipt issued to the Depository that is an Uncertificated Subscription Receipt;
- (o) "**Broker Warrants**" means 2,554,788 broker warrants issuable to the Agents on the Release Date pursuant to the Agency Agreement, each being exercisable for one Underlying Share at an exercise price equal to \$0.30 for a period of five years from the Release Date;
- (p) "**Business Day**" means any day other than Saturday, Sunday or a statutory or civic holiday, or any other day on which banks are not open for the transaction of regular business in Vancouver, British Columbia or Toronto, Ontario;
- (q) "**Canaccord**" has the meaning set forth in the preamble;
- (r) "**Canadian Offering Jurisdictions**" means all provinces and territories of Canada, except Quebec, where Subscription Receipts are to be sold;
- (s) "**Capital Reorganization**" has the meaning set forth in subsection 4.2(d);
- (t) "**CDS**" means CDS Clearing and Depository Services Inc.;
- (u) "**Certificated Subscription Receipts**" means a Subscription Receipt evidenced by a writing or writings substantially in the form of Schedule "A", attached hereto;
- (v) "**Closing Date**" means the date of closing of the Subscription Receipt Offering, being the date hereof;
- (w) "**Common Shares**" means Class D common shares in the capital of the Company as presently constituted;
- (x) "**Convertible Securities**" means securities of the Company or any other issuer that are convertible into or exchangeable for or otherwise carry the right to acquire Common Shares (other than the Subscription Receipts, the Underlying Warrants, the Broker Warrants) and the Corporate Finance Options), and "**Convertible Security**" means any one of them;

- (y) **"Corporate Finance Options"** means 336,158 corporate finance options of Shift issuable to the Agents on the Release Date pursuant to the Agency Agreement, each being exercisable for one Common Share at an exercise price equal to \$0.30 for a period of five years from the Release Date;
- (z) **"Counsel"** means a barrister or solicitor or a firm of barristers and solicitors retained by the Subscription Receipt Agent and acceptable to the Company or retained by the Company and acceptable to the Subscription Receipt Agent;
- (aa) **"Court"** has the meaning set forth in subsection 10.8(a);
- (bb) **"Current Market Price"** of the Common Shares at any date means the volume weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the 20 consecutive trading days ending five days prior to such date on such over-the-counter market as may be selected for such purpose by the directors of the Company or, if the Common Shares are not traded on any such market, as determined by the directors of the Company acting reasonably, after consultation with a nationally or internationally recognized and independent banker or firm of chartered accountants;
- (cc) **"Depository"** means CDS, or its successor, or any other depository offering a book-based securities registration and transfer system similar to that administered by CDS which the Company, with the consent of the Subscription Receipt Agent, acting reasonably, may designate;
- (dd) **"Direct Subscribers"** means those purchasers of Subscription Receipts who provide a portion of the Initial Escrowed Proceeds directly to the Subscription Receipt Agent;
- (ee) **"director"** means a director of the Company for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Company as a board or, whenever duly empowered, action by any committee of such board;
- (ff) **"DRS"** means the direct registration system of the Subscription Receipt Agent;
- (gg) **"Earnings"** means any income (including interest or gains) derived from investing the Initial Escrowed Proceeds (or the reinvestment of such income) from the date the Escrowed Funds are received by the Subscription Receipt Agent to, but not including, the date on which the Escrowed Funds are released in accordance with this Agreement;
- (hh) **"Escrowed Funds"** means the aggregate of the Initial Escrowed Proceeds and any Earnings derived directly or indirectly from time to time from holding the Initial Escrowed Proceeds;
- (ii) **"Exchange Act"** means the United States Securities Exchange Act of 1934, as amended;
- (jj) **"Exchange Number"** at any time means that number of Underlying Shares and Underlying Warrants that Subscription Receiptholders are entitled to receive for each Subscription Receipt held upon conversion of the Subscription Receipts in accordance with the terms and conditions of this Agreement as such number may be adjusted pursuant to Article 4 hereof, which, at the date of this Agreement, is one Underlying Share and one-half of one Underlying Warrant;

- (kk) **"Finders"** means each of the finders who executed a Finders' Fee Agreement in respect of the sale of Subscription Receipts to one or more Direct Purchasers under the Subscription Receipt Non-Brokered Offering;
- (ll) **"Finders' Fees"** means the Finder Fees payable to a Finder in accordance with a Finders' Fee Agreement;
- (mm) **"Finders' Fee Agreement"** means a finders' fee agreement entered into by the Company, Valleyview and a Finder on or about the date hereof in connection with sale of Subscription Receipts to Direct Purchasers under the Subscription Receipt Non-Brokered Offering;
- (nn) **"Indemnified Parties"** has the meaning set forth in Section 10.4;
- (oo) **"Initial Escrowed Proceeds"** means the aggregate gross proceeds of the Subscription Receipt Offering (inclusive of the Agents' Option), less 50% of the Agents' Expenses and 50% of the Agents' Cash Compensation which is to be deposited, or caused to be deposited, by the Company with the Subscription Receipt Agent to be held in escrow on the terms and subject to the conditions of this Agreement;
- (pp) **"Internal Procedures"** means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Subscription Receipt Agent's internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Subscription Receipt Agent;
- (qq) **"Lead Agents"** has the meaning set forth in the preamble;
- (rr) **"NCI System"** means the non-certificated inventory system administered by the Depository in accordance with its operating rules and procedures in force from time to time;
- (ss) **"Offered Shares"** has the meaning set forth in subsection 4.2(b);
- (tt) **"Participant"** means a person recognized by the Depository as a participant in the NCI System;
- (uu) **"person"** means an individual, body corporate, partnership, trust, Subscription Receipt Agent, executor, administrator, legal representative or any unincorporated organization;
- (vv) **"Qualified Institutional Buyer"** has the meaning ascribed to such term in Rule 144A(a)(1) of the U.S. Securities Act;
- (ww) **"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act;
- (xx) **"Release Certificate"** means a certificate executed by the Company, Valleyview and the Lead Agents (on its own behalf and on behalf of the other Agents), substantially in the form attached as Schedule "C" hereto and addressed to the Subscription Receipt Agent confirming that the Release Conditions described therein have been satisfied or waived;

- (yy) **"Release Conditions"** means the following, collectively:
- (i) all conditions precedent to the closing of the Acquisition as set out in the Amalgamation Agreement except for the conversion of the Subscription Receipts and the release of the Escrowed Funds from escrow shall have been satisfied or waived (to the extent that waiver is permitted);
 - (ii) the receipt of all regulatory, shareholder and third-party approvals, required in connection with the Acquisition and the Subscription Receipt Offering, including approval of the TSXV; and
 - (iii) the delivery of the Release Certificate by the Agents, the Company and Valleyview to the Subscription Receipt Agent confirming that the conditions set forth in (i) and (ii) above have been satisfied or waived (to the extent such waiver is permitted);
- (zz) **"Release Date"** means either (i) the date, which shall be prior to the Release Deadline, on which the Release Certificate is received by the Subscription Receipt Agent in accordance with the terms of this Agreement, provided that the Release Certificate is received by the Subscription Receipt Agent by 8:00 a.m. (Vancouver time) / 11:00 a.m. (Toronto time) on such date; or (ii) if the Release Certificate is received after 8:00 a.m. (Vancouver time) / 11:00 a.m. (Toronto time) on a Business Day prior to the Release Deadline, then the first Business Day following receipt of the Release Certificate by the Subscription Receipt Agent in accordance with the terms of this Agreement;
- (aaa) **"Release Deadline"** means 2:00 p.m. (Vancouver time) / 5:00 p.m. (Toronto time) on the date that is 75 days from the Closing Date, or such later date as may be approved in accordance with Section 8.10(j);
- (bbb) **"Release Time"** means 2:00 p.m. (Vancouver time) / 5:00 p.m. (Toronto time) on the Release Date;
- (ccc) **"Resulting Issuer"** has the meaning set forth in the preamble;
- (ddd) **"Resulting Issuer Shares"** has the meaning set forth in the preamble;
- (eee) **"Resulting Issuer Warrants"** means the common share purchase warrants of the Resulting Issuer issuable in exchange for the Underlying Warrants, all in accordance with the Amalgamation Agreement and the Warrant Indenture Supplement;
- (fff) **"Rights Offering"** has the meaning set forth in subsection 4.2(b);
- (ggg) **"SCP"** has the meaning set forth in the preamble;
- (hhh) **"SEC"** means the U.S. Securities and Exchange Commission;
- (iii) **"Securities Laws"** means, as applicable, the securities laws, regulations, rules, rulings, published fees schedules, prescribed forms, policy statements, notices, blanket rulings, orders and other regulatory instruments in the Canadian Offering Jurisdictions, the United States and each of its states, together with applicable other regulatory instruments of the securities regulatory authorities in such jurisdictions;

- (jjj) **"Share Reorganization"** has the meaning set forth in subsection 4.2(a);
- (kkk) **"Share Split"** has the meaning set forth in the preamble;
- (lll) **"show of hands"** means, in connection with a meeting, a show of hands by persons present and entitled to vote at the meeting, the functional equivalent of a show of hands by telephonic, electronic or other means of communication and any combination of such methods;
- (mmm) **"Special Distribution"** has the meaning set forth in subsection 4.2(c);
- (nnn) **"Special Resolution"** means a resolution (i) approved at a meeting of Subscription Receipts holders at which there are present in person or by proxy two or more Subscription Receipt holders holding in the aggregate more than 25% of the total number of Subscription Receipts then outstanding and passed by the affirmative vote of the Subscription Receipt holders present in person or by proxy representing not less than 50% of the total number of Subscription Receipts represented in person and by proxy at the meeting and voted on the resolution; or (ii) approved by written consent of holders of Subscription Receipts representing at least 50% of the outstanding Subscription Receipts.
- (ooo) **"Subco"** has the meaning set forth in the preamble;
- (ppp) **"Subscription Price"** means the price of \$0.30 per Subscription Receipt;
- (qqq) **"Subscription Receipt Agent"** has the meaning set forth in the preamble and includes any lawful successors or permitted assigns thereto appointed hereunder from time to time;
- (rrr) **"Subscription Receipt Agent's Office"** means the principal office of the Subscription Receipt Agent in Vancouver, British Columbia and/or such other place or places as may be designated in accordance with this Agreement;
- (sss) **"Subscription Receipt Brokered Offering"** means the offering of Subscription Receipts by the Company on a private placement brokered basis (including, for greater certainty, the Agents' Option) pursuant to the Agency Agreement;
- (ttt) **"Subscription Receipt Certificate"** means a certificate representing one or more Subscription Receipts, substantially in the form of the certificate attached hereto as Schedule "A";
- (uuu) **"Subscription Receipt Non-Brokered Offering"** means the offering of Subscription Receipts by the Company on a private placement non-brokered basis;
- (vvv) **"Subscription Receipt Offering"** means, together, the Subscription Receipt Brokered Offering and the Subscription Receipt Non-Brokered Offering;
- (www) **"Subscription Receiptholder"** or **"Receiptholder"** (or "holder" without reference to Underlying Shares or Underlying Warrants) means a person who is a registered owner of Subscription Receipts;
- (xxx) **"Subscription Receiptholders' Request"** means an instrument signed in one or more counterparts by Subscription Receiptholders holding in the aggregate not less than 25% of

the aggregate number of Subscription Receipts then unexercised and outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;

- (yyy) **"Subscription Receipts"** means the Subscription Receipts created, issued and Authenticated hereunder as Certificated Subscription Receipts or Uncertificated Subscription Receipts, that have not at the particular time expired, been purchased by the Company, converted or otherwise become null, void and of no further force or effect;
- (zzz) **"successor corporation"** has the meaning set forth in Section 9.2;
- (aaaa) **"Termination Date"** means the date on which a Termination Event occurs;
- (bbbb) **"Termination Event"** means either of (i) the Subscription Receipt Agent not receiving the Release Certificate at or prior to the Release Deadline; or (ii) prior to the Release Deadline, either the Company or Valleyview advising the Lead Agents or announcing to the public that it does not intend to or will be unable to satisfy any one or more of the Release Conditions or that the Acquisition has been terminated or abandoned;
- (cccc) **"Termination Notice"** means the notice to be provided to the Subscription Receipt Agent, substantially in the form attached as Schedule "D" hereto forthwith following a Termination Event pursuant to Section 6.4 hereof confirming that a Termination Event has occurred;
- (dddd) **"this Subscription Receipt Agreement", "this Agreement", "herein", "hereby", "hereof"** and similar expressions mean and refer to this Agreement and any agreement, indenture, deed or instrument supplemental hereto; and the expressions **"Article", "Section", "subsection"** and **"paragraph"** followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Agreement;
- (eeee) **"TSXV"** means the TSX Venture Exchange;
- (ffff) **"Uncertificated Subscription Receipt"** means any Subscription Receipt which is not a Certificated Subscription Receipt, including but not limited to any Subscription Receipt held through DRS or the NCI System;
- (gggg) **"Underlying Shares"** means the Common Shares issuable upon conversion of the Subscription Receipts;
- (hhhh) **"Underlying Warrants"** means the Common Share purchase warrants of the Company issuable upon conversion of the Subscription Receipts, each of which entitles the holder thereof to acquire one Common Share at a price of \$0.50 for a period of 24 months following the Release Date, subject to adjustment in certain events as set out in the Warrant Indenture;
- (iiii) **"U.S. Person"** means "U.S. person" as defined in Rule 902(k) of Regulation S, and, without limiting that definition, includes a natural person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, a trust of which any trustee is a U.S. Person, and a partnership or corporation organized or incorporated under the laws of any foreign jurisdiction by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is

organized or incorporated and owned by United States "accredited investors" who are not natural persons, estates or trusts;

- (jjjj) **"U.S. Purchaser"** means an original purchaser of the Subscription Receipts who was, at the time of purchase: a U.S. Person; any person purchasing such Subscription Receipts on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States; any person who receives or received an offer to acquire such Subscription Receipts while in the United States; and any person who was in the United States at the time such person's buy order was made or the subscription agreement pursuant to which such Subscription Receipts were acquired was executed or delivered;
- (kkkk) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended;
- (llll) **"United States"** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (mmmm) **"Warrant Indenture"** means the warrant indenture dated the date hereof entered into between the Company and Endeavor Trust Corporation, as warrant agent, governing the creation and issue of the Underlying Warrants;
- (nnnn) **"Warrant Indenture Supplement"** means the supplement to the Warrant Indenture to be entered into between Valleyview and Endeavor Trust Corporation, as warrant agent, governing the creation and issue of the Resulting Issuer Warrants; and
- (oooo) **"Written Direction of the Company"** mean a written order, request, consent, direction and certificate, respectively, signed in the name of the Company by any director or officer of the Company or by any other individual to whom such signing authority is delegated by the directors from time to time, and may consist of one or more instruments so executed respectively.

1.2 Gender and Number

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Interpretation not Affected by Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 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 at or before the requisite time on the next succeeding day that is a Business Day.

1.5 Time of the Essence

Time shall be of the essence of this Agreement, the Subscription Receipts and the Subscription Receipt Certificates.

1.6 Currency

Except as otherwise stated, all dollar amounts herein are expressed in Canadian dollars.

1.7 Severability

In the event that any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof, all of which shall remain in full force and effect.

1.8 Conflicts

In the event of any conflict between the provisions of this Agreement and the Subscription Receipt Certificates, the provisions of this Agreement will govern.

1.9 Meaning of "outstanding" for Certain Purposes

Every Subscription Receipt Authenticated and delivered by the Subscription Receipt Agent hereunder shall be deemed to be outstanding until the earlier of the Release Deadline or the Termination Date, or until it shall be deemed to have been surrendered to the Subscription Receipt Agent upon the deemed conversion thereof pursuant to Article 3, provided however that:

- (a) where a Subscription Receipt Certificate has been issued in substitution for a Subscription Receipt Certificate which has been lost, stolen or destroyed, only the Subscription Receipt Certificate so issued in substitution shall be counted for the purpose of determining the number of Subscription Receipts outstanding; and
- (b) for the purpose of any provision of this Agreement entitling the holder of outstanding Subscription Receipts to sign consents, requests or other instruments or take any other action under this Agreement, Subscription Receipts owned legally or equitably by the Company or any subsidiary of the Company thereof shall be disregarded, except that for the purpose of determining whether the Subscription Receipt Agent shall be protected in relying on any such consent, request or other instrument or other action, only the Subscription Receipts of which the Subscription Receipt Agent has notice that they are so owned shall be so disregarded.

1.10 Applicable Law

This Agreement, the Subscription Receipts and the Subscription Receipt Certificates shall be construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts.

ARTICLE 2 ISSUE OF SUBSCRIPTION RECEIPTS

2.1 Issue of Subscription Receipts

A maximum of up to 57,500,000 Subscription Receipts (subject to the exercise of the Agents' Option) are hereby created and authorized to be issued on the terms and subject to the conditions herein provided, at a price of \$0.30 for each Subscription Receipt. Upon receipt of the Written Direction of the Company: (a) Uncertificated Subscription Receipts registered in the name of the Depository or a nominee

thereof shall be Authenticated by the Subscription Receipt Agent and deposited with the Depository, (b) Uncertificated Subscription Receipts registered in a name other than the Depository or a nominee thereof shall be Authenticated by the Subscription Receipt Agent and evidenced by a book position issued to the holder thereof; and/or (c) Subscription Receipt Certificates evidencing Subscription Receipts shall be executed by an authorized signatory of the Company and shall be Authenticated by or on behalf of the Subscription Receipt Agent and delivered by the Subscription Receipt Agent in accordance with such Written Direction of the Company.

2.2 Description of the Subscription Receipts

- (a) In accordance with the terms of the Subscription Receipts and this Agreement, in the event that the Release Conditions are satisfied and the Release Certificate is delivered to the Subscription Receipt Agent on or before the Release Deadline, each Subscription Receipt shall entitle the holder thereof to receive from the Company, without any further action or payment of additional consideration therefor, one Underlying Share and one-half of one Underlying Warrant (subject to adjustment as set out herein) for each Subscription Receipt then held.
- (b) In the event that a Termination Event occurs, the Subscription Receipts will be cancelled and the Receiptholders will be entitled to receive from the Escrowed Funds as soon as practicable and, in any event, within three Business Days after the Termination Date, an amount equal to such Receiptholder's pro rata portion of the Escrowed Funds (including any interest that would have been earned on the 50% of the Agents' Fee, 50% of the Agents' Expenses and 50% of the Agents' Corporate Finance Fee), net of any applicable withholding tax; provided that if the amount of the Escrowed Funds are insufficient to satisfy the Subscription Price of each Subscription Receipt then the Company and Valleyview shall be jointly and severally liable for and will contribute such amounts as are necessary to satisfy any shortfall. In no case will the Subscription Receipt Agent or the Agents be liable to the Receiptholders in the event of such shortfall.
- (c) Immediately following the issuance of the Underlying Shares and Underlying Warrants they will be exchanged for Resulting Issuer Shares and Resulting Issuer Warrants pursuant to the Amalgamation.
- (d) No fractional Subscription Receipts shall be issued or otherwise provided for hereunder.

2.3 Form of Subscription Receipt Certificates

The Subscription Receipts may be issued in both certificated and uncertificated form. All Subscription Receipts issued in certificated form shall be evidenced by a Subscription Receipt Certificate (including all replacements issued in accordance with this Agreement) issued in registered form, substantially in the form set out in Schedule "A" hereto and shall be dated as of the Closing Date, shall bear such legends, distinguishing letters and numbers as the Company may, with the approval of the Subscription Receipt Agent, prescribe and shall be issuable in any denomination excluding fractions. All Uncertificated Subscription Receipts issued other than to the Depository shall be evidenced by a book position issued to the holder thereof on the register of Subscription Receipts to be maintained by the Subscription Receipt Agent in accordance with Section 2.10. All Subscription Receipts issued to the Depository must be in uncertificated (represented by an Uncertificated Subscription Receipt) form. Notwithstanding the foregoing, the Subscription Receipts originally issued to, or for the account or benefit of, U.S. Purchasers who are not otherwise Qualified Institutional Buyers and the Underlying Shares and Underlying Warrants issuable upon conversion of such Subscription Receipts will be evidenced by physical certificates or DRS

advices (or such other evidence of the issue of the Subscription Receipts and the Underlying Shares and Underlying Warrants as the Agents and the Company may agree) that bear legends required under the Securities Laws of United States as set forth in Section 2.15.

2.4 Signing of Subscription Receipt Certificates

The Subscription Receipt Certificates issued by the Company shall be manually or electronically signed by any one of the authorized directors or officers of the Company. The manual signatures of any such director or officer may be electronically reproduced and Subscription Receipt Certificates bearing such electronic signatures shall be binding upon the Company as if they had been manually signed by such director or officer. Notwithstanding that any person whose manual or electronic signature appears on any Subscription Receipt Certificate as a director or officer may no longer hold office at the date of such Subscription Receipt Certificate or at the date of Authentication or delivery thereof, any Subscription Receipt Certificate signed as aforesaid shall, subject to Section 2.5, be valid and binding upon the Company and the holder thereof shall be entitled to the benefits of this Agreement or the Subscription Receipt Certificates in question.

2.5 Authentication by the Subscription Receipt Agent

- (a) No Subscription Receipt Certificate, if issued, will be valid or entitle the holder to the benefits hereof until it has been Authenticated by signature by or on behalf of the Subscription Receipt Agent substantially in the form of the certificate attached hereto as Schedule "A" or in such other form as may be approved by the Subscription Receipt Agent and the Company. The Authentication by the Subscription Receipt Agent on a Subscription Receipt Certificate will be conclusive evidence as against the Company that such Subscription Receipt Certificate has been issued hereunder and that the holder thereof is entitled to the benefits hereof.
- (b) The Subscription Receipt Agent shall Authenticate Uncertificated Subscription Receipts (whether upon original issuance, exchange, registration of transfer, partial payment, or otherwise) by completing its Internal Procedures and the Company shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Subscription Receipt under this Subscription Receipt Agreement. The Authentication by the Subscription Receipt Agent of any Subscription Receipt shall be conclusive evidence as against the Company that such Uncertificated Subscription Receipts have been duly issued hereunder and that the holder is entitled to the benefits of this Agreement. The register shall be final and conclusive evidence as to all matters relating to Uncertificated Subscription Receipts with respect to which this Agreement requires the Subscription Receipt Agent to maintain records or accounts. In case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error, and any Uncertificated Subscription Receipts recorded therein shall be binding on the Company.
- (c) Any Subscription Receipt Certificate validly issued in accordance with the terms of this Agreement in effect at the time of issue of such Subscription Receipt Certificate shall, subject to the terms of this Agreement and applicable law, validly entitle the holder to acquire Underlying Shares and Underlying Warrants, notwithstanding that the form of such Subscription Receipt Certificate may not be in the form then required by this Agreement.
- (d) No Subscription Receipt shall be considered issued, valid, or obligatory; nor entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by the

Subscription Receipt Agent. Authentication by the Subscription Receipt Agent, including by way of entry on the register or otherwise, shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of this Agreement or of such Subscription Receipts (except the due Authentication thereof) or as to the performance by the Company of its obligations under this Agreement and the Subscription Receipt Agent shall in no respect be liable or answerable for the use made of the Subscription Receipts or any of them or of the consideration thereof. Authentication by the Subscription Receipt Agent shall be conclusive evidence as against the Company that the Subscription Receipts so Authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefits of this Agreement.

2.6 Subscription Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt, shall, in itself, confer or be construed as conferring upon a Subscription Receiptholder any right or interest whatsoever as a holder of Common Shares or as any other security holder of the Company, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of shareholders or any other proceedings of the Company or the right to receive dividends and other distributions.

2.7 Subscription Receipts to Rank *Pari Passu*

All Subscription Receipts shall rank *pari passu* with all other Subscription Receipts whatever may be the actual date of issue of the Subscription Receipts.

2.8 Issue in Substitution for Subscription Receipt Certificates Lost, etc.

- (a) If any Subscription Receipt Certificate issued pursuant to this Agreement becomes mutilated or is lost, destroyed or stolen, the Company, subject to applicable law and to Section 2.8(b), shall issue and thereupon the Subscription Receipt Agent shall Authenticate and deliver, a new Subscription Receipt Certificate of like tenor and bearing the same legends as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Subscription Receipt Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Subscription Receipt Certificate, and the substituted Subscription Receipt Certificate shall be substantially in the form of the certificate set out in Schedule "A" hereto and the Subscription Receipts evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Subscription Receipts issued or to be issued hereunder by the Company.
- (b) The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.8 shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft, shall, as a condition precedent to the issue thereof, furnish to the Company and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate so lost, destroyed or stolen as shall be satisfactory to the Company and to the Subscription Receipt Agent, in their sole discretion acting reasonably, and such applicant shall also be required to furnish an indemnity and a surety bond in amount and form satisfactory to the Company and the Subscription Receipt Agent, in their sole discretion acting reasonably, and shall pay the reasonable charges of the Company and the Subscription Receipt Agent in connection therewith.

2.9 Exchange of Subscription Receipt Certificates

- (a) Any one or more Subscription Receipt Certificates representing any number of Subscription Receipts may, at any time prior to the close of business on the Release Date, upon compliance with the reasonable requirements of the Subscription Receipt Agent, acting reasonably, be exchanged for one or more other Subscription Receipt Certificates of different denominations, bearing the same legends, representing the same aggregate number of Subscription Receipts as represented by the Subscription Receipt Certificate or Subscription Receipt Certificates so exchanged. The Company shall issue and the Subscription Receipt Agent shall countersign all Subscription Receipt Certificates necessary to carry out exchanges as aforesaid.
- (b) Subscription Receipt Certificates may be exchanged only at the Subscription Receipt Agent's Office or at any other place that is designated by the Company with the approval of the Subscription Receipt Agent. Any Subscription Receipt Certificate tendered for exchange shall be surrendered to and cancelled by the Subscription Receipt Agent.

2.10 Register of Subscription Receipts

- (a) The Company hereby appoints the Subscription Receipt Agent as registrar of the Subscription Receipts.
- (b) The Subscription Receipt Agent shall maintain records and accounts concerning the Subscription Receipts, whether certificated or uncertificated, which shall contain the information called for below with respect to each Subscription Receipt, together with such other information as may be required by law or as the Subscription Receipt Agent may elect to record. All such information shall be kept in one set of accounts and records which the Subscription Receipt Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Subscription Receipts. The information may be entered for each account in the register of Subscription Receipts at any time and shall include (without limitation):
 - (i) the name and address of the holder of the Subscription Receipts, the date of Authentication thereof and the number of Subscription Receipts held by the subject holder;
 - (ii) whether such Subscription Receipt is a Certificated Subscription Receipt or an Uncertificated Subscription Receipt and, if a Certificated Subscription Receipt, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Subscription Receipt, the unique number or code assigned thereto if any;
 - (iii) whether such Subscription Receipts has been cancelled; and
 - (iv) a register of transfers in which all transfers of Subscription Receipts and the date and other particulars of each transfer shall be entered.
- (c) The register shall be available for inspection by the Company and/or the Subscription Receiptholders during the Subscription Receipt Agent's regular business hours on a Business Day and upon payment to the Subscription Receipt Agent of its reasonable fees. Any Subscription Receiptholder exercising such right of inspection shall first provide an

affidavit in form satisfactory to the Company and the Subscription Receipt Agent stating the name and address of the Subscription Receiptholder and agreeing not to use the information therein.

- (d) Once an Uncertificated Subscription Receipt has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Subscription Receipt Agent from the holder as provided herein, except that the Subscription Receipt Agent may act unilaterally to make purely administrative changes internal to the Subscription Receipt Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Subscription Receipt, by their acquisition thereof shall be deemed to have irrevocably consented to the foregoing authority of the Subscription Receipt Agent to make such error corrections and agreed to pay to the Subscription Receipt Agent, promptly upon written demand, the full amount of all loss and expense (including, without limitation, reasonable legal fees of the Company and the Subscription Receipt Agent plus interest, at an appropriate then prevailing rate of interest to the Subscription Receipt Agent, sustained by the Company or the Subscription Receipt Agent as a proximate result of such error if, but only if, and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Subscription Receipt Agent) provided, that no person who is a *bona fide* purchaser shall have any such obligation to the Company or to the Subscription Receipt Agent.

2.11 Transfer and Ownership of Subscription Receipts

- (a) The Subscription Receipts may only be transferred on the register kept at the Subscription Receipt Agent's Office by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent, upon in the case of a Subscription Receipt Certificate, surrendering to the Subscription Receipt Agent the Subscription Receipt Certificate(s) representing the Subscription Receipts to be transferred together with a duly executed form of transfer (in the form attached to the Subscription Receipt Certificates); in the case of Uncertificated Subscription Receipts, in accordance with Internal Procedures prescribed by the Subscription Receipt Agent; and upon compliance with:

- (i) the conditions herein;
- (ii) such reasonable requirements as the Subscription Receipt Agent may prescribe; and
- (iii) all applicable securities legislation and requirements of regulatory authorities as confirmed by the transferor and transferee by their execution of the transfer form attached to the Subscription Receipt Certificate;

and such transfer shall be duly noted in such register by the Subscription Receipt Agent. Upon compliance with such requirements, the Subscription Receipt Agent shall issue to the transferee of a Certificated Subscription Receipt, a new Subscription Receipt Certificate, and to the transferee of an Uncertificated Subscription Receipt, an Uncertificated Subscription Receipt (or it shall Authenticate and deliver a Certificated

Subscription Receipt instead, upon request), representing the Subscription Receipts transferred and the transferee of a book entry Subscription Receipt shall be recorded through the relevant Participant in accordance with the book entry registration system as the entitlement holder in respect of such Subscription Receipts. Transfers within the systems of the Depository are not the responsibility of the Subscription Receipt Agent and will not be noted on the register maintained by the Subscription Receipt Agent.

The Subscription Receipts, the Underlying Shares and the Underlying Warrants issuable upon conversion thereof, and the Common Shares issuable upon exercise of the Underlying Warrants, have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. If a Subscription Receipt Certificate or DRS advice tendered for transfer bears the legend set forth in Section 2.15(b), the Subscription Receipt Agent shall not register such transfer unless the transferor has provided the Subscription Receipt Agent with the Subscription Receipt Certificate and the transfer is made (i) to the Company, (ii) outside of the United States to a non-U.S. Person in accordance with Rule 904 of Regulation S and in compliance with any applicable local securities laws or (iii) in accordance with an applicable exemption under the U.S. Securities Act and applicable local securities laws and regulations.

The Subscription Receipt Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the legend set forth above.

Subject to the provisions of this Agreement and applicable law, the Subscription Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipt, and the issue of Underlying Shares and Underlying Warrants by the Company upon the conversion of Subscription Receipts in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Company and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Company nor the Subscription Receipt Agent shall be bound to inquire into the title of any such holder.

Subject to applicable law, neither the Company nor the Subscription Receipt Agent will be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Subscription Receipt.

2.12 Charges for Exchange or Transfer

Except as otherwise herein provided, a reasonable charge shall be levied by the Subscription Receipt Agent in respect of the exchange of any Subscription Receipt Certificate or the issue of a new Subscription Receipt Certificate(s) pursuant hereto provided that the reimbursement of the Subscription Receipt Agent or the Company for any and all transfer, stamp or similar taxes or other governmental charges required to be paid shall be made by the holder requesting such transfer or exchange as a condition precedent to such transfer or exchange or issue. Subscription Receipt Certificates exchanged for Subscription Receipt Certificates that bear the legends set forth in Sections 2.14 and 2.15 hereof shall bear the same legends, as applicable.

2.13 Cancellation of Surrendered Subscription Receipts

All Subscription Receipt Certificates surrendered pursuant to Sections 2.8, 2.9 or 5.1, if applicable, shall be returned to the Subscription Receipt Agent for cancellation, shall be cancelled by the Subscription Receipt Agent and, after the expiry of any period of retention prescribed by law, shall be destroyed by the

Subscription Receipt Agent. Upon request by the Company the Subscription Receipt Agent shall furnish to it a destruction certificate identifying the Subscription Receipt Certificates issued by it so destroyed, the number of Subscription Receipts evidenced thereby, the number of Underlying Shares and Underlying Warrants to be delivered pursuant to such Subscription Receipts and the details of any Subscription Receipt Certificates issued in substitution or exchange for such Subscription Receipt Certificates destroyed.

2.14 Canadian Legends

Each Subscription Receipt originally issued, as well as all Subscription Receipts issued in exchange for or in substitution of the Subscription Receipts, will have attached to it, whether through an ownership statement issued under DRS or other electronic book entry system (including NCI) or on Subscription Receipt Certificates that may be issued, as applicable, legends setting out the resale restrictions under applicable Securities Laws substantially in the following form:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) DECEMBER 23, 2024, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

provided that if, at any time, in the opinion of counsel to the Company, such legend is no longer necessary or advisable under any Securities Laws, or the holder of any such legended certificate, at the holder's expense, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of counsel satisfactory to the Company) to the effect that such legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend.

2.15 U.S. Legends

- (a) The Subscription Receipt Agent understands and acknowledges that the Subscription Receipts, the Underlying Shares and the Underlying Warrants issuable upon conversion of the Subscription Receipts, and the Resulting Issuer Shares and the Resulting Issuer Warrants have not been and will not be registered under the U.S. Securities Act.
- (b) Each Subscription Receipt issued to, or for the account or benefit of, U.S. Purchasers who are not otherwise Qualified Institutional Buyers, as well as all Subscription Receipts, Underlying Shares, Underlying Warrants, Resulting Issuer Shares, Resulting Issuer Warrants and the Resulting Issuer Shares issuable upon exercise of the Resulting Issuer Warrants issued in exchange therefor or in substitution thereof, will have attached to it, whether on a Subscription Receipt Certificate, DRS advice (or such other evidence of issue as the Agents and the Company may agree), the following legend:

"THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B)

OUTSIDE UNITED STATES TO A PERSON WHO IS NOT A "U.S. PERSON" (AS DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT), OR (C) IN ACCORDANCE WITH AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

- (c) Each Underlying Share, Underlying Warrant, Resulting Issuer Share and Resulting Issuer Warrant issued to, or for the account or benefit of, U.S. Purchasers who are not otherwise Qualified Institutional Buyers, as well as all Subscription Receipts, Underlying Shares, Underlying Warrants, Resulting Issuer Shares, Resulting Issuer Warrants and the Resulting Issuer Shares issuable upon exercise of the Resulting Issuer Warrants issued in exchange therefor or in substitution thereof, will have attached to it, whether on a Subscription Receipt Certificate, DRS advice (or such other evidence of issue as the Agents and the Company may agree), the following legend:

"THE SECURITIES REPRESENTED HEREBY [for Underlying Warrants add: AND THE SECURITIES ISSUABLE ON EXERCISE THEREOF] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY SECURITIES LAWS OF ANY STATE OF UNITED STATES, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, OR (D) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, INCLUDING RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER FURTHER UNDERSTANDS AND AGREES THAT IN THE EVENT OF A TRANSFER PURSUANT TO THE FOREGOING CLAUSE (D), THE COMPANY WILL REQUIRE A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.",

provided, that if an Underlying Share, Underlying Warrant, Resulting Issuer Share or Resulting Issuer Warrant is being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and such securities were acquired when the Company qualified as a "foreign issuer" (as defined in Rule 902 of Regulation S), the

legend set forth above may be removed prior to such sale by providing an executed declaration to the registrar and transfer agent of the Company or the Resulting Issuer, as applicable, and to the Company or Resulting Issuer, in substantially the form set forth as Schedule "B" hereto (or in such other form as the Company or Resulting Issuer may prescribe from time to time in order to comply with applicable law) and, if requested by the Company's or Resulting Issuer's, as applicable, registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company's or Resulting Issuer's registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

provided further, that if an Underlying Share, Underlying Warrant, Resulting Issuer Share or Resulting Issuer Warrant is being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed prior to such sale by delivery to the Company's or Resulting Issuer's, as applicable, registrar and transfer agent of an opinion satisfactory to the Company's or Resulting Issuer's registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

2.16 Issue of Uncertificated Subscription Receipts

- (a) The Company may, at its sole option, specify, in a written order of the Company delivered to the Subscription Receipt Agent, that some or all of the Subscription Receipts are to be represented by one or more Uncertificated Subscription Receipts, and in such event the Subscription Receipt Agent shall Authenticate and deliver such Uncertificated Subscription Receipts that shall represent the number of outstanding Subscription Receipts to be represented by such Uncertificated Subscription Receipts.
- (b) With respect to Uncertificated Subscription Receipts issued to the Depository, the rights of Beneficial Owners shall be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and Beneficial Owners and must be exercised through a Participant in accordance with the rules and procedures of the NCI System.
- (c) With respect to Uncertificated Subscription Receipts issued to the Depository and subject to subsections 2.16(f) and (g), neither the Company nor the Subscription Receipt Agent shall be under any obligation to deliver to any Participant or Beneficial Owner, nor shall any Participant or Beneficial Owner have any right to require the delivery of, a certificate or other instrument evidencing any interest in Subscription Receipts represented by an Uncertificated Subscription Receipt.
- (d) Subject to the provisions of this Section 2.16, any exchange of Uncertificated Subscription Receipts for Subscription Receipts which are Certificated Subscription Receipts may be made in whole or in part. All such Certificated Subscription Receipts issued in exchange for Uncertificated Subscription Receipts or any portion thereof shall be registered in such names as the Depository or registered holder for such Uncertificated Subscription Receipts shall direct and shall be entitled to the same benefits and subject to the same terms and conditions as the Subscription Receipts or portion thereof surrendered upon such exchange.
- (e) With respect to Uncertificated Subscription Receipts issued to the Depository, if any of the following events occurs:

- (i) the Depository or the Company has notified the Subscription Receipt Agent that the Depository is unwilling or unable to continue as Depository or the Depository ceases to be a clearing agency in good standing under applicable laws and, in either case, the Company is unable to locate a qualified successor Depository within 90 days of delivery of such notice;
- (ii) the Company has determined, in its sole discretion, with the consent of the Subscription Receipt Agent, to terminate the NCI System in respect of such Uncertificated Subscription Receipt and has communicated such determination to the Subscription Receipt Agent in writing;
- (iii) the Company or the Depository is required by applicable law to take the action contemplated in this Section 2.16(f);
- (iv) the NCI System ceases to exist; or
- (v) the Company so instructs the Subscription Receipt Agent in writing,

then one or more definitive fully registered Subscription Receipt Certificates shall be executed by the Company and Authenticated and delivered by the Subscription Receipt Agent to the Depository in exchange for the Uncertificated Subscription Receipt(s) held by the Depository.

- (f) With respect to Uncertificated Subscription Receipts issued to the Depository, fully registered Subscription Receipt Certificates issued and exchanged, pursuant to Section 2.16(e) shall be registered in such names and in such denominations as the Depository shall instruct the Subscription Receipt Agent, provided that the aggregate number of Subscription Receipts represented by such Subscription Receipt Certificates shall be equal to the aggregate number of Subscription Receipts represented by the Uncertificated Subscription Receipt(s) so exchanged. Upon exchange of an Uncertificated Subscription Receipt for one or more Subscription Receipt Certificates in definitive form, such Uncertificated Subscription Receipt shall be cancelled by the Subscription Receipt Agent.
- (g) With respect to Uncertificated Subscription Receipts issued to the Depository and notwithstanding anything herein or in the terms of the Subscription Receipt Certificates to the contrary, neither the Company nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for:
 - (i) the records maintained by the Depository relating to any ownership interests or any other interests in the Subscription Receipts or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Subscription Receipt represented by any Uncertificated Subscription Receipt (other than the applicable Depository or its nominee);
 - (ii) maintaining, supervising or reviewing any records of the Depository or any Participant relating to any such interest; or

- (iii) advice or representations made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Participant.
- (h) For so long as Subscription Receipts are held through the Depository, if any notice or other communication is required to be given to Subscription Receiptholders, the Subscription Receipt Agent will give such notices and communications to the Depository.
- (i) All references herein to actions by, notices given or payments made to Subscription Receiptholders shall, where the Subscription Receipts are Uncertificated Subscription Receipts issued to the Depository, refer to actions taken by, or notices given or payments made to, the Depository upon instruction from the Participants in accordance with its rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Subscription Receiptholders evidencing a specified percentage of the aggregate Subscription Receipts outstanding, such direction or consent may be given by beneficial owners acting through the Depository and the Participants owning Subscription Receipts evidencing the requisite percentage of the Subscription Receipts.

ARTICLE 3

CONVERSION OF SUBSCRIPTION RECEIPTS

3.1 Conversion by Subscription Receipt Agent

- (a) Upon receipt by the Subscription Receipt Agent of the Release Certificate pursuant to Section 3.1(d) hereof, all Subscription Receipts will be automatically converted in accordance with Section 2.2(a) by the Subscription Receipt Agent for and on behalf of the holder thereof and the holder thereof shall, without payment of any additional consideration and without any action on the part of the holder thereof (including the surrender of any Certificated Subscription Receipt or the deemed surrender of any Uncertificated Subscription Receipt), be deemed to have subscribed for and acquired one Underlying Share and one-half of one Underlying Warrant for each Subscription Receipt held, and such Receiptholder shall be deemed to have become the holder of record of such Underlying Shares and Underlying Warrants at the Release Time, which, for greater certainty, will not be evidenced by definitive certificates.
- (b) In accordance with the Amalgamation Agreement, the Underlying Shares and Underlying Warrants will be automatically exchanged for Resulting Issuer Shares and Resulting Issuer Warrants on a one for one basis upon completion of the Amalgamation.
- (c) The holder of any Subscription Receipt converted pursuant to Section 3.1(a) hereof shall have no rights thereunder except the right to receive one Underlying Share and one-half of one Underlying Warrant for each Subscription Receipt held issuable upon conversion of the Subscription Receipts.
- (d) Within one Business Day following the satisfaction or waiver of the Release Conditions, on or before the Release Deadline, each of Valleyview, the Agents and the Company will execute a Release Certificate substantially in the Form attached hereto as Schedule "C", and the Company will deliver to the Subscription Receipt Agent such executed Release Certificate by email to the email address of the Subscription Receipt Agent as set out in Section 11.1.

- (e) If in the opinion of counsel to the Company, any instrument is required to be filed with, or any permission, order or ruling is required to be obtained from, any securities administrator, regulatory agency or governmental authority in Canada or the United States or any other step is required under any federal or provincial law of Canada or any federal or state law of the United States before the Underlying Shares and Underlying Warrants issuable upon automatic conversion of the Subscription Receipts may be issued or delivered to a Subscription Receiptholder, the Company covenants to use its best efforts to file such instrument, obtain such permission, order or ruling or take all other such actions, at its expense, as is required or appropriate in the circumstances provided, however, that in no event shall the Company be required to file a prospectus with the securities commissions in any province in Canada or a registration statement or a prospectus with the SEC or any state of the United States or in any other jurisdiction.

3.2 Effect of Conversion

- (a) Upon the conversion of any Subscription Receipts in accordance with Section 3.1(a), the Subscription Receipts shall be deemed to be cancelled and of no further force or effect, and the Underlying Shares and Underlying Warrants thereby issuable will be deemed to have been validly issued and allotted, and the person or persons to whom such Underlying Shares and Underlying Warrants are to be issued will be deemed to have become the holder or holders of record thereof, on the Release Date, unless the transfer registers for the Common Shares and Underlying Warrants are closed on that date, in which case such Underlying Shares and Underlying Warrants will be deemed to have been issued and such person or persons will be deemed to have become the holder or holders of record thereof on the date on which such transfer registers are reopened, but such Underlying Shares and Underlying Warrants will be issued on the basis of the number of Underlying Shares and Underlying Warrants to which such person or persons were entitled on the Release Date.
- (b) Upon the conversion of any Subscription Receipts in accordance with Section 3.1(a) and subject to completion of the Amalgamation, Valleyview shall cause:
 - (i) the transfer agent for the Resulting Issuer to immediately register and deliver the Resulting Issuer Shares to the holders of Underlying Shares: (A) in respect of Underlying Shares issued upon conversion of Certificated Subscription Receipts, by the issuance of the Resulting Issuer Shares in certified form; (B) in respect of Underlying Shares issued upon conversion of Uncertificated Subscription Receipts represented by a DRS advice, by the issuance and delivery of a DRS advice representing the Resulting Issuer Shares; (C) in the case of Underlying Shares issued upon conversion of Uncertificated Subscription Receipts registered in the name of the Depository, by directing the Depository to cause to be issued book entry only system customer confirmations, or the entering of NCI System customer confirmation(s), representing the Resulting Issuer Shares; and (D) in respect of Underlying Shares issued upon conversion of all other Uncertificated Subscription Receipts, by the issuance and registration of the applicable Resulting Issuer Shares in book entry only system customer confirmations;
 - (ii) the warrant agent for the Resulting Issuer Warrants to immediately register and deliver the Resulting Issuer Warrants pursuant to the Warrant Indenture as supplemented by the Warrant Indenture Supplement to the holders of Underlying Warrants: (A) in respect of Underlying Warrants issued upon conversion of Certificated Subscription Receipts, by the issuance of the Resulting Issuer

Warrants in certified form; (B) in respect of Underlying Warrants issued upon conversion of Uncertificated Subscription Receipts represented by a DRS advice, by the issuance and delivery of a DRS advice representing the Resulting Issuer Warrants; (C) in the case of Underlying Warrants issued upon conversion of Uncertificated Subscription Receipts registered in the name of the Depository, by directing the Depository to cause to be issued book entry only system customer confirmations, or the entering of NCI System customer confirmation(s), representing the Resulting Issuer Warrants; and (D) in respect of Underlying Warrants issued upon conversion of all other Uncertificated Subscription Receipts, by the issuance and registration of the applicable Resulting Issuer Warrants in book entry only system customer confirmations.

3.3 Early Termination

If a Termination Event occurs prior to the Release Deadline, the Subscription Receipts shall be cancelled and each Receiptholder will be entitled to receive out of the Escrowed Funds an amount equal to their pro rata share of the Escrowed Funds, less applicable withholding tax, if any; provided that if the Escrowed Funds are insufficient to return to each Receiptholder the aggregate Subscription Price for the Subscription Receipts then held, the Company and Valleyview shall jointly and severally be liable to fund any shortfall.

3.4 Securities Restrictions

Notwithstanding anything herein contained, Underlying Shares and Underlying Warrants will only be issued hereunder in compliance with the securities laws of any applicable jurisdiction. Without limiting the generality of the foregoing, the certificates representing the Underlying Shares and Underlying Warrants thereby issued will bear such legend or legends as may, in the opinion of counsel to the Company, be necessary or advisable in order to avoid a violation of any securities laws of any jurisdiction or to comply with the requirements of any stock exchange on which the Underlying Shares and Underlying Warrants are then listed, if applicable, provided that if, at any time, in the opinion of counsel to the Company, such legend or legends are no longer necessary or advisable in order to avoid a violation of any such laws or requirements, or the holder of any such legended certificate, at the expense thereof, provides the Company with evidence satisfactory in form and substance to the Company (which may include an opinion of counsel satisfactory to the Company) to the effect that such holder is entitled to sell or otherwise transfer such Underlying Shares and Underlying Warrants in a transaction in which such legend or legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend or legends.

3.5 Partial Conversion of Subscription Receipts; Fractions

Notwithstanding anything herein contained, the Company shall not be required, upon the conversion of any Subscription Receipts, to issue fractions of Underlying Shares or Underlying Warrants or to distribute certificates which evidence fractional Underlying Shares or Underlying Warrants. Any fractional Underlying Shares or Underlying Warrants to which a Subscription Receiptholder is entitled upon conversion or deemed conversion of Subscription Receipts shall be aggregated to form whole Underlying Shares or Underlying Warrants, with any remaining fractional Underlying Share or Underlying Warrant rounded down to a whole Underlying Share or Underlying Warrant. No cash payments will be made in lieu of fractional Underlying Shares and Underlying Warrants.

3.6 Expiration of Subscription Receipts

All rights under any Subscription Receipt shall wholly cease and terminate and the Subscription Receipts shall be void and of no effect on the earlier of (a) the Release Deadline and (b) 2:00 p.m. (Vancouver time) / 5:00 p.m. (Toronto time) on the Termination Date.

ARTICLE 4 ADJUSTMENT OF NUMBER OF COMMON SHARES

4.1 Definitions

In this Article 4, the terms "record date" and "effective date" where used herein shall mean 2:00 p.m. (Vancouver time) / 5:00 p.m. (Toronto time) on such date. Any adjustment to the number of Common Shares issuable upon exercise of the Underlying Warrants and the exercise price of the Underlying Warrants shall be determined in accordance with the terms of the Warrant Indenture, whether or not the Underlying Warrants have been issued upon the conversion of the Subscription Receipts.

4.2 Adjustment

The Exchange Number (or the number and kind of shares or securities to be received upon exercise in the case of subsection 4.2(d) below) shall be subject to adjustment from time to time in the events and in the manner provided in Section 4.3 and as follows:

- (a) **Share Reorganization.** If at any time after the issuance of the Subscription Receipts and before the Release Date, the Company:
 - (i) subdivides (other than pursuant to the Share Split), re-divides or changes its outstanding Common Shares into a greater number of Common Shares;
 - (ii) reduces, combines, consolidates or changes its outstanding Common Shares into a lesser number of Common Shares; or
 - (iii) issues to all or substantially all the holders of the Common Shares, by way of a stock distribution, stock dividend or otherwise, Common Shares or Convertible Securities,

(any of these events being herein called a "**Share Reorganization**"),

the Exchange Number will be adjusted effective immediately after the record date at which the holders of Common Shares are determined for the purposes of the Share Reorganization to a number that is the product of (1) the Exchange Number and (2) a fraction:

- (A) the numerator of which will be the number of Common Shares outstanding on the record date after giving effect to the Share Reorganization; and
- (B) the denominator of which will be the number of Common Shares outstanding on the record date before giving effect to the Share Reorganization.

For the purposes of determining the number of Common Shares outstanding at any particular time for the purpose of this subsection 4.2(a), there shall be included that number

of Common Shares which would have resulted from the conversion at that time of any such Convertible Securities issued to all or substantially all the holders of the Common Shares.

- (b) **Rights Offering.** If at any time after the issuance of the Subscription Receipts and before the Release Date, the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of Common Shares pursuant to which those holders are entitled to subscribe for, purchase or otherwise acquire Common Shares or Convertible Securities within a period of 45 days from the date of issue thereof at a price, or at a conversion price, of less than 95% of the Current Market Price at the record date for such distribution (any such issuance being herein called a "**Rights Offering**" and Common Shares that may be acquired in exercise of the Rights Offering or upon conversion of the Convertible Securities offered by the Rights Offering being herein called the "**Offered Shares**"), the Exchange Number shall be adjusted effective immediately after the record date at which holders of Common Shares are determined for the purposes of the Rights Offering to an Exchange Number that is the product of the Exchange Number in effect on the record date and a fraction:

- (i) the numerator of which shall be the sum of the number of Common Shares outstanding on the record date plus the number of Offered Shares offered pursuant to the Rights Offering or the maximum number of Offered Shares into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be; and
- (ii) the denominator of which shall be the sum of:
 - (A) the number of Common Shares outstanding on the record date for the Rights Offering; and
 - (B) the number arrived at when either the product of the number of Offered Shares so offered and the price at which those Common Shares are offered, or the product of the conversion price thereof and the maximum number of Offered Shares for or into which the Convertible Securities so offered pursuant to the Rights Offering may be converted, as the case may be, is divided by the Current Market Price of the Common Shares on the record date.

Any Offered Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any computation; if all the rights, options or warrants are not so issued or if all rights, options or warrants are not exercised prior to the expiration thereof, the Exchange Number shall be readjusted to the Exchange Number in effect immediately prior to the record date and the Exchange Number shall be further adjusted based upon the number of Offered Shares (or Convertible Securities into Offered Shares) actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after that record date.

- (c) **Special Distributions.** If at any time after the issuance of the Subscription Receipts and before the Release Date, the Company shall issue or distribute to all or substantially all the holders of the Common Shares of any class other than Common Shares, or rights, options or warrants (other than in respect of a Rights Offering), or evidences of indebtedness, or any other assets (excluding dividends) and that issuance or distribution does not constitute

a Share Reorganization or a Rights Offering (any of those events being herein called a "**Special Distribution**"), the Exchange Number shall be adjusted effective immediately after the record date at which the holders of Common Shares are determined for purposes of the Special Distribution to an Exchange Number that is the product of the Exchange Number in effect on the record date and a fraction:

- (i) the numerator of which shall be the product of the sum of the number of Common Shares outstanding on the record date plus the number of Common Shares which the Subscription Receiptholders would be entitled to receive upon conversion of all their outstanding Subscription Receipts if they were exercised on the record date and the Current Market Price thereof on that date; and
- (ii) the denominator of which shall be:
 - (A) the product of the sum of the number of Common Shares outstanding on the record date plus the number of Common Shares which the Subscription Receiptholders would be entitled to receive upon conversion of all their outstanding Subscription Receipts if they were exercised on the record date and the Current Market Price thereof on that date;

less,
 - (B) the aggregate fair market value, as determined by the directors, whose determination shall, absent manifest error, be conclusive, of the shares, rights, options, warrants, evidences of indebtedness or other assets issued or distributed in the Special Distribution.

Any Common Shares owned by or held for the account of the Company shall be deemed not to be outstanding for the purpose of any such computation. To the extent that the distribution of shares, rights, options, warrants, evidences of indebtedness or assets if not so made or to the extent that any rights, options or warrants so distributed are not exercised, the Exchange Number shall be readjusted to the Exchange Number that would then be in effect based upon the shares, rights, options, warrants, evidences of indebtedness or assets actually distributed or based upon the number of Common Shares or Convertible Securities actually delivered upon the exercise of the rights, options or warrants, as the case may be, but subject to any other adjustment required hereunder by reason of any event arising after the record date.

- (d) **Capital Reorganization.** If at any time after the issuance of the Subscription Receipts and before the Release Date there is a reclassification of the Common Shares or a reorganization of the Company not otherwise provided for in subsection 4.2(a) or a consolidation, merger, arrangement or amalgamation of the Company with or into another body corporate, trust, partnership or other entity including a transaction whereby all or substantially all of the Company's undertaking and assets become the property of any other corporation (any such event being herein called a "**Capital Reorganization**"), any Receiptholder shall be entitled to receive and shall accept, upon the exercise of his or her right at any time after the effective date of the Capital Reorganization, in lieu of the number of Underlying Shares to which he or she was theretofore entitled upon conversion of the Subscription Receipt, the aggregate number of securities or property of the Company, or the continuing successor or purchasing person, as the case may be, under the Capital Reorganization that the holder would have been entitled to receive as a result of the Capital

Reorganization if, on the effective date thereof, he or she had been the holder of the number of Underlying Shares to which immediately before the transaction he or she was entitled upon conversion of the Subscription Receipts. No Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken so that the holders of Subscription Receipts shall thereafter be entitled to receive the number of Underlying Shares or other securities or property of the Company or of the continuing, successor or purchasing person, as the case may be, under the Capital Reorganization, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Section and in Section 4.3.

If determined appropriate by the Company, acting reasonably, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Article 4 with respect to the rights and interests thereafter of the Receiptholders to the extent that the provisions set forth in this Article 4 will thereafter correspondingly be made applicable as nearly as may be reasonable in relation to any securities or property thereafter deliverable upon the exercise of any Subscription Receipt. Any such adjustments will be made by and set forth in terms and conditions supplemental hereto approved by the Company, acting reasonably, and, absent manifest error, will for all purposes be conclusively deemed to be the appropriate adjustment.

4.3 Adjustment Rules

The following rules and procedures shall be applicable to adjustments made pursuant to Section 4.2:

- (a) The adjustments provided for in this Article 4 are cumulative and, subject to Section 4.2, shall apply (without duplication) to successive issues, subdivisions, combinations, consolidations, changes, distributions and any other events that require adjustment of the Exchange Number or the number or kind of securities or property issuable hereunder.
- (b) No adjustment in the Exchange Number shall be required unless the adjustment would result in a change of at least 0.01% in the Exchange Number, provided, however, that any adjustments that, except for the provisions of this subsection would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.
- (c) No adjustment in the Exchange Number shall be made in respect of any events described in Article 4 if the holders of the Subscription Receipts are entitled to participate in the events on the same terms, mutatis mutandis, as if their Subscription Receipts had been automatically converted immediately prior to the effective date or record date of the events.
- (d) If a dispute shall at any time arise with respect to adjustments of the Exchange Number, the dispute shall be conclusively determined by the Company's auditors or, if they are unable or unwilling to act, by such firm of independent chartered accountants as may be selected by the directors and any such determination shall, absent manifest error, be binding upon the Company, the Subscription Receipt Agent, the transfer agent and all Receiptholders.
- (e) If the Company shall set a record date to determine the holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter, legally abandon its plans to pay or deliver the dividend

or distribution or subscription or purchase rights, then no adjustment in the Exchange Number shall be required by reason of the setting of the record date.

- (f) In case the Company, after the date hereof and prior to the conversion of the Subscription Receipts, shall take any action affecting or relating to the Common Shares, other than any action described in this Article 4, which, in the reasonable opinion of the directors of the Company, would prejudicially affect the rights of the Receiptholders, the Exchange Number shall be adjusted in such manner, if any, and at such time as the directors of the Company may, in their sole discretion, reasonably determine to be equitable to the Receiptholders in such circumstances.
- (g) As a condition precedent to the taking of any action which would require an adjustment in any of the rights under the Subscription Receipts, the Company will take any action which, in the opinion of counsel to the Company, may be necessary in order that the Company, or any successor to the Company or successor to the undertaking or assets of the Company will be obligated to and may validly and legally issue all the shares which the holders of the Subscription Receipts would be entitled to receive upon the conversion of such Subscription Receipts in accordance with the provisions hereof.
- (h) All adjustments in connection with the Underlying Warrants to be issued upon the automatic conversion of the Subscription Receipts shall be made in accordance with the terms and conditions of the Warrant Indenture, whether or not the Underlying Warrants have been issued upon the conversion of the Subscription Receipts.
- (i) The Company shall, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 4, deliver a certificate of the Company to the Subscription Receipt Agent specifying the nature of the event requiring such adjustment or readjustment and the amount of the adjustment or readjustment necessitated thereby and setting out in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate may be supported by a certificate of the Company's auditors verifying such calculation if requested by the Subscription Receipt Agent at their discretion, acting reasonably. The Subscription Receipt Agent shall rely, and shall be protected in so doing, upon the certificate of the Company or the Company's auditor and any other document filed by the Company pursuant to this Article 4 for all purposes.

4.4 Protection of Subscription Receipt Agent

The Subscription Receipt Agent:

- (a) shall be entitled to act and rely upon the certificate of the Company and any other documents filed by the Company pursuant to this Article 4;
- (b) shall not at any time be under any duty or responsibility to any Receiptholder to determine whether any facts exist which may require any adjustment contemplated by this Article 4, or with respect to the nature or extent of any such adjustment when made or the method employed in making such adjustment;
- (c) shall not be accountable with respect to the validity or value (or the kind or amount) of any Underlying Common Shares or Underlying Warrants or other securities or property which

may at any time be issued or delivered upon the exercise of the rights attaching to any Subscription Receipt;

- (d) shall not be responsible for any failure of the Company to issue, transfer or deliver Common Shares or Warrants or certificates representing Common Shares or Warrants or to comply with any of the covenants contained in this Article 4;
- (e) shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Company of any of the representations, warranties or covenants herein contained or of any acts of the agents of the Company; and
- (f) shall be entitled to act and rely upon the certificates of the Company or of the auditors of the Company and any other notices given by the Company pursuant to Section 4.6.

4.5 Postponement of Subscription

In any case where the application of Article 4 results in an increase of the Exchange Number taking effect immediately after the record date for or occurrence of a specific event, if the Release Date occurs after that record date or occurrence and prior to completion of the event or of the period for which a calculation is required to be made, the Company may postpone the issuance to the holder of the Subscription Receipts of the Underlying Shares to which the holder is entitled by reason of the increase of the Exchange Number but the Underlying Shares shall be so issued and delivered to that holder upon completion of that event or period, with the number of those Underlying Shares calculated on the basis of the Exchange Number any time after the issuance of the Subscription Receipts and before the Release Date adjusted for completion of that event or period, and the Company shall forthwith any time after the issuance of the Subscription Receipts and before the Release Date deliver to the person or persons in whose name or names the Underlying Shares are to be issued an appropriate instrument evidencing the person's or persons' right to receive the Underlying Shares.

4.6 Notice of Certain Events

- (a) Promptly upon the occurrence of the earlier of the effective date of or the record date for any event referred to in Section 4.2 or Section 4.3 that requires an adjustment of the rights attaching to the Subscription Receipts, the Company shall:
 - (i) file with the Subscription Receipt Agent a certificate of the Company specifying the particulars of the event and, if determinable, the adjustment and computation of the adjustment and the Subscription Receipt Agent may act and rely absolutely on the certificate of the Company; and
 - (ii) give notice to the Subscription Receiptholders of the particulars of the event and, if determinable, the adjustment.
- (b) If notice has been given under subsection 4.6(a) and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable:
 - (i) file with the Subscription Receipt Agent a computation of the adjustment; and
 - (ii) give notice to the Subscription Receiptholders of the adjustment.

ARTICLE 5

RIGHTS AND COVENANTS OF THE COMPANY

5.1 Optional Purchases by the Company

Subject to applicable securities legislation, the Company may from time-to-time purchase by private contract or otherwise any of the Subscription Receipts issued by it. Any Subscription Receipt Certificates representing the Subscription Receipts purchased pursuant to this Section 5.1 shall forthwith be delivered to and cancelled by the Subscription Receipt Agent and any Uncertificated Subscription Receipts will be deemed to be cancelled by the Subscription Receipt Agent and no Subscription Receipts shall be issued in replacement thereof.

5.2 General Covenants of the Company

So long as any Subscription Receipts remain outstanding the Company represents, warrants and covenants with the Subscription Receipt Agent and the Agents, as follows:

- (a) it is duly authorized to create and issue the Subscription Receipts and, when issued and Authenticated as herein provided, such Subscription Receipts shall be valid and enforceable against the Company in accordance with the terms herein;
- (b) it will at all times reserve and keep available a sufficient number of Common Shares and Underlying Warrants for the purpose of enabling it to satisfy its obligations to issue Underlying Shares and Underlying Warrants upon the conversion of the Subscription Receipts issued by it and a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations pursuant to the exercise of the Underlying Warrants;
- (c) it will cause the Underlying Shares and Underlying Warrants and any certificates representing the Underlying Shares and Underlying Warrants issued pursuant to the deemed conversion of the Subscription Receipts issued by it to be duly issued and delivered in accordance with the Subscription Receipts and the terms hereof;
- (d) all Underlying Shares and Underlying Warrants which shall be issued upon deemed conversion of the Subscription Receipts (in accordance with the terms hereof and of the Subscription Receipts), and all Common Shares which shall be issued upon the due exercise of the Underlying Warrants (in accordance with the terms hereof and thereof), shall be fully paid and non-assessable;
- (e) it will cause the Subscription Receipt Agent to keep open the Register as required by Section 3.1(a) and will not take any action or omit to take any action which would have the effect of preventing the Subscription Receiptholders from receiving any of the Underlying Common Shares and Underlying Warrants issued upon conversion of the Subscription Receipts;
- (f) it will make all requisite filings, including filings with appropriate securities commissions and stock exchanges in connection with the conversion of the Subscription Receipts and the issue of the Underlying Common Shares and Underlying Warrants;
- (g) in the event that (i) the Company delivers the Termination Notice, or (ii) if the Release Notice has not been provided in accordance with the provisions hereof on or prior to the Release Deadline, the Company shall send or cause to be sent to each holder of

Subscription Receipts written notice advising of that fact and such notice shall be sent within three (3) Business Days after the Termination Date;

- (h) it will maintain its corporate existence;
- (i) it will perform and carry out in all material respects all of the acts or things to be done by it as provided in this Agreement; and
- (j) it will promptly advise the Subscription Receipt Agent, the Agents and the Subscription Receiptholders in writing of any default under the terms of this Agreement.

5.3 Subscription Receipt Agent's Remuneration and Expenses

The Company and Valleyview hereby jointly and severally covenant that they will pay (and shall be responsible for the payments thereof) to the Subscription Receipt Agent from time to time agreed remuneration for its services hereunder and will pay or reimburse the Subscription Receipt Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Subscription Receipt Agent in connection with the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder shall be finally and fully performed. Any amount owing hereunder and remaining unpaid 30 days from the invoice date will bear interest at the then current rate charged by the Subscription Receipt Agent against unpaid invoices and shall be payable upon demand. This Section shall survive the termination of this Agreement and the removal or resignation of the Subscription Receipt Agent.

5.4 Performance of Covenants by Subscription Receipt Agent

If the Company shall fail to perform any of its covenants contained in this Subscription Receipt Agreement, the Subscription Receipt Agent may notify the Subscription Receiptholders of such failure on the part of the Company or may itself perform any of the covenants capable of being performed by it but shall be under no obligation to perform said covenants or to notify the Subscription Receiptholders of such performance or non-performance by it. All reasonable sums expended or advanced by the Subscription Receipt Agent in so doing shall be repayable as provided in Section 5.3. No such performance, expenditure or advance by the Subscription Receipt Agent shall relieve the Company of any default hereunder or of its continuing obligations under the covenants herein contained.

ARTICLE 6 ESCROWED FUNDS

6.1 Initial Escrowed Proceeds and Distribution Amounts

- (a) On the Closing Date, the Company, shall (a) direct the Lead Agents to deliver the portion of the Initial Escrowed Proceeds relating to the Subscription Receipt Brokered Offering to the Subscription Receipt Agent by way of electronic wire and upon receipt of such funds, the Subscription Receipt Agent shall provide a written receipt for the funds; and (b) cause to be delivered the portion of the Initial Escrowed Proceeds relating to the Subscription Receipt Non-Brokered Offering to the Subscription Receipt Agent by way of electronic wire and upon receipt of such funds, the Subscription Receipt Agent shall provide a written receipt for the funds.

- (b) The Subscription Receipt Agent shall accept and hold the Escrowed Funds in escrow for and on behalf of the persons who have an interest therein pursuant hereto, shall disburse and deal with the Escrowed Funds in the manner contemplated by this Article 6 and at all times shall keep the Escrowed Funds in a segregated account, all on the terms and subject to the conditions hereof.
- (c) The Company acknowledges and agrees that it is a condition of the payment by the holder of Subscription Receipts of the Subscription Price therefor that the Escrowed Funds are held in escrow by the Subscription Receipt Agent in accordance with the provisions of this Article 6. The Company further acknowledges and confirms that it has no interest in any or all of the Escrowed Funds unless and until a Release Certificate is delivered to the Subscription Receipt Agent. The Subscription Receipt Agent shall retain the Escrowed Funds for the benefit of Subscription Receiptholders and, upon the delivery of a Release Certificate to the Subscription Receipt Agent, retroactively for the benefit of the Company in accordance with the provisions of this Article 6.

6.2 Placement of Escrowed Funds

- (a) Until released in accordance with this Agreement, the Escrowed Funds shall be kept segregated in the records of the Subscription Receipt Agent and designated in the name of the Company and shall be deposited in one or more interest-bearing trust accounts to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more Schedule I Canadian chartered banks (each such bank, an "**Approved Bank**"). Of the amount of interest, if any, earned by the Subscription Receipt Agent on such deposited monies, the Subscription Receipt Agent shall credit to the Escrowed Funds an amount that is equal to 0.35% less than the Bank of Canada rate. Such calculated amount shall be credited by the Subscription Receipt Agent to the Escrowed Funds within three Business Days of each month-end. The Subscription Receipt Agent may retain the remaining amount of interest, if any, that was earned on such deposited monies for its own use and benefit. Notwithstanding the foregoing, (i) in no event will the Subscription Receipt Agent be obligated to pay or credit any amount on account of interest that exceeds the amount of interest earned from any Approved Bank on the Escrowed Funds, as determined by the Subscription Receipt Agent; and (ii) if an account at any Approved Bank into which the Escrowed Funds or any part thereof has been deposited bears a negative interest rate or there is otherwise any fee or other charge assessed on the account or in respect of the amount of cash on deposit, the cost, as determined by the Subscription Receipt Agent, shall be deducted from the Escrowed Funds.
- (b) All amounts held by the Subscription Receipt Agent pursuant to this Agreement shall be held by the Subscription Receipt Agent for the benefit of the Subscription Receiptholders and the delivery of the Initial Escrowed Proceeds to the Subscription Receipt Agent shall not give rise to a debtor-creditor or other similar relationship between the Subscription Receipt Agent and the Subscription Receiptholders. The amounts held by the Subscription Receipt Agent pursuant to this Agreement are the sole risk of the Company and Subscription Receiptholders and, without limiting the generality of the foregoing, the Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which may result from any deposit made with an Approved Bank pursuant to this Section 6.2, including any losses resulting from a default by the Approved Bank or other credit losses (whether or not resulting from such a default) and any credit or other losses on any deposit liquidated or sold prior to maturity. The Company acknowledges and agrees that the Subscription Receipt Agent acts prudently in depositing

the Escrowed Funds at any Approved Bank, and that the Subscription Receipt Agent is not required to make any further inquiries in respect of any such bank.

- (c) At any time and from time to time, the Company shall be entitled to direct the Subscription Receipt Agent by written notice not to deposit any new amounts in any Approved Bank specified in the notice and/or to withdraw all or any of the Escrowed Funds that may then be deposited with any Approved Bank specified in the notice and re-deposit such amount with one or more of such other Approved Banks as specified in the notice. With respect to any withdrawal notice, the Subscription Receipt Agent will endeavor to withdraw such amount specified in the notice as soon as reasonably practical and the Company acknowledges and agrees that such specified amount remains at the sole risk of the Company prior to and after such withdrawal.
- (d) For tax reporting purposes, all interest or other taxable income earned from the investment of the Escrowed Funds in any tax year shall (i) to the extent such interest is distributed by the Subscription Receipt Agent to any person or entity pursuant to the terms of this Agreement during such tax year, be allocated to such person or entity, and (ii) otherwise be allocated to the Company in the taxation year that it was earned, notwithstanding that no such amount has been distributed. The Company agrees to use commercially reasonable efforts to cause the Subscription Receiptholders to provide the Subscription Receipt Agent with their certified tax identification numbers and other forms, documents and information that the Subscription Receipt Agent may request in order to fulfill any tax reporting function.
- (e) The Approved Banks include the following:

ANZ Banking Group
Bank of America NA
Bank of Montreal
The Bank of Nova Scotia
Bank of Scotland
Bank of Tokyo-Mitsubishi UFJ
BNP Paribas
Canadian Imperial Bank of Commerce
Citibank NA
HSBC Bank of Canada
National Australia Bank Limited
National Bank of Canada
Royal Bank of Canada
Société Generale (Canada Branch)
The Toronto-Dominion Bank

6.3 Release of Escrowed Funds Upon Receipt of Release Certificate

The Escrowed Funds shall be released from escrow on the Release Date and paid by the Subscription Receipt Agent within three Business Days from date of receipt of the Release Certificate as follows: (a) to the Lead Agents, or as otherwise directed, on behalf of the Agents, in the Release Certificate: (i) an amount equal to 50% of the Agents' Cash Compensation; and (ii) an amount equal to 50% of the

Agents' Expenses, plus any Agents' Expenses incurred between the Closing Date and the Release Date not already paid by the Company; (b) to the Finders as directed in the Release Certificate, an amount equal to 100% of the Finders' Fees; and (c) to the Resulting Issuer, or as otherwise directed by the Resulting Issuer in the Release Certificate, the balance of the Escrowed Funds, less any amounts payable to the Subscription Receipt Agent equal to its fees for services rendered and disbursements incurred in accordance with Section 5.3.

6.4 Release of Escrowed Funds on Termination Event

In the event that a Termination Event occurs prior to the Release Date, within one Business Day of thereof, each of Valleyview, the Agents and the Company will execute a Termination Notice substantially in the form attached hereto as Schedule "D" and the Company will deliver to the Subscription Receipt Agent such executed Termination Notice by email to the email address of the Subscription Receipt Agent as set out in Section 11.1. Upon receipt of the Termination Notice, the Subscription Receipt Agent shall return to each Subscription Receiptholder such holder's Escrowed Funds (less applicable withholding taxes, if any) on a pro rata basis as soon as practicable and in any event, within three Business Days after the Termination Date. In the event that the Escrowed Funds are not sufficient to fund the total Subscription Price paid by all Subscription Receiptholders, at least two Business Days prior to the Business Day on which the Subscription Receipt Agent is to pay each Subscription Receiptholder's Escrowed Funds, the Company and Valleyview are obligated, jointly and severally, to fund the Subscription Receipt Agent in a sufficient amount to pay any such shortfall and such funds will be paid by the Subscription Receipt Agent to the Subscription Receiptholders on a pro rata basis. For greater certainty, the Subscription Receipt Agent and the Agents shall not be responsible for any such shortfall. Payment shall be made in accordance with Section 6.6 hereof. The Subscription Receipt Agent shall mail or deliver, or cause to be mailed or delivered to the Subscription Receiptholders a cheque in the amount payable at their addresses last appearing on the register of the Subscription Receipts maintained by the Subscription Receipt Agent or, in the case of holders of Uncertificated Subscription Receipts, by wire transfer of immediately available funds or through applicable electronic procedures through the Depository, as applicable. All Subscription Receipts in respect of which the Escrowed Funds have been paid to the Subscription Receiptholders shall be deemed to have been cancelled on the date of the Termination Event and the Subscription Receipt Agent shall record the deemed cancellation of such Subscription Receipt Certificates on the register of the Subscription Receipts. Upon request, the Subscription Receipt Agent shall furnish the Company with a certificate identifying the Subscription Receipts deemed to have been cancelled. All Subscription Receipts which have been deemed to have been cancelled pursuant to this Section 6.4 shall be without further force and effect whatsoever.

6.5 Direction

In order to permit the Subscription Receipt Agent to carry out its obligations under this Article 6, the Company hereby specifically authorizes and directs the Subscription Receipt Agent to make any stipulated payment or to take any stipulated action in accordance with the provisions of this Agreement.

6.6 Method of Disbursement and Delivery

- (a) All disbursements of money made in accordance with the provisions of Section 3.1 or this Article 6 shall be made by the applicable electronic procedures through the Depository or certified cheque or wire transfer as may be directed by the Subscription Receiptholders, the Lead Agents or the Company, as applicable, made payable to or to the order of the Subscription Receiptholders or the Company, as applicable, in the correct amount, less all amounts required to be withheld by the Company by law, including without limitation, under the *Income Tax Act* (Canada), if the disbursement is made to the Company.

- (b) If the Subscription Receipt Agent delivers any payment as required under subsection 6.6(a), the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such payment is not received or paid on due presentation; provided that in the event of the non-receipt of such electronic deposit, wire transfer or cheque by the payee, or the loss or destruction of such cheque, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and funding and indemnity reasonably satisfactory to it, shall initiate a new electronic deposit, wire transfer, if the funds have been returned, or issue to such payee a replacement cheque for the amount of such wire transfer or cheque.

6.7 Acknowledgments of Escrowed Funds

- (a) The Subscription Receipt Agent shall deliver a signed receipt acknowledging receipt from the Lead Agents of wire transfer(s) in the aggregate amount of \$12,274,530.81, being the amount of the Initial Escrowed Proceeds with respect to the Subscription Receipt Brokered Offering and the Subscription Receipt Agent shall deliver a signed receipt acknowledging receipt from the Direct Subscribers of wire transfers in the aggregate amount of \$2,624,100.30, being the amount of the Initial Escrowed Proceeds with respect to the Subscription Receipt Non-Brokered Offering.
- (b) The Subscription Receipt Agent confirms that, once received, the Initial Escrowed Proceeds will be deposited in segregated accounts in the name of the Subscription Receipt Agent in trust for the Resulting Issuer and, pending the satisfaction of the Release Conditions, will be held in accordance with Section 6.1 and Section 6.2 hereof.

6.8 Miscellaneous

- (a) The Subscription Receipt Agent will disburse monies according to this Agreement only to the extent that monies have been deposited with it. The duties and obligations of the Subscription Receipt Agent shall be determined solely by the provisions hereof and, accordingly, the Subscription Receipt Agent shall not be responsible except for the performance of such duties and obligations as it has undertaken herein. The Subscription Receipt Agent is acting hereunder as escrow agent at the request of the Company, Valleyview and the Agents and shall not be responsible as escrow agent except for its duties of receiving, holding and disbursing the Escrowed Funds pursuant to the terms and conditions of this Agreement. Any certificate of a party referred to herein, unless otherwise specified, shall, in the case of the Company or Valleyview, refer to a certificate signed in the name of the Company by any officer or director of the Company or Valleyview, as applicable, and, in the case of any other party, refer to a certificate of an authorized officer of such party. In the event of any disagreement arising regarding the terms of this Agreement, the Subscription Receipt Agent shall be entitled, at its option, to refuse to comply with any or all demands whatsoever until the dispute is settled, either by agreement amongst the various parties or by a court of competent jurisdiction. The Subscription Receipt Agent shall not be responsible for any losses which may occur as a result of the investment of the Escrowed Funds where the Escrowed Funds have been invested in accordance with the terms of this Agreement.
- (b) In addition to the other rights granted to the Receiptholders in this Agreement, until the release of the Escrowed Funds pursuant to the terms of this Agreement, the Receiptholders have a claim against the Escrowed Funds in the amount equal to \$0.30 per Subscription Receipt held by such holder, which claim shall subsist until such time as the Resulting

Issuer Shares and Resulting Issuer Warrants issuable upon the deemed conversion of the Subscription Receipt and exchanged pursuant to the Amalgamation are issued or such amount is paid in full. In the event that, prior to the release of the Escrowed Funds in accordance with the terms of this Agreement, the Company: makes a general assignment for the benefit of creditors or any proceeding is instituted by the Company seeking relief on behalf thereof as a debtor, or to adjudicate the Company as bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of the Company or the debts of the Company under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, receiver and manager, trustee, custodian or similar official for the Company or any substantial part of the property and assets of the Company or the Company takes any corporate action to authorize any of the actions set forth above; or the Company shall be declared bankrupt, or a receiver, receiver and manager, trustee, custodian or similar official is appointed for the Company or any substantial part of its property and assets of the Company or an encumbrancer shall legally take possession of any substantial part of the property or assets of the Company or a distress or execution or any similar process is levied or enforced against such property and assets and remains unsatisfied for such period as would permit such property or such part thereof to be sold thereunder, the right of each holder of Subscription Receipts to be issued Underlying Shares and Underlying Warrants upon the deemed conversion of the Subscription Receipts of such holder will terminate and such holder will be entitled to assert a claim against the Escrowed Funds held in escrow and against the Company for any shortfall in an amount equal to \$0.30 for each Subscription Receipt held by such holder.

- (c) In the event that the Subscription Receipt Agent shall hold any amount of any distributable amount which is unclaimed or which cannot be paid for any reason, the Subscription Receipt Agent shall be under no obligation to invest or reinvest the same but shall only be obligated to hold the same on behalf of the person or persons entitled thereto in a current or other non-interest bearing account pending payment to the person or persons entitled thereto.
- (d) The Subscription Receipt Agent shall be entitled to act and rely absolutely on the Release Certificate or the Termination Notice, as the case may be, and shall be entitled to release the Escrowed Funds upon the receipt of a Release Certificate or the Termination Notice, as provided for in this Agreement.

ARTICLE 7 ENFORCEMENT

7.1 Suits by the Subscription Receiptholders

Subject to Section 8.10, all or any of the rights conferred upon any Subscription Receiptholder by any of the terms of the Subscription Receipts or of this Agreement, or of both, may be enforced by the Subscription Receiptholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Subscription Receipt Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Subscription Receiptholder. The Subscription Receipt Agent shall also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may reasonably be advised shall be necessary or advisable to preserve and protect its interests and the interests of Subscription Receiptholders.

ARTICLE 8

MEETINGS OF SUBSCRIPTION RECEIPTHOLDERS

8.1 Right to Convene Meetings

The Subscription Receipt Agent may at any time and from time to time, and shall on receipt of a written request of the Company, Valleyview or of a Subscription Receiptholders' Request and upon being indemnified and provided with security funding to its reasonable satisfaction by the Company and Valleyview or by the Subscription Receiptholders signing such Subscription Receiptholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, call and hold a meeting of the Subscription Receiptholders. In the event of the Subscription Receipt Agent failing to so call a meeting within seven days after receipt of such written request of the Company, Valleyview or such Subscription Receiptholders' Request and indemnity and security given as aforesaid, the Company or such Subscription Receiptholders, as the case may be, may call and hold such meeting. Every such meeting shall be held in the City of Vancouver or by means of equipment enabling all participants to communicate directly with one another or at such other place as may be approved or determined by the Subscription Receipt Agent.

8.2 Notice

At least ten Business Days' prior notice of any meeting of Subscription Receiptholders shall be given to the Subscription Receiptholders in the manner provided for in Section 11.2 and a copy of such notice shall be sent by mail to the Subscription Receipt Agent (unless the meeting has been called by the Subscription Receipt Agent), to the Company and Valleyview (unless the meeting has been called by the Company or Valleyview, as applicable) and to the Agents. Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Subscription Receiptholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 8. The notice convening any such meeting shall be signed by an appropriate officer of the Subscription Receipt Agent or the Company or by a representative of the Subscription Receiptholders, as the case may be.

8.3 Chair

An individual (who need not be a Subscription Receiptholder) designated in writing by the Subscription Receipt Agent shall be chair of the meeting and if no individual is so designated, or if the individual so designated is not present within 30 minutes from the time fixed for the holding of the meeting, the Subscription Receiptholders present in person or by proxy shall choose some individual present to be chair.

8.4 Quorum

At any meeting of the Subscription Receiptholders a quorum shall consist of Subscription Receiptholders present in person or by proxy holding at least 25% of the aggregate number of the then outstanding Subscription Receipts, provided that at least two persons entitled to vote thereat are personally present or represented by proxy. If a quorum of the Subscription Receiptholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by Subscription Receiptholders or on a Subscription Receiptholders' Request, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned

meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. At the adjourned meeting, the Subscription Receiptholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 25% of the then outstanding Subscription Receipts. No business shall be transacted at any meeting unless a quorum is present at the commencement of business.

8.5 Power to Adjourn

The chair of any meeting at which a quorum of the Subscription Receiptholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

8.6 Show of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on a Special Resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

8.7 Poll and Voting

On every Special Resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chair or by one or more of the Subscription Receiptholders acting in person or by proxy and holding in the aggregate at least 25% of the aggregate number of the then outstanding Subscription Receipts, a poll shall be taken in such manner as the chair shall direct. Questions other than those required to be determined by Special Resolution shall be decided by a majority of the votes cast on the poll.

On a show of hands, every person who is present and entitled to vote, whether as a Subscription Receiptholder or as proxy for one or more absent Subscription Receiptholders, or both, shall have one vote. On a poll, each Subscription Receiptholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each Subscription Receipt then held or represented by it. A proxy need not be a Subscription Receiptholder. The chair of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held or represented by him but shall not be entitled to a casting vote in the case of an equality of votes.

8.8 Regulations

The Subscription Receipt Agent, or the Company with the approval of the Subscription Receipt Agent, may from time to time make and from time to time vary such regulations as it shall think fit for:

- (a) the setting of a record date for a meeting for the purpose of determining the Subscription Receiptholders entitled to receive notice of and to vote at the meeting;
- (b) the form of the instrument appointing a proxy and the manner in which the form of proxy may be executed and deposited;
- (c) governing the places at which and the times by which voting certificates or instruments appointing proxies must be deposited; and

- (d) generally for the calling of meetings of Subscription Receiptholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Subscription Receiptholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 8.9), shall be Subscription Receiptholders or their counsel, or proxies of Subscription Receiptholders.

8.9 Company, Valleyview Agents and Subscription Receipt Agent May be Represented

The Company, Valleyview the Agents and the Subscription Receipt Agent, by their respective directors and officers, as applicable, and counsel to the Company, Valleyview, the Agents and the Subscription Receipt Agent may attend any meeting of the Subscription Receiptholders.

8.10 Powers Exercisable by Special Resolution

In addition to all other powers conferred upon them by any other provisions of this Agreement or by law, the Subscription Receiptholders shall have the power, exercisable from time to time by Special Resolution:

- (a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Subscription Receiptholders or, with the consent of the Subscription Receipt Agent, the Subscription Receipt Agent in its capacity as subscription receipt agent hereunder or on behalf of the Subscription Receiptholders, against the Company whether such rights arise under this Agreement or the Subscription Receipts or otherwise, which shall be agreed to by the Company, and to authorize the Subscription Receipt Agent to execute any indenture supplemental hereto in connection therewith;
- (b) to amend, alter or repeal any resolution previously passed or sanctioned by the Subscription Receiptholders;
- (c) subject to arrangements with respect to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or to authorize the Subscription Receipt Agent to enforce any of the covenants on the part of the Company and Valleyview contained in this Agreement or the Subscription Receipts or to enforce any of the rights of the Subscription Receiptholders in any manner specified in such Special Resolution or to refrain from enforcing any such covenant or right;
- (d) to waive, and to direct the Subscription Receipt Agent to waive, any default on the part of the Company or Valleyview in complying with any provisions of this Agreement or the Subscription Receipts either unconditionally or upon any conditions specified in such Special Resolution;
- (e) to restrain any Subscription Receiptholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any of the covenants on the part of the Company in this Agreement or the Subscription Receipts or to enforce any of the rights of the Subscription Receiptholders;
- (f) to direct any Subscription Receiptholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of

the costs, charges and expenses reasonably and properly incurred by such Subscription Receiptholder in connection therewith;

- (g) to assent to any change in or omission from the provisions contained in the Subscription Receipts and this Agreement or any ancillary or supplemental instrument, and to authorize the Subscription Receipt Agent to concur in and execute any ancillary or supplemental agreement embodying the change or omission;
- (h) with the consent of the Company, not to be unreasonably withheld, to remove the Subscription Receipt Agent or its successor in office and to appoint a new subscription receipt agent or subscription receipt agents to take the place of the subscription receipt agent so removed;
- (i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company; and
- (j) to extend the Release Deadline.

8.11 Powers Cumulative

Any one or more of the powers or any combination of the powers in this Agreement stated to be exercisable by the Subscription Receiptholders by Special Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Subscription Receiptholders to exercise such power or powers or combination of powers then or thereafter from time to time.

8.12 Minutes

Minutes of all resolutions and proceedings at every meeting of Subscription Receiptholders shall be made and duly entered in books to be provided from time to time for that purpose by the Subscription Receipt Agent at the expense of the Company and any such minutes as aforesaid, if signed by the chair or the secretary of the meeting at which such resolutions were passed or proceedings had shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

8.13 Binding Effect of Resolutions

Every Special Resolution passed in accordance with the provisions of this Article 8 at a meeting of Subscription Receiptholders shall be binding upon all the Subscription Receiptholders, whether present at or absent from such meeting, and every instrument in writing duly signed by Subscription Receiptholders shall be binding upon all the Subscription Receiptholders, whether signatories thereto or not, and each and every Subscription Receiptholder and the Subscription Receipt Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

8.14 Evidence of Subscription Receiptholders

Any request, direction, notice, consent or other instrument which this Agreement may require or permit to be signed or executed by the Subscription Receiptholders, including a Subscription

Receiptholders' Request, may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Subscription Receiptholders in person or by attorney duly appointed in writing. Proof of the execution of any such request or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article 8 with regard to voting at meetings of Subscription Receiptholders) of the holding by any person of Subscription Receipts shall be sufficient for any purpose of this Agreement if the fact and date of execution by any person of such request or other instrument or writing is proved by a certificate of any notary public, or other officer authorized to take acknowledgements of deeds to be recorded at the place where such certificate is made, to the effect that the person signing such request or other instrument in writing acknowledged to him the execution thereof or by an affidavit of a witness of such execution or in any other manner which the Subscription Receipt Agent may consider adequate. The Subscription Receipt Agent may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

8.15 Holdings by Company Disregarded

In determining whether Subscription Receiptholders holding the required number of Subscription Receipts are present at a meeting of Subscription Receiptholders for the purpose of determining a quorum or have concurred in any consent, waiver, Special Resolution, Subscription Receiptholders' Request or other action under this Agreement, Subscription Receipts owned legally or beneficially by the Company or any subsidiary or affiliate of the Company shall be disregarded in accordance with the provisions of Section 11.8 and shall not be entitled to vote on any matter considered at such a meeting of Subscription Receiptholders.

ARTICLE 9 SUPPLEMENTAL AGREEMENTS

9.1 Provision for Supplemental Agreements for Certain Purposes

From time to time the parties (when authorized by action of the directors) and the Subscription Receipt Agent may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, agreements, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable, provided that the same are not in the opinion of the Subscription Receipt Agent, based on the opinion of Counsel, prejudicial to the interests of the Subscription Receiptholder;
- (b) giving effect to any resolution passed as provided in Article 8;
- (c) making such provisions not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Subscription Receipt Agent, based on the opinion of Counsel, prejudicial to the interests of the Subscription Receiptholder;
- (d) adding to or altering the provisions hereof in respect of the transfer of Subscription Receipts, making provision for the exchange of Subscription Receipts, and making any modification in the form of the Subscription Receipt Certificates which does not affect the substance thereof;

- (e) modifying any of the provisions of this Agreement, including relieving the Company or Valleyview from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Subscription Receipt Agent, based on the opinion of Counsel, such modification or relief in no way prejudices any of the rights of the Subscription Receiptholder or of the Subscription Receipt Agent, and provided further that the Subscription Receipt Agent may in its sole discretion decline to enter into any such supplemental agreement which in its opinion, based on the opinion of Counsel, may not afford adequate protection to the Subscription Receipt Agent when the same shall become operative; and
- (f) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Subscription Receipt Agent, based on the opinion of Counsel, the rights of the Subscription Receipt Agent and of the Subscription Receiptholder are in no way prejudiced thereby.

9.2 Successor Company

In the case of the consolidation, amalgamation, merger or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation ("**successor corporation**"), the successor corporation resulting from such consolidation, amalgamation, merger or transfer (if not the Company) shall expressly assume, by supplemental agreement satisfactory in form to the Subscription Receipt Agent and executed and delivered to the Subscription Receipt Agent, the due and punctual performance and observance of each and every covenant and condition of this Agreement to be performed and observed by the Company and the successor corporation shall by supplemental agreement satisfactory in term to the Subscription Receipt Agent and executed and delivered to the Subscription Receipt Agent, expressly assuming those obligations.

ARTICLE 10 CONCERNING THE SUBSCRIPTION RECEIPT AGENT

10.1 Trust Agreement Legislation

- (a) If and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of the Applicable Legislation, such mandatory requirement shall prevail.
- (b) The Company, Valleyview and the Subscription Receipt Agent agree that each will, at all times in relation to this Agreement and any action to be taken hereunder, observe and comply with and be entitled to the benefits of the Applicable Legislation.

10.2 Rights and Duties of Subscription Receipt Agent

- (a) In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent shall exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. No provision of this Agreement shall be construed to relieve the Subscription Receipt Agent from liability for its own negligence, willful misconduct, or bad faith. The Subscription Receipt Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and

until it shall have been required to do so under the terms hereof; nor shall the Subscription Receipt Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and in the absence of any such notice, the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether the Subscription Receipt Agent shall take action with respect to any default.

- (b) The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Subscription Receipt Agent or the Subscription Receiptholders hereunder shall be conditional upon the Subscription Receiptholders furnishing, when required by notice by the Subscription Receipt Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and to hold harmless the Subscription Receipt Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (c) None of the provisions contained in this Agreement shall require the Subscription Receipt Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded..
- (d) The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Subscription Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipts held by them, for which Subscription Receipts the Subscription Receipt Agent shall issue receipts.
- (e) Every provision of this Agreement that by its terms relieves the Subscription Receipt Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of the Applicable Legislation..
- (f) The Subscription Receipt Agent shall have no duties except those which are expressly set forth herein, and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of this Agreement, unless received by it in writing, and signed by the parties hereto and if its duties herein are affected, unless it shall have given its prior written consent thereto.
- (g) The Subscription Receipt Agent shall not be liable to account to anyone for the profit it may receive, if any, while holding the Escrowed Funds.

10.3 Protection of Subscription Receipt Agent

By way of supplement to the provisions of any law for the time being relating to subscription receipt agents, it is expressly declared and agreed that:

- (a) the Subscription Receipt Agent will not be liable for or by reason of, or required to substantiate, any statement of fact, representation or recital in this Agreement or in the Subscription Receipt

Certificates (except the representation contained in Section 10.10 hereof or in the certification or Authentication of the Subscription Receipt Agent on the Subscription Receipt Certificates), but all such statements or recitals are and will be deemed to be made by the Company;

(b) nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any amendment or instrument ancillary or supplemental hereto;

(c) the Subscription Receipt Agent will not be bound to give notice to any Person of the execution hereof;

(d) the Subscription Receipt Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, wilful misconduct, or bad faith;

(e) the Subscription Receipt Agent will not incur any liability or responsibility whatsoever or be in any way responsible for the consequence of any breach by the Company of any obligation or warranty herein contained or of any act of any director, officer, employee or agent of the Company;

(f) the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company, including the Subscription Receipts, and generally may contract and enter into financial transactions with the Company or any related entity of the Company without being liable to account for any profit made thereby;

(g) the Subscription Receipt Agent shall incur no liability whatsoever with respect to the delivery or non delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;

(h) if the Subscription Receipt Agent delivers any cheque as required hereunder, the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such cheque is not honoured on presentation, provided that in the event of the non receipt of such cheque by the payee, or the loss or destruction thereof, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non receipt, loss or destruction and, if required by the Subscription Receipt Agent, an indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque;

(i) the Subscription Receipt Agent will disburse funds in accordance with the provisions hereof only to the extent that funds have been deposited with it. The Subscription Receipt Agent shall not under any circumstances be required to disburse funds in excess of the amounts on deposit (including an Earned Interest) with the Subscription Receipt Agent at the time of disbursement; and

(j) notwithstanding the foregoing or any other provision of this Agreement, any liability of the Subscription Receipt Agent shall be limited, in the aggregate, to the amount of annual retainer fees paid by the Company to the Subscription Receipt Agent under this Agreement in the twelve (12) months immediately prior to the Subscription Receipt Agent receiving the first notice of the claim. Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Subscription Receipt Agent shall not be liable under any circumstances whatsoever for any (i) breach by any other party of securities law or other rule of any securities regulatory authority, (ii) lost profits, or (iii) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

10.4 Indemnification

In addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Company and Valleyview shall at all times indemnify the Subscription Receipt Agent and its affiliates, their successors and assigns, and each of their directors, officers, employees and agents (the “**Indemnified Parties**”) and save them harmless from and against all claims, demands, losses, actions, causes of action, suits, proceedings, liabilities, damages, costs, charges, assessments, judgments and expenses (including expert consultant and legal fees and disbursements on a solicitor and client basis) whatsoever arising in connection with this Agreement including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Indemnified Parties and expenses incurred in connection with the enforcement of this indemnity, which the Indemnified Parties, or any of them, may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of the Subscription Receipt Agent’s duties, and including any services that the Subscription Receipt Agent may provide in connection with or in any way relating to this Agreement (unless arising from Subscription Receipt Agent’s gross negligence, wilful misconduct or bad faith) and including any action or liability brought against or incurred by the Indemnified Parties in relation to or arising out of any breach by the Company or Valleyview. Notwithstanding any other provision hereof, the Company and Valleyview agree that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding. Notwithstanding any other provision hereof, this indemnity shall survive the resignation or removal of the Subscription Receipt Agent and the termination or discharge of this Agreement.

10.5 Evidence, Experts, and Advisors

- (a) In addition to the reports, certificates, opinions and other evidence required by this Agreement, the Company will furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form as is prescribed by Applicable Legislation or as the Subscription Receipt Agent may reasonably require by written notice to the Company.
- (b) In the exercise of any right or duty hereunder the Subscription Receipt Agent, if it is acting in good faith, may act and rely, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declaration, opinion, report, certificate or other evidence furnished to the Subscription Receipt Agent pursuant to a provision hereof or of Applicable Legislation or pursuant to a request of the Subscription Receipt Agent, if such evidence complies with Applicable Legislation and the Subscription Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.
- (c) Whenever Applicable Legislation requires that evidence referred to in Section 10.5(a) be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a certificate of the Company required by any provision of this Agreement. Any such statutory declaration may be made by any one or more of the President, Chief Executive Officer, Chief Financial Officer or Corporate Secretary of the Company or by any other officer(s) or director(s) of the Company to whom such authority is delegated by the Board from time to time. In addition, the Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, direction, instruction, statement, instrument, opinion, report, notice, request,

consent, order, letter or other paper or document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

- (d) Proof of the execution of any document or instrument in writing, including a Subscription Receiptholders' Request, by a Subscription Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Subscription Receipt Agent considers adequate and in respect of a corporate Subscription Receiptholder, shall include a certificate of incumbency of such Subscription Receiptholder together with a certified resolution authorizing the Person who signs such instrument to sign such instrument.
- (e) The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers, or other experts or advisers as it reasonably requires for the purpose of determining and discharging its rights and duties hereunder and may pay the reasonable remuneration and disbursements for all services so performed by any of them, and will not be responsible for any misconduct or negligence on the part of any of them. The Company shall pay or reimburse the Subscription Receipt Agent for any reasonable fees of such counsel, accountants, appraisers, or other experts or advisors. The Subscription Receipt Agent may act and rely and shall be protected in acting or not acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraisers or other expert or advisor, whether retained or employed by the Company or by the Subscription Receipt Agent, in relation to any matter arising in the administration of the duties and obligations hereof.

10.6 Actions by Subscription Receipt Agent to Protect Interest

The Subscription Receipt Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Subscription Receiptholders.

10.7 Subscription Receipt Agent Not Required to Give Security

The Subscription Receipt Agent shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Agreement or otherwise in respect of the premises.

10.8 Replacement of Subscription Receipt Agent; Successor by Merger

- (a) The Subscription Receipt Agent may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this Section 10.8, by giving to the Company not less than 60 days' prior notice in writing or such shorter prior notice as the Company may accept as sufficient. Subject to Section 8.10(h), the Subscription Receiptholders by Special Resolution shall have power at any time to remove the existing Subscription Receipt Agent and to appoint a new subscription receipt agent. In the event of the Subscription Receipt Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Company shall forthwith appoint a new subscription receipt agent unless a new subscription receipt agent has already been appointed by the Subscription Receiptholders; failing such appointment by the Company, the retiring subscription receipt agent or any Subscription Receiptholder may apply to a justice of the Supreme Court of British Columbia (the "**Court**") on such notice as such justice may direct, for the appointment of a new

subscription receipt agent; but any new subscription receipt agent so appointed by the Company or by the Court shall be subject to removal as aforesaid by the Subscription Receiptholders. Any new subscription receipt agent appointed under any provision of this Section 10.8 shall be a corporation authorized to carry on the business of a trust company in the Canadian Offering Jurisdictions and, if required by the Applicable Legislation for any other provinces and territories, in such other provinces and territories. On any such appointment the new subscription receipt agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as subscription receipt agent hereunder.

- (b) Upon the appointment of a successor subscription receipt agent, the Company shall promptly notify the Subscription Receiptholder thereof in the manner provided for in Section 11.2 hereof.
- (c) Any corporation into or with which the Subscription Receipt Agent may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Subscription Receipt Agent shall be a party, or any corporation succeeding to the trust business of the Subscription Receipt Agent shall be the successor to the Subscription Receipt Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Subscription Receipt Agent under subsection 10.8(a). On any such appointment the new subscription receipt agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of the Company, all such conveyances or other instruments as, in the opinion of counsel, are necessary or advisable for the purpose of assuring the transfer of such powers, rights, duties and responsibilities to the new subscription receipt agent including, without limitation, an appropriate instrument executed by the new subscription receipt agent accepting such appointment and, at the request of the Company, the predecessor Subscription Receipt Agent shall, upon payment of its outstanding remuneration and expenses, execute and deliver to the new subscription receipt agent an appropriate instrument transferring to such new subscription receipt agent all rights and powers of the Subscription Receipt Agent hereunder, and shall duly assign, transfer and deliver to the new subscription receipt agent all securities, property and all records kept by the predecessor Subscription Receipt Agent hereunder or in connection therewith. Any new subscription receipt agent so appointed by the Company or by the court will be subject to removal as aforesaid by the Subscription Receiptholders and by the Company.
- (d) Any Subscription Receipts Authenticated but not delivered by a predecessor subscription receipt agent may be Authenticated by the successor subscription receipt agent in the name of the predecessor or successor subscription receipt agent.

10.9 Conflict of Interest

- (a) The Subscription Receipt Agent represents to the Company that, to the best of its knowledge, at the time of execution and delivery hereof no material conflict of interest exists between its role as a subscription receipt agent hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its trust hereunder to a successor subscription receipt agent approved by the Company and meeting the requirements set forth in subsection 10.8(a).

Notwithstanding the foregoing provisions of this subsection 10.9(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Agreement and the Subscription Receipts shall not be affected in any manner whatsoever by reason thereof.

- (b) Subject to subsection 10.9(a), the Subscription Receipt Agent and its affiliates, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company and generally may contract and enter into financial transactions with the Company or any subsidiary of the Company without being liable to account for any profit made thereby.

10.10 Acceptance of Duties and Obligations

The Subscription Receipt Agent hereby accepts the duties and obligations in this Agreement declared and provided for and agrees to perform them on the terms and conditions herein set forth. The Subscription Receipt Agent accepts the duties and responsibilities under this Agreement solely as custodian, bailee and agent. No trust is intended to be or will be created hereby and the Subscription Receipt Agent shall owe no duties hereunder as a trustee.

10.11 Subscription Receipt Agent Not to be Appointed Receiver

The Subscription Receipt Agent and any person related to the Subscription Receipt Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Company.

10.12 Documents, Moneys, etc. Held by Subscription Receipt Agent

Any securities, documents of title or other instruments that may at any time be held by the Subscription Receipt Agent hereunder may be placed in the deposit vaults of the Subscription Receipt Agent for safekeeping. Unless herein otherwise expressly provided, including for certainty the provisions of Article 6, any moneys held, pending the application or withdrawal thereof under any provisions of this Agreement, shall be deposited in one or more interest-bearing trust accounts, to be maintained by the Subscription Receipt Agent in the name of the Subscription Receipt Agent at one or more Approved Banks. The Subscription Receipt Agent shall maintain accurate books, records and accounts of the transactions effected or controlled by the Subscription Receipt Agent hereunder and the receipt, investment, re-investment and disbursement of the property hereunder and shall provide to the Company records and statements thereof periodically upon written request.

10.13 Not Bound to Act

The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist legislation or economic sanctions legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the Company and the Agents, provided (a) that the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (b) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

**ARTICLE 11
GENERAL**

11.1 Notice to the Company and the Subscription Receipt Agent and the Agents

- (a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Company, the Subscription Receipt Agent or the Agents shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or emailed:

If to the Company:

Shift Rare Metals Inc.
3002-277 Thurlow Street
Vancouver, British Columbia V6C 0C1

Attention: James Hynes, President
Email: [REDACTED]

With a copy to (which shall not constitute notice):

Farris LLP
700 W. Georgia Street, #2500
Vancouver, British Columbia V7Y 1B3

Attention: Verlee Webb
Email: [REDACTED]

If to Valleyview:

Valleyview Resources Ltd.
666 Burrard Street, Suite 2500 Park Place
Vancouver, British Columbia V6C 2Z8

Attention: Roger Lemaitre, President & CEO
Email: [REDACTED]

With a copy to (which shall not constitute notice):

Bennett Jones LLP
666 Burrard Street, Suite 2500
Vancouver, British Columbia V6C 2X8

Attention: Lisa Stewart
Email: [REDACTED]

If to the Agents:

SCP Resource Finance LP
70 York Street, Suite 1200
Toronto, Ontario M5J 1S9

Attention: David Wargo, Head of Investment Banking
Email: [REDACTED]

and:

Canaccord Genuity Corp.
40 Temperance Street, Suite 200
Toronto, Ontario M5H 0B4

Attention: David Sadowski, Head of Canadian Metals and Mining
Investment Banking
Email: [REDACTED]

With a copy to (which shall not constitute notice):

Fogler, Rubinoff LLP
Scotia Plaza, 40 King Street West, Suite 2400
Toronto, Ontario M5H 3Y2

Attention: Irwin Greenblatt
Email: [REDACTED]

If to the Subscription Receipt Agent:

Endeavor Trust Corporation
702 - 777 Hornby Street
Vancouver, British Columbia V6Z 1S4

Attention: Securities Processing
Email: [REDACTED]

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery if received before 1:00 p.m. (Vancouver time) / 4:00 p.m. (Toronto time), or if mailed, on the fifth Business Day following the date of the postmark on such notice.

- (b) The Company, the Subscription Receipt Agent or the Agents, as the case may be, may from time to time notify the other in the manner provided in subsection 11.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Company, the Subscription Receipt Agent or the Agents, as the case may be, for all purposes of this Agreement.
- (c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Subscription Receipt Agent, the Company or the Agents hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed or, if it is delivered to such party at the appropriate address provided in subsection 11.1(a), by email or other means of prepaid, transmitted and recorded communication.

11.2 Notice to the Subscription Receiptholders

- (a) Unless otherwise expressly provided herein, any notice to the Subscription Receiptholders under the provisions of this Agreement shall be valid and effective if delivered or sent by ordinary post addressed to the holder at its post office addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, on the fifth Business Day following the date of the postmark on such notice.
- (b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Subscription Receiptholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Subscription Receiptholders or if delivered to the address for such Subscription Receiptholders contained in the register of Subscription Receipts maintained by the Subscription Receipt Agent, by email or other means of prepaid transmitted and recorded communication.
- (c) A notice so given by mail or so delivered will be deemed to have been given on the first Business Day after it has been mailed or on the day on which it has been delivered, as the case may be, and a notice so given by publication will be deemed to have been given on the day on which it has been published as required. In determining under any provision hereof the date when notice of a meeting or other event must be given, the date of giving notice will be included and the date of the meeting or other event will be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any Subscription Receiptholder will not invalidate any action or proceeding founded thereon.

11.3 Ownership of Subscription Receipts

The Company, Valleyview and the Subscription Receipt Agent may deem and treat the registered owner of any Subscription Receipts as the absolute owner thereof for all purposes, and the Company, Valleyview and the Subscription Receipt Agent shall not be affected by any notice or knowledge to the contrary except where the Company, Valleyview or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Subscription Receiptholder shall be entitled to the rights evidenced by its Subscription Receipts free from all equities or rights of set off or counterclaim between the Company or Valleyview and the original or any intermediate holder of the Subscription Receipts and all persons may act accordingly. The receipt of any such Subscription Receiptholder for the Resulting Shares and Resulting Issuer Warrants which may be received pursuant to the deemed conversion of Subscription Receipts and subsequent exchange of the Underlying Shares and Underlying Warrants shall be a good discharge to the Company, Valleyview and the Subscription Receipt Agent for the same and none of the Company, Valleyview or the Subscription Receipt Agent shall be bound to inquire into the title of any such holder except where the Company or the Subscription Receipt Agent is required to take notice by statute or by order of a court of competent jurisdiction.

11.4 Privacy Matters

The parties acknowledge that the Subscription Receipt Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (a) to provide the services required under this Agreement and other services that may be requested from time to time;
- (b) to help the Subscription Receipt Agent manage its servicing relationships with such individuals;
- (c) to meet the Subscription Receipt Agent's legal and regulatory requirements; and
- (d) if Social Insurance Numbers are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

The Company acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of its acting as agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website or upon request, including revisions thereto. Some of this personal information may be transferred to servicers in the United States for data processing and/or storage. Further, the Company agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless the Company has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

Further, each party agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

11.5 Counterparts

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof. Each of the parties to this Agreement will be entitled to rely on delivery of an electronic copy of this Agreement and acceptance by each party of any such electronic copy will be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

11.6 Satisfaction and Discharge of Agreement

Upon the date by which (a) all Subscription Receipts have been deemed converted, or all Subscription Receipts have expired and all Escrowed Funds have been distributed to the appropriate parties as set forth in this Agreement; or (b) all certificates or DRS advices representing Resulting Shares and Resulting Issuer Warrants required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Subscription Receipt Agent in accordance with such provisions (or the entering of NCI System customer confirmation(s) representing Resulting Shares and Resulting Issuer Warrants) and all Escrowed Funds have been distributed to the appropriate parties as set forth in this Agreement, this Agreement shall cease to be of any force and effect and the Subscription Receipt Agent, on demand of the Company and at the cost and expense of the Company and upon delivery to the Subscription Receipt Agent of a certificate of the Company stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with, and on payment to the Subscription Receipt Agent of the fees and other remuneration payable to the Subscription Receipt Agent, shall execute proper instruments acknowledging satisfaction of and discharging this Agreement. Notwithstanding the

foregoing, the indemnities provided to the Subscription Receipt Agent by the Company hereunder shall remain in full force and effect and survive the termination of this Agreement.

11.7 Provisions of Agreement and Subscription Receipts for the Sole Benefit of Parties and Subscription Receiptholders

Nothing in this Agreement or in the Subscription Receipts, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Subscription Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Subscription Receiptholders and any permissible transferees.

11.8 Subscription Receipts Owned by the Company or its Subsidiaries and Affiliates - Certificate to be Provided

The Company shall provide to the Subscription Receipt Agent, from time to time, a certificate of the Company setting forth as at the date of such certificate:

- (a) the names of the registered holders of Subscription Receipts which, to the knowledge of the Company, are owned by or held for the account of the Company or any subsidiary or affiliate of the Company; and
- (b) the number of Subscription Receipts owned legally or beneficially by the Company or any subsidiary or affiliate of the Company,

and the Subscription Receipt Agent shall be entitled to rely on such certificate without any additional evidence.

11.9 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of acts of God, riots, terrorism, acts of war, epidemics, pandemics, governmental actions or judicial orders, natural disasters, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures) and any additional restrictions or regulations imposed as a result of the above events. Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

11.10 Third Party Interests

Each party to this Subscription Agreement hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by the Subscription Receipt Agent in connection with this Subscription Receipt Agreement, for or to the credit of such party, either (a) is not intended to be used by or on behalf of any third party; or (b) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute and deliver forthwith a declaration in the Subscription Receipt Agent's prescribed form in accordance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and regulations thereto, as to the particulars of such third party.

11.11 SEC and United States Securities Law Matters

The Company confirms that as at the date hereof it does not have a class of securities registered pursuant to section 12 of the Exchange Act or a reporting obligation pursuant to section 15(d) of the Exchange Act. The Company covenants that if (a) any class of its securities shall become registered pursuant to section 12 of the Exchange Act, (b) the Company shall incur a reporting obligation pursuant to section 15(d) of the Exchange Act, or (c) any such registration or reporting obligation shall be terminated by the Company in accordance with the Exchange Act, the Company shall promptly deliver to the Subscription Receipt Agent an officers' certificate (in a form provided by the Subscription Receipt Agent) notifying the Subscription Receipt Agent of such registration or termination and such other information as the Subscription Receipt Agent may reasonably require at the time. The Company acknowledges that the Subscription Receipt Agent is relying upon the foregoing representation and covenants in order to meet certain obligations of the Subscription Receipt Agent with respect to those clients of the Subscription Receipt Agent that are required to file reports with the SEC under the Exchange Act.

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their proper officers in that behalf.

SHIFT RARE METALS INC.

By: (signed) "James Hynes"
Authorized Signatory

VALLEYVIEW RESOURCES LTD.

By: (signed) "Roger Lemaitre"
Authorized Signatory

By: (signed) "Joel Leonard"
Authorized Signatory

SCP RESOURCE FINANCE LP, by its General Partner, SCP Resource Finance GP Inc.

By: (signed) "David Wargo"
Authorized Signatory

CANACCORD GENUITY CORP.

By: (signed) "David Sadowski"
Authorized Signatory

ENDEAVOR TRUST CORPORATION

By: (signed)
Authorized Signatory

By: (signed)
Authorized Signatory

SCHEDULE "A"
FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) DECEMBER 23, 2024, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

[U.S. Legend: Include legend set forth in Section 2.15 of the Subscription Receipt Agreement if Subscription Receipt is issued to, or for the account or benefit of, a U.S. Purchaser that is not otherwise a Qualified Institutional Buyer]

SUBSCRIPTION RECEIPTS

SHIFT RARE METALS INC.

(Incorporated under the laws of the Province of British Columbia)

CERTIFICATE NO. _____ SUBSCRIPTION RECEIPTS

CUSIP [•]

ISIN CA82452A1084

THIS IS TO CERTIFY THAT:

(the "**Holder**") is the registered holder of the number of Subscription Receipts of Shift Rare Metals Inc. (the "**Company**") specified above and is thereby entitled, upon deemed conversion of each Subscription Receipt represented hereby and without payment of any additional consideration or further action, to acquire, in the manner and subject to the restrictions and adjustments set forth herein, pursuant to the Subscription Receipt Agreement (as defined herein) in the event that the Release Conditions are satisfied and the Release Certificate is delivered on or before the Release Deadline, one fully paid and non-assessable Underlying Share and one-half of one Underlying Warrant for each Subscription Receipt held; provided that in the event that a Termination Event occurs prior to the Release Deadline, the Subscription Receipts shall be cancelled and each Holder will be entitled to receive out of the Escrowed Funds an amount equal to their pro rata share of any Earnings, less applicable withholding tax, if any; provided that if the Escrowed Funds are insufficient to return to each Holder the aggregate Subscription Price for the Subscription Receipts then held, the Company and Valleyview Resources Ltd. shall be jointly and severally responsible to fund any shortfall.

The Subscription Receipts represented by this Subscription Receipt Certificate are issued under and pursuant to a Subscription Receipt Agreement made as of December 23, 2024 (the "**Subscription Receipt Agreement**") among Valleyview Resources Ltd., SCP Resource Finance LP, Canaccord Genuity Corp., the Company and Endeavor Trust Corporation (the "**Subscription Receipt Agent**"). Reference is made to the Subscription Receipt Agreement and any instruments supplemental thereto for a full description of the rights of the Holders of the Subscription Receipts and the terms and conditions upon which the Subscription Receipts are, or are to be, issued and held, with the same effect as if the provisions of the Subscription Receipt Agreement and all instruments supplemental thereto were herein set forth. By

acceptance hereof, the Holder assents to all provisions of the Subscription Receipt Agreement. In the event of any conflict between the provisions of this Subscription Receipt Certificate and the provisions of the Subscription Receipt Agreement, the provisions of the Subscription Receipt Agreement will govern. Capitalized terms used in this certificate shall have the same meaning ascribed to such terms in the Subscription Receipt Agreement, unless otherwise defined herein.

As provided in the Subscription Receipt Agreement, in the event the Release Conditions are satisfied or waived on or prior to the Release Deadline, and the Subscription Receipt Agent receives the Release Certificate in the form required under the Subscription Receipt Agreement, the Escrowed Funds will be released to the Company and to the Agents, in accordance with the terms of the Subscription Receipt Agreement, all Subscription Receipts shall be deemed to be converted and surrendered without any further action by the Subscription Receiptholder and one Underlying Share and one-half of one Underlying Warrant shall be issued to the Subscription Receiptholder for each Subscription Receipt held. Each Underlying Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.50 for a period of 24 months following the Release Date, subject to adjustment in certain events as set out in the Warrant Indenture.

If a Termination Event occurs prior to the Release Deadline, the Company will provide a Termination Notice to the Subscription Receipt Agent, the Subscription Receiptholders, and to the Lead Agents. Upon delivery of such Termination Notice, the Subscription Receipts will automatically be cancelled and will have no further force and effect, and the Subscription Receipt Agent shall return to each Subscription Receiptholder such holder's Escrowed Funds (less applicable withholding taxes, if any) on a pro rata basis as soon as practicable and in any event, within three Business Days after the Termination Date. In the event that the Escrowed Funds are not sufficient to fund the total Subscription Price paid by all Subscription Receiptholders, at least two Business Days prior to the Business Day on which the Subscription Receipt Agent is to pay each Subscription Receiptholder's Escrowed Funds, the Company and Valleyview Resources Ltd.. shall jointly and severally be responsible to fund the Subscription Receipt Agent in a sufficient amount to pay any such shortfall and such funds will be paid by the Subscription Receipt Agent to the Subscription Receiptholders on a pro rata basis.

Upon the deemed conversion of the Subscription Receipts, (a) the Subscription Receipt Certificates will be deemed to have been surrendered and cancelled without further action on the part of the Subscription Receiptholder, the Subscription Receipt Agent or the Company; and (b) the Subscription Receipt Agent shall in respect of the Uncertificated Subscription Receipts, settle the Underlying Shares and Underlying Warrants in accordance with Internal Procedures. In respect of any Subscription Receipt Certificates, the holder acknowledges and agrees that, unless required under Securities Laws, certificates for the Underlying Shares and Underlying Warrants will not be issued and that each Underlying Share and each Underlying Warrant issued on conversion of the Subscription Receipts evidenced hereby are to be immediately exchanged pursuant to the Amalgamation Agreement for one Resulting Issuer Share and one Resulting Issuer Warrant, respectively, of the Resulting Issuer, and if the holder received a Subscription Receipt Certificate, such holder will receive certificates for such Resulting Issuer Shares and Resulting Issuer Warrants.

The Subscription Receipts and the Underlying Shares and Underlying Warrants issuable upon deemed conversion of the Subscription Receipts have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any states, are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may be offered, sold, pledged, or otherwise transferred, directly or indirectly, only (a) to the Company, (b) outside the United States to a person who is not a U.S. Person in offshore transactions in accordance with Rule 904

of Regulation S and in accordance with local securities laws and regulations or (c) in accordance with an applicable exemption under the U.S. Securities Act and applicable local securities laws and regulations.

The Resulting Issuer Warrants and the Resulting Issuer Shares (including the Resulting Issuer Shares issuable upon exercise of the Resulting Issuer Warrants) have not and will not be registered under the U.S. Securities Act or the securities laws of any states, are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and may be offered, sold, pledged or otherwise transferred, directly or indirectly, only pursuant to a registration statement effective under the U.S. Securities Act or pursuant to an exemption from registration thereunder.

The Subscription Receipt Agreement provides for certain adjustments to the number and kind of securities issuable upon the deemed conversion of the Subscription Receipts upon the occurrence of certain events, including but not limited to, any subdivision, consolidation or reclassification of the Common Shares, and in the event of a reorganization of the Company, including any amalgamation, merger or arrangement, and certain distributions of securities or assets of the Company, in each case subject to important exclusions as described in the Subscription Receipt Agreement. The Holder should refer to the Subscription Receipt Agreement which provides for the adjustments in these and certain other stated events.

The Holder of this Subscription Receipt Certificate may, at any time prior to the Release Deadline, upon surrender hereof to the Subscription Receipt Agent at its principal office in Vancouver, British Columbia exchange this Subscription Receipt Certificate for other Subscription Receipt Certificates, bearing the same legends, entitling the Holder to receive, in the aggregate, the same number of Underlying Shares and Underlying Warrants as may be acquired under this Subscription Receipt Certificate.

The Subscription Receipts may be transferred only in accordance with applicable securities laws and only by the transferor and transferee duly completing and executing the transfer forms attached hereto and surrendering this Subscription Receipt Certificate to the Subscription Receipt Agent at its principal office in Vancouver, British Columbia.

The holding of the Subscription Receipts evidenced by this Subscription Receipt Certificate shall not constitute the Holder hereof a shareholder of the Company or entitle the Holder to any right or interest in respect thereof except as expressly provided in the Subscription Receipt Agreement.

The Subscription Receipt Agreement provides that all Holders of Subscription Receipts shall be bound by any resolution passed at a meeting of the Holders held in accordance with the provisions of the Subscription Receipt Agreement and resolutions signed by the Holders of a specified majority of the then outstanding Subscription Receipts.

This Subscription Receipt Certificate shall not be valid for any purpose whatsoever unless and until it has been certified by or on behalf of the Subscription Receipt Agent.

This Subscription Receipt Certificate may be signed digitally or by other electronic means, which shall be deemed to be an original and shall be deemed to have the same legal effect and validity as a document bearing an original signature. A signed copy of this Subscription Receipt Certificate transmitted by email or similar means of recorded electronic transmission shall be deemed to have the same legal effect and validity as delivery of an originally executed copy of this Subscription Receipt Certificate, provided that if this Subscription Receipt Certificate bears a digital or electronic signature and the Company is delivering this Subscription Receipt Certificate by electronic transmission, then the Company represents to the holder that the electronically transmitted document is the only executed copy to be issued to the holder by the Company.

Time shall be of the essence hereof.

[Signature page follows]

IN WITNESS WHEREOF the undersigned has caused this Subscription Receipt Certificate to be signed by its duly authorized officer as of _____, 2024.

SHIFT RARE METALS INC.

By: _____
Authorized Signatory

Certified by:

ENDEAVOR TRUST CORPORATION

By: _____
Authorized Signatory

TRANSFER OF SUBSCRIPTION RECEIPTS

Any transfer of Subscription Receipts will require compliance with applicable securities legislation. Transferors and transferees are urged to contact legal counsel before effecting any such transfer. No transfers of Subscription Receipts will be permitted or registered that do not comply with Article 2 of the Subscription Receipt Agreement.

FOR VALUE RECEIVED, the undersigned: (a) hereby sells, assigns and transfers to _____ (print name and address of transferee), _____ Subscription Receipts of Shift Rare Metals Inc. (the **Company**) registered in the name of the undersigned on the records maintained by Endeavor Trust Corporation represented by the Subscription Receipt Certificate attached and irrevocably appoints _____ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution; and (b) confirms that the transfer is made in compliance with the Agreement, all applicable securities legislation and requirements of regulatory authorities.

In the case of a Subscription Receipt Certificate that contains a restrictive legend under the Securities Laws of United States, the undersigned hereby represents, warrants and certifies that (only one of the following must be checked):

- ☐ (A) the transfer is being made only to the Company;
- ☐ (B) the transfer is being made outside the United States to a non-U.S. Person in an offshore transaction in accordance with Regulation S and in compliance with any applicable local securities laws and regulations and the undersigned has provided a written opinion of United States legal counsel or other evidence in form and substance reasonably satisfactory to the Company to that effect.; or
- ☐ (C) the transfer is being made in accordance with an applicable exemption under the U.S. Securities Act and in compliance with any applicable local securities laws and regulations and the undersigned has provided a written opinion of United States legal counsel or other evidence in form and substance reasonably satisfactory to the Company to that effect.

DATED the _____ day of _____, 202__.

Signature Guaranteed

(Signature of Subscription Receiptholder)

(Print name of Subscription Receiptholder)

Instructions:

Signature of the Subscription Receiptholder must be the signature of the person appearing on the face of this Subscription Receipt Certificate.

If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Subscription Receipt Agent and the Company.

The signature of the Subscription Receiptholder on the Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or medallion guaranteed by a member of a recognized medallion guarantee program.

Subscription Receipts shall only be transferable in accordance with the Agreement, applicable laws and the rules and policies of any applicable stock exchange.

Endeavor Trust Corporation
702 - 777 Hornby Street
Vancouver, British Columbia V6Z 1S4

REASON FOR TRANSFER – For U.S. Residents only (where the individual(s) or corporation receiving the securities is a U.S. resident). Please select only one (see instructions below).

☐ Gift ☐ Estate ☐ Private Sale ☐ Other (or no change in ownership)

Date of Event (Date of gift, death or sale): **Value per Subscription Receipt** on the date of event:

			/			/			
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\$.		
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☐ ☐
CAD OR USD

CERTAIN REQUIREMENTS RELATING TO TRANSFERS – READ CAREFULLY

The signature(s) of the transferor(s) must correspond with the name(s) as written upon the face of this certificate(s), in every particular, without alteration or enlargement, or any change whatsoever. All securityholders or a legally authorized representative must sign this form. The signature(s) on this form must be guaranteed in accordance with the transfer agent's then current guidelines and requirements at the time of transfer. Notarized or witnessed signatures are not acceptable as guaranteed signatures. As at the time of closing, you may choose one of the following methods (although subject to change in accordance with industry practice and standards):

- **Canada and the USA:** A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, NYSE, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed", with the correct prefix covering the face value of the certificate.
- **Canada:** A Signature Guarantee obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign and print their full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program. For corporate holders, corporate signing resolutions, including certificate of incumbency, are also required to accompany the transfer, unless there is a "Signature & Authority to Sign Guarantee" Stamp affixed to the transfer (as opposed to a "Signature Guaranteed" Stamp) obtained from an authorized officer of the Royal Bank of Canada, Scotia Bank or TD Canada Trust or a Medallion Signature Guarantee with the correct prefix covering the face value of the certificate.
- **Outside North America:** For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion

Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

REASON FOR TRANSFER – FOR UNITED STATES RESIDENTS ONLY

Consistent with regulations of the United States Internal Revenue Service, Endeavor Trust Corporation is required to request cost basis information from United States securityholders. Please indicate the reason for requesting the transfer as well as the date of event relating to the reason. The event date is not the day in which the transfer is finalized, but rather the date of the event which led to the transfer request (i.e. date of gift, date of death of the securityholder, or the date the private sale took place).

SCHEDULE "B"
FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: SHIFT RARE METALS INC.

AND TO: The registrar and transfer agent for the securities of SHIFT RARE METALS INC.

The undersigned (a) acknowledges that the sale of the securities of Shift Rare Metals Inc. (the "**Company**") to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and (b) certifies that (1) the undersigned is not an "affiliate" of the Company as that term is defined in Rule 405 under the U.S. Securities Act, a "distributor" or an affiliate of "distributor", (2) the offer of such securities was not and will not be made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was or will be executed on or through the facilities of a "designated offshore securities market" (as defined in Rule 902 of Regulation S) and neither the seller nor any person acting on its behalf knows or will know that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities, (4) the sale is *bona fide* and not for the purpose of "washing-off" the resale restrictions imposed because the securities are "restricted securities" as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 with fungible unrestricted securities, (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S, (7) the undersigned shall comply with all of the terms and conditions of Rule 904 of Regulation S in connection with the sale of the securities, and (8) if the undersigned is unable to sell the securities pursuant to Rule 904 of Regulation S, the undersigned will return them or cause them to be returned, to the Company's transfer agent for the re-imposition of the appropriate restrictive legends under applicable United States law.

The undersigned understands that the Company, its transfer agent and others are relying upon the representations contained in this Declaration. The undersigned agrees to and does hereby indemnify and hold the Company, its transfer agent, directors, officers, employees, agents and counsel (collectively, the "**Indemnified Parties**") harmless from and against any claim against any Indemnified Party as a result of or which involves the inaccuracy of any representation or the breach of any warranty or covenant made by the undersigned in this Declaration, including, without limitation, all expenses, reasonable attorneys' fees and court costs incurred as a result of any such inaccuracy of any representation or breach of any warranty or covenant.

Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S.

DATED at _____ this _____ day of _____, 202__.

By: _____
Name:
Title:

AFFIRMATION BY SELLER'S BROKER-DEALER
(required for sales under (B)2(b) above)

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, with regard to our sale, for such Seller's account, of the securities, represented by certificate number _____ (the "Securities"), of Shift Rare Metals Inc. and on behalf of ourselves we certify and affirm that (a) we have no knowledge that the transaction had been or will be prearranged with a buyer in the United States, (b) the transaction was or will be executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange or other "designated offshore securities market", (c) neither we, nor any person acting on our behalf, engaged or will engage in any directed selling efforts in connection with the offer and sale of the Securities, and (d) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

We will maintain custody of the Securities and, if the Seller directs us to deliver out the Securities other than pursuant to a sale in accordance with the terms and conditions of Rule 904 of Regulation S, the Securities will first be returned to the Company's transfer agent for re-imposition of the appropriate restrictive legends under applicable United States Securities Laws.

Terms used herein have the meanings given to them by Regulation S.

Name of Firm

By: _____
Authorized officer

Date: _____

Please ensure that all signatures are Medallion Guaranteed.

SCHEDULE "C"
FORM OF RELEASE CERTIFICATE

TO: Endeavor Trust Corporation (the "Subscription Receipt Agent"), as Subscription Receipt Agent relating to the issue of subscription receipts ("Subscription Receipts") of Shift Rare Metals Inc. (the "Company")

This Release Certificate is being provided pursuant to Sections 6.1 and 6.3 of the Subscription Receipt Agreement dated December 23, 2024 (the "**Agreement**") between the Company, Valleyview Resources Ltd., SCP Resource Finance LP ("**SCP**"), Canaccord Genuity Corp. and the Subscription Receipt Agent (the "**Agreement**").

Capitalized terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

The undersigned hereby confirm that the Release Conditions (other than delivery of this Release Certificate) have been satisfied or waived in full accordance with the Agreement and hereby direct you to:

1. pay to SCP, on behalf of the Agents, the amount of \$ _____, representing 50% the Agents' Expenses, plus any Agents' Expenses incurred between the Closing Date and the Release Date, by means of wire transfer to:

Beneficiary Name	_____
Beneficiary Address	_____
Beneficiary Bank Name	_____
Street Address of Beneficiary Bank	_____
BIC code	_____
SWIFT Code	_____
Transit #	_____

2. pay to SCP, on behalf of the Agents, the amount of \$ _____, representing 50% the Agents' Cash Compensation, by means of wire transfer to:

Beneficiary Name	_____
Beneficiary Address	_____
Beneficiary Bank Name	_____
Street Address of Beneficiary Bank	_____
BIC code	_____
SWIFT Code	_____
Transit #	_____

3. pay to Regents Park Securities, Ltd., the amount of \$ _____, representing 100% of the Finders' Fee payable to such Finder in accordance with such Finder's Finders' Fee agreement, by means of wire transfer to:

Beneficiary Name _____
Beneficiary Address _____
Beneficiary Bank Name _____
Street Address of Beneficiary Bank _____
BIC code _____
SWIFT Code _____
Transit # _____

4. pay to TriView Capital Ltd., the amount of \$ _____, representing 100% of the Finders' Fee payable to such Finder in accordance with such Finder's Finders' Fee Agreement, by means of wire transfer to:

Beneficiary Name _____
Beneficiary Address _____
Beneficiary Bank Name _____
Street Address of Beneficiary Bank _____
BIC code _____
SWIFT Code _____
Transit # _____

5. pay to the Subscription Receipt Agent, the amount of \$ _____, representing an amount payable to the Subscription Receipt Agent equal to its unpaid fees for services rendered and disbursements incurred in accordance with this Agreement.
6. pay the aggregate amount of \$ _____ representing the balance of the Escrowed Funds, including all accrued but unpaid interest thereon, if any, after the release of the above payments, to the Company, by means of wire transfer to:

Beneficiary Name _____
Beneficiary Address _____
Beneficiary Bank Name _____
Street Address of Beneficiary Bank _____
BIC code _____
SWIFT Code _____
Transit # _____

The Company hereby irrevocably directs and authorizes the Subscription Receipt Agent in its capacity as warrant agent for the Underlying Warrants, to issue _____ Underlying Warrants to the persons to whom such Underlying Warrants are to be issued pursuant to the Subscription Receipt Agreement effective as at the Release Date, which is _____, 2025, all as provided in Sections 6.1 and 6.3 of the Subscription Receipt Agreement.

[Signature page follows]

This Release Certificate, which may be signed in counterparts and delivered electronically (including in portable document format and DocuSign), is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

DATED at _____, this ____ day of _____, 20__.

SHIFT RARE METALS INC.

By: _____
Authorized Signatory

By: _____
Authorized Signatory

VALLEYVIEW RESOURCES LTD.

By: _____
Authorized Signatory

By: _____
Authorized Signatory

SCP RESOURCE FINANCE LP, by its General
Partner, SCP Resource Finance GP Inc.

By: _____
Authorized Signatory

CANACCORD GENUITY CORP.

By: _____
Authorized Signatory

SCHEDULE "D"
FORM OF TERMINATION NOTICE

TO: Endeavor Trust Corporation (the "**Subscription Receipt Agent**")

AND TO: Subscription Receiptholders

This Termination Notice is being provided pursuant to Section 6.4 of the Subscription Receipt Agreement dated December 23, 2024 between the Company, Valleyview Resources Ltd., SCP Resource Finance LP, Canaccord Genuity Corp. and the Subscription Receipt Agent (the "**Agreement**").

Capitalized terms which are not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

Pursuant to the Agreement, the undersigned hereby confirms that a Termination Event has occurred as of _____, 202__, being the Termination Date, and hereby instructs the Subscription Receipt Agent to return the Escrowed Funds to the Subscription Receiptholders all in accordance with Section 6.4 of the Agreement.

The undersigned further confirms that the amount of \$ _____ will be deposited with the Subscription Receipt Agent for delivery to the Subscription Receiptholders to make up the shortfall in the Escrowed Funds.

This Termination Notice, which may be signed in counterparts and delivered electronically (including in portable document format and DocuSign), is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

DATED at _____, this ____ day of _____, 20__.

SHIFT RARE METALS INC.

By: _____
Authorized Signatory

By: _____
Authorized Signatory

VALLEYVIEW RESOURCES LTD.

By: _____
Authorized Signatory

By: _____
Authorized Signatory

SCP RESOURCE FINANCE LP, by its General
Partner, SCP Resource Finance GP Inc.

By: _____
Authorized Signatory

CANACCORD GENUITY CORP.

By: _____
Authorized Signatory