

REORGANIZATION AND INVESTMENT AGREEMENT

AMONG

TARGET CAPITAL INC.

AND

SONNY MOTTAHED, BILL MACDONALD

and DAVID CHEADLE

November 20, 2017

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Interpretation Not Affected by Headings, etc.	8
1.3 Number, etc.	8
1.4 Date for Any Action.....	8
1.5 Entire Agreement.....	9
1.6 Currency.....	9
1.7 Accounting Matters.....	9
1.8 Inclusive Terminology.....	9
1.9 Knowledge.....	9
1.10 Schedules.....	9
1.11 Interpretation Not Affected by Party Drafting.....	9
ARTICLE 2 THE PRIVATE PLACEMENT AND RELATED MATTERS	10
2.1 Private Placement and Issuance of Warrants.....	10
2.2 Replacement of Directors and Executives.....	10
2.3 Employees other than the Old Executives.....	11
2.4 Severance and Change of Control Obligations	11
2.5 Director and Officer Indemnities.....	11
2.6 Shareholder Approvals	12
2.7 Target Meeting.....	12
2.8 Rights Offering.....	13
ARTICLE 3 COVENANTS.....	14
3.1 Covenants of Target	14
3.2 Covenants of the Initial Investor Group	19
3.3 Mutual Covenants.....	21
3.4 Non-Solicitation by Target.....	21
3.5 Covenants Regarding Non-Solicitation by Target.....	22
3.6 Notice by Target of Superior Proposal Determination	23
3.7 Non-Solicitation by the Initial Investor Group.....	25
3.8 Provision of Information; Access.....	25
ARTICLE 4 REPRESENTATIONS AND WARRANTIES	26
4.1 Representations and Warranties of Target.....	26
4.2 Representations and Warranties of the Initial Investor Group	37
4.3 Privacy Issues.....	38
ARTICLE 5 CONDITIONS PRECEDENT.....	40
5.1 Mutual Conditions Precedent	40
5.2 Additional Conditions to Obligations of the Initial Investor Group	40
5.3 Additional Conditions to Obligations of Target.....	42

5.4	Notice and Effect of Failure to Comply with Conditions	43
5.5	Satisfaction of Conditions.....	44
ARTICLE 6 AMENDMENT		44
6.1	Amendment of Agreement	44
ARTICLE 7 TERMINATION		44
7.1	Termination.....	44
ARTICLE 8 NOTICES.....		45
8.1	Notices.....	45
ARTICLE 9 GENERAL.....		46
9.1	Binding Effect.....	46
9.2	Assignment.....	46
9.3	Disclosure	46
9.4	Severability	46
9.5	Further Assurances.....	46
9.6	Time of Essence	47
9.7	Governing Law.....	47
9.8	Waiver	47
9.9	Third Party Beneficiaries	47
9.10	Actions Taken by the Initial Investor Group / Material Breach	47
9.11	Counterparts	47
Schedule A FORM OF WARRANTS		1
Schedule B FORM OF INVESTOR GROUP SUBSCRIPTION AGREEMENT.....		1
Schedule C FORM OF UNIT SUBSCRIPTION AGREEMENT		1
Schedule D INITIAL INVESTOR GROUP		1

REORGANIZATION AND INVESTMENT AGREEMENT

THIS REORGANIZATION AND INVESTMENT AGREEMENT is dated effective as of the 20th day of November, 2017.

AMONG:

TARGET CAPITAL INC., a corporation subsisting under the laws of the Province of Alberta (hereinafter referred to as “**Target**” or the “**Corporation**”)

AND:

SONNY MOTTAHED, BILL MACDONALD and DAVID CHEADLE, individuals residing in the Province of Alberta (the “**Initial Investor Group**”)

WHEREAS:

- A. The Parties desire to enter into this Agreement to, among other things, establish the terms and conditions upon which the Private Placement will be completed and the Old Board and Old Executives will be replaced by the New Board and New Executives;
- B. Concurrently with the execution of this Agreement, certain shareholders of Target who hold, in the aggregate, approximately 75% of the issued and outstanding common shares of Target have entered into the Support Agreements (as defined herein); and
- C. the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters set forth in this Agreement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement (including the recitals hereto), unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

“**ABCA**” means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

“**Acquisition Proposal**” means a written proposal or offer by a third party (other than the Initial Investor Group) to acquire in any manner, directly or indirectly, beneficial ownership of more than 20% of the Investments of Target, to acquire in any manner, directly or indirectly, beneficial ownership or control or direction over more than 20% of the outstanding voting shares of Target, or to amalgamate, merge or otherwise combine with Target, whether by:

- (a) an arrangement, amalgamation, merger, consolidation, joint venture, partnership or other business combination;
- (b) by means of a recapitalization or a sale of shares in the capital of Target (which for greater certainty shall include the issuance of securities from treasury); or
- (c) a take-over bid, tender offer or exchange offer or similar transaction involving Target;

including any single or multi-step transaction or series of related transactions which is structured to permit such third party to acquire in any manner, directly or indirectly, beneficial ownership or control or direction over more than 20% of the outstanding voting shares of Target, or to amalgamate, merge or otherwise combine with Target;

“**AIF**” has the meaning set forth in National Instrument 51-102 *Continuous Disclosure Obligations*, of the Canadian Securities Administrators;

“**Announced Acquisition Proposal**” has the meaning set forth in Section 3.6(a)(ii);

“**Applicable Canadian Securities Laws**”, in the context that refers to one or more Persons, means, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities and the rules, regulations and policies published and/or promulgated thereunder, including the rules of the TSXV and the CSE, as such may be amended from time to time prior to the Closing Date;

“**Applicable Laws**”, in the context that refers to one or more Persons, means the laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all Applicable Canadian Securities Laws), and terms and conditions of any grant of approval, permission, authority or license of any court, Governmental Entity, statutory body or self-regulatory authority (including, without limitation, the TSXV and the CSE) that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

“**Board of Directors**” means the board of directors of Target as it may be comprised from time to time, including any duly constituted committee thereof, unless the context requires otherwise;

“**Bonds**” means the \$1,771,175 principal amount of long-term bonds of the Corporation bearing interest at a rate of prime plus 1.25%;

“**Business Day**” means a day other than a Saturday, Sunday, a public holiday or a day when banks in Calgary, Alberta are not generally open for business;

“**Change of Management**” means the replacement of the Old Board and Old Executives with the New Board and the New Executives;

“**Closing**” means the completion of the Private Placement, the Change of Management and the repayment in full of all indebtedness owing pursuant to the Bonds;

“Closing Date” means the date on which Closing is to occur, which shall be the earlier of:

- (a) December 15, 2017, if: (i) the Written Resolution is permitted by the TSXV and the CSE; and (ii) the Written Resolution is obtained on or before November 30, 2017; or
- (b) January 26, 2018, if: (i) the Written Resolution is not permitted by the TSXV or the CSE; or (ii) the Written Resolution is not obtained on or before November 30, 2017, and this Agreement has not been terminated by the Initial Investor Group in accordance with Section 7.1(d) hereof,

or such other date as the Initial Investor Group and Target may agree, provided that if the failure to have Closing occur on the Closing Date is solely due to the failure to have received TSXV and/or CSE conditional approval for the Private Placement and the Change of Management (and the TSXV and/or the CSE, as applicable, has not advised that it will not provide such approval), the Parties agree to extend the Closing Date for a period of at least 10 days pending such approval (provided that such extension shall not extend beyond the Outside Date);

“Closing Time” means 8:00 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as Target and the Initial Investor Group may agree;

“Common Shares” means common shares in the capital of Target;

“Contract” means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding or other right or obligation (whether written or oral) to which Target is a party or by which Target is bound;

“CPA” means the Chartered Professional Accountants of Canada;

“CSE” means the Canadian Securities Exchange;

“Disclosed Personal Information” has the meaning set forth in Section 4.3(b);

“Disclosure Letter” means the disclosure letter of Target delivered to the Initial Investor Group on the date hereof;

“Employee” means an individual who is employed by Target, whether on a full-time or part-time basis;

“Employee Obligations” means any obligations or liabilities of Target to pay any amount to or on behalf of its officers, directors, consultants or Employees, other than for salary, commissions, finder’s fees, bonuses under their existing bonus arrangements, reimbursement of expenses, vacation pay and directors’ fees in the ordinary course, in each case consistent with historic practices and, without limiting the generality of the foregoing, Employee Obligations shall include the obligations of Target to directors, officers, employees or consultants for: (a) severance or termination payments on the change of control of Target (which shall be deemed to include the completion of the Private Placement and the Change of Management), resignation or otherwise pursuant to the Employment Agreement in the case of the Old Executives and pursuant to employment offers in the case of employees; and (b) retention bonus payments pursuant to any retention bonus program or executive employment agreement;

“Financial Statements” means, collectively: (a) the audited consolidated financial statements of Target as at and for the years ended March 31, 2017 and 2016, together with the notes thereto and the auditors’ report thereon; and (b) the unaudited financial statements of Target as at and for the interim period ended June 30, 2017, together with the notes thereto;

“GAAP” has the meaning set forth in Section 1.7;

“Governmental Entity” means any: (a) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) any subdivision, agent, commission, board or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Initial Investor Group” means, collectively, Sonny Mottahed, Bill Macdonald and David Cheadle;

“Initial Investor Group Information” means the information to be included in the Target Circular concerning the Initial Investor Group;

“Investor Group Private Placement” means the private placement of Investor Group Units at a price of \$0.06 per Investor Group Unit to be completed on the Closing Date;

“Investor Group Subscription Agreements” means the subscription agreements to be entered into between Target and each subscriber that purchases Investor Group Units under the Investor Group Private Placement, such agreements to be substantially in the form set forth in Schedule B attached hereto or, in the case of subscribers resident in the United States, in a form to be agreed upon by Target and the Initial Investor Group;

“Investor Group Unit” means a unit consisting of one Common Share and one Warrant;

“Investments” means the assets and investments of Target, all of which are set forth and described in the Disclosure Letter;

“ITA” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time;

“Lease Obligation” means Target’s obligation to pay monthly rent of \$2,000 per calendar month for each and every calendar month for the remainder of the term of the office lease respecting its current office space;

“Legal Proceeding” means any litigation, action, application, suit, investigation, hearing, claim, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any tribunal and includes any appeal or review thereof and any application for leave for appeal or review;

“Material Adverse Change” means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, investments, capitalization or financial condition of Target which is materially adverse to the business of Target or to the value of the Common Shares, but “Material Adverse Change” shall not include a change resulting from: (a) a matter that has prior to the date hereof been publicly

disclosed in Target's SEDAR filings or communicated by Target to the Initial Investor Group in writing; (b) general economic, financial, currency exchange or securities conditions in Canada, the United States or elsewhere; (c) any changes arising from matters specifically contemplated by this Agreement or consented to or approved in writing by the Initial Investor Group; (d) any changes based solely on any change in the trading prices or volumes of the Common Shares; or (e) any changes arising from the announcement of this Agreement;

"Material Adverse Effect" means any effect that is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, investments, capitalization or financial condition of Target or to the value of the Common Shares but "Material Adverse Effect" shall not include an effect resulting from: (a) a matter that has prior to the date hereof been publicly disclosed in Target's SEDAR filings or communicated by Target to the Initial Investor Group in writing; (b) general economic, financial, currency exchange or securities conditions in Canada, the United States or elsewhere; (c) any changes arising from matters specifically contemplated by this Agreement or consented to or approved in writing by the Initial Investor Group; (d) any changes based solely on any change in the trading prices or volumes of the Common Shares; or (e) any changes arising from the announcement of this Agreement;

"New Board" means the persons that will be appointed as the new directors of Target on the Closing Date, such persons being: Sonny Mottahed, Bill Macdonald, Gregory Turnbull, Matteo Volpi and Chad Oakes, provided that in the event that any proposed member of the New Board does not agree to become a director of Target at the Closing, the Initial Investor Group may propose a substitute nominee satisfactory to Target, acting reasonably;

"New Executives" means the persons that will be appointed as the new officers of Target on the Closing Date, such persons and their respective titles in Target immediately following the Closing Time being: Sonny Mottahed – President and Chief Executive Officer, Bill Macdonald – Executive Vice President, Corporate Development, David Cheadle – Chief Financial Officer, and Sony Gill – Corporate Secretary, provided that in the event that any proposed member of the New Executives does not agree to become an officer of Target at the Closing, the Initial Investor Group may propose a substitute nominee satisfactory to Target, acting reasonably;

"NI 44-101" means National Instrument 44-101 *Short Form Prospectus Distributions*, of the Canadian Securities Administrators;

"NI 45-106" means National Instrument 45-106 *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators;

"Notice Period" has the meaning set forth in Section 3.6(a)(ii);

"Old Board" means the board of directors of Target as of the date hereof;

"Old Executives" means the current officers of Target as of the date hereof, being Rick Skauge, Chief Executive Officer and President, and Royce Lee, Chief Financial Officer;

"Olympia" means Olympia Financial Group Inc.;

"Outside Date" means either: (a) December 29, 2017 if the Closing Date means December 15, 2017; or (b) February 9, 2018 if the Closing Date means January 26, 2018 (or in each case such later date as the Initial Investor Group and Target may agree);

“Parties” means, collectively, Target and the Initial Investor Group and **“Party”** means any one of them;

“Permits” means any license, permit, certificate, franchise, consent, order, grant, easement, covenant, approval, classification, registration or other authorization of and from any person, including any Governmental Entity;

“Person” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

“Private Placement” means, collectively, the Investor Group Private Placement and the Unit Private Placement;

“Proposed Agreement” has the meaning set forth in Section 3.6(a)(i);

“Public Record” means all information filed by Target with any Securities Authority in compliance, or intended compliance, with any Applicable Canadian Securities Laws available through SEDAR;

“Record Date” has the meaning set forth in Section 2.8(a);

“Representatives” has the meaning set forth in Section 3.4;

“Returns” has the meaning set forth in Section 4.1(bb)(i);

“Right” has the meaning set forth in Section 2.8(a);

“Rights Offering” has the meaning set forth in Section 2.8;

“Securities Act” means the *Securities Act*, R.S.A. 2000, c. S-4;

“Securities Authorities” means the securities commissions or similar securities regulatory authorities in each of the Provinces of Canada;

“Subscribers” means the Initial Investor Group, those additional purchasers of Investor Group Units and under the Private Placement as designated pursuant to Schedule D and such other Persons as determined by the Initial Investor Group;

“Subsidiary” has the meaning set forth in the Securities Act;

“Superior Proposal” means a unsolicited *bona fide* written Acquisition Proposal made after the date of this Agreement: (a) that any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Board of Directors, acting in good faith (after receipt of advice from a financial advisor and outside legal counsel) to have been obtained or is reasonably likely to be obtained; (b) is not subject to a due diligence and/or access condition; (c) that the Board of Directors and any relevant committee thereof has determined in good faith (after receipt of advice from a financial advisor and outside legal counsel) is reasonably capable of completion within a time frame that is reasonable in the circumstances taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person

making such Acquisition Proposal; and (d) in respect of which the Board of Directors and any relevant committee thereof determines in good faith (after receipt of advice from a financial advisor with respect to (ii) below and outside legal counsel with respect to (i) below) that (i) failure to recommend such Acquisition Proposal to Target Shareholders would be inconsistent with its fiduciary duties under Applicable Laws and (ii) that such Acquisition Proposal would, if consummated in accordance with its terms, reasonably be expected to result in a transaction more favourable to the Target Shareholders, from a financial point of view, than the transactions contemplated herein, including any adjustment to the terms and conditions of the transactions contemplated by this Agreement proposed by the Investor Group pursuant to Section 3.6 of this Agreement;

“Support Agreements” means agreements between the Initial Investor Group and certain Target Shareholders pursuant to which such Target Shareholders have agreed, among other things, to: (a) resign as directors and officers of Target immediately after the repayment in full of all indebtedness owing pursuant to the Bonds; (b) execute the Written Resolution; and (c) if required, vote all of the Common Shares beneficially owned or controlled by them in favour of the Target Resolutions;

“Target” means Target Capital Inc.;

“Target Alternate Resolutions” means the resolutions to be considered by the Target Shareholders at the Target Meeting to approve the change of the name of Target to “CBI² Capital Corp.” (or such other name as may be requested by the Initial Investor Group), and such other matters as may be agreed to by Target and the Initial Investor Group;

“Target Circular” means the information circular and proxy statement to be prepared and sent by Target to the Target Shareholders in connection with the Target Meeting, if required;

“Target Debt” means, except as otherwise provided in this Agreement, the total current liabilities (including bank indebtedness, accounts payable and accrued liabilities), in each case as such term is defined under GAAP and, for greater clarity, excluding the Target Transaction Costs, the Lease Obligation and the Bonds;

“Target Meeting” means a special meeting of the Target Shareholders held for the purposes set forth in Section 2.7;

“Target Resolutions” means the resolutions to be considered by the Target Shareholders to approve the Private Placement, the replacement of the Old Board with the New Board, the change of the name of the Corporation to “CBI² Capital Corp.” (or such other name as may be requested by the Initial Investor Group), and such other matters as may be agreed to by Target and the Initial Investor Group;

“Target Shareholders” means the holders of Common Shares;

“Target Transaction Costs” means the aggregate of all amounts payable by Target in connection with the completion of the transactions contemplated by this Agreement and incurred prior to Closing, including, without limitation, in relation to any proxy solicitation, costs associated with the printing and mailing of the Target Circular, and all amounts payable to its financial, legal, accounting and any other advisors in connection with the transactions contemplated herein and payments that may be made pursuant to any change of control payments, excluding the cost of “run-off” insurance obtained pursuant to Section 2.5;

“**Tax**” or “**Taxes**” has the meaning set forth in Section 4.1(bb)(i);

“**Third Party Beneficiaries**” has the meaning set forth in Section 9.9;

“**TSXV**” means the TSX Venture Exchange;

“**Unit**” means a unit consisting of one Common Share and one half of one Warrant;

“**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“**Unit Private Placement**” means the private placement of Units at a price of \$0.06 per Unit to be completed on the Closing Date;

“**Unit Subscription Agreements**” means the subscription agreements to be entered into between Target and each Subscriber that purchases Units under the Unit Private Placement, such agreements to be in substantially the form set forth in Schedule C attached hereto;

“**U.S. Exchange Act**” means the *United States Exchange Act of 1934*, as amended, and the rules and regulations of the United States Securities and Exchange Commission thereunder;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;

“**Warrant**” means a Common Share purchase performance warrant of Target, being in the form and having the terms and conditions as set forth in Schedule A attached hereto, entitling the holder thereof to acquire one Common Share for a price of \$0.10 for a period of five years from the date of issuance; and

“**Written Resolution**” has the meaning set forth in Section 2.6.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including any exhibits attached hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.5 Entire Agreement

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.6 Currency

All references to “\$” or sums of money that are referred to in this Agreement are expressed in lawful money of Canada, unless specified otherwise.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles, as defined by the CPA and published in the handbook of the CPA at the relevant time applied on a consistent basis which shall include, for greater certainty, International Financial Reporting Standards (“GAAP”).

1.8 Inclusive Terminology

Whenever used in this Agreement, the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters or items shall be regarded as illustrative without being either characterizing or exhaustive.

1.9 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Target, it refers to the actual knowledge of the senior officers of Target after due inquiry.

1.10 Schedules

The following exhibits attached hereto are incorporated into and form an integral part of this Agreement:

Schedule A - Form of Warrant Certificate

Schedule B - Form of Investor Group Subscription Agreement

Schedule C - Form of Unit Subscription Agreement

Schedule D - Initial Investor Group

1.11 Interpretation Not Affected by Party Drafting

The Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of

construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

ARTICLE 2 THE PRIVATE PLACEMENT AND RELATED MATTERS

2.1 Private Placement and Issuance of Warrants

- (a) Subject to the terms and conditions of this Agreement, at Closing, the Initial Investor Group shall and shall cause the Subscribers to purchase up to an aggregate of 83,333,333 Investor Group Units or Units pursuant to the Private Placement.
- (b) At least 48 hours prior to the Closing Time, the Initial Investor Group shall provide a complete list of the Subscribers to Target, including the number of Units or Investor Group Units, as the case may be, being subscribed for by each Subscriber and detailed registration instructions for each Subscriber, in a form that will reasonably permit Target to prepare the required certificates for the Closing Time.
- (c) At Closing, the Subscribers shall provide to Target:
 - (i) executed Unit Subscription Agreements or Investor Group Subscription Agreements, as applicable, for each Subscriber;
 - (ii) certified cheques, bank drafts or wire transfer of each Subscriber in immediately available funds, or payment in such other form as may be acceptable to Target and the Initial Investor Group, acting reasonably, for the aggregate subscription proceeds for the Units or Investor Group Units, as applicable, purchased by the Subscribers; and
 - (iii) such other documents and deliveries as are required pursuant to the Unit Subscription Agreements or Investor Group Subscription Agreements, as applicable.
- (d) Upon receipt of the executed agreements and certified cheques, bank drafts or wire transfer or other payment and any other documents or deliveries provided for in Section 2.1(c), Target shall execute and accept all validly executed Unit Subscription Agreements and Investor Group Subscription Agreements, and deliver to the Subscribers validly issued Common Share and Warrant certificates in the names of the applicable Subscribers for the securities issuable under the Private Placement.
- (e) The Parties agree that the completion of the Private Placement, the Change of Management and the repayment in full of all indebtedness owing pursuant to the Bonds on the Closing Date shall be completed concurrently on the Closing Date in such order as is reasonably necessary to facilitate the Closing.

2.2 Replacement of Directors and Executives

- (a) At Closing and subject to Sections 2.1(e) and 2.2(b):

- (i) the Board of Directors shall be reconstituted through the resignations of all the members of the Old Board and the members of the New Board shall be appointed to fill the vacancies created by such resignations without the necessity of the holding of a meeting of the Target Shareholders; and
 - (ii) the Old Executives shall resign and the New Executives shall be appointed by the New Board as officers of Target.
- (b) Target and each Old Executive shall execute mutual releases, in a form acceptable to Target, the applicable Old Executive and the Initial Investor Group, acting reasonably, and Target agrees to use reasonable commercial efforts to cause each member of the Old Board (who is not an Old Executive) to execute, together with Target, mutual releases in a form acceptable to Target, the Old Board member and the Initial Investor Group, acting reasonably. Target and the Initial Investor Group each agree to take all reasonable steps within their power to facilitate the resignation of the Old Board and Old Executives and the appointment of the New Board and New Executives, as applicable.

2.3 Employees other than the Old Executives

Should the employment of any employees cease on a without cause basis following the Closing Date, that Employee will be treated in accordance with applicable employment legislation and common law requirements and any agreements or employment offers in effect with such Employee.

2.4 Severance and Change of Control Obligations

Upon completion of the Private Placement and, provided that the Old Executives and Old Board have resigned as provided for herein, Target shall pay: (a) to each Old Executive a severance payment plus any vacation pay owing at the Closing Date, in lieu of notice as if the Old Executive had been terminated without cause on the Closing Date; and (b) to each member of the Old Board, any outstanding directors fees owing and unpaid as of the Closing Date. Target represents and warrants that the aggregate amounts payable as severance to the Old Executives and Old Board will not exceed \$15,000 in the aggregate, excluding any vacation pay. Target shall pay to each of the Executives and each member of the Old Board at Closing, net of any applicable withholdings, such amounts against delivery of the releases referred to in Section 2.2(b). Other than such amounts payable pursuant to this Section 2.4, Target represents and warrants to the Initial Investor Group that there are no Employee Obligations that will be triggered solely by the completion of the Private Placement and the Change of Management.

2.5 Director and Officer Indemnities

Target shall fulfil its obligations pursuant to indemnities provided or available to past and present officers and directors of Target pursuant to the provisions of the constating documents of Target, the ABCA, and any written indemnity agreements which have been entered into between Target and its current officers and directors effective on or prior to the date hereof. Target, including any successor thereto, shall use reasonable commercial efforts to ensure that, for a period of six years after Closing, Target or its successors shall maintain or have access to sufficient assets to enable it to fulfil the foregoing obligations or, to the extent this is not the

case, to have any affiliate or successor of Target having such satisfactory assets to assume Target's obligations under this Section 2.5. In addition, Target shall obtain an insurance policy on a "trailing" run-off basis on terms and conditions otherwise no less advantageous to the directors and officers of Target than those contained in the policy in effect on the date hereof for all present and former directors of Target covering claims made prior to the Closing Date and for a period of six years after the Closing Date.

2.6 Shareholder Approvals

- (a) In the event the TSXV and/or the CSE require approval of the Private Placement or the Change of Management by the Target Shareholders, such approval shall, subject to acceptance by the TSXV and/or the CSE, as applicable, be obtained by consent in writing by Target Shareholders holding not less than 50% plus one of the Common Shares (the "**Written Resolution**").
- (b) If: (i) the Written Resolution is not permitted by the TSXV or the CSE, as applicable; or (ii) the Written Resolution is not obtained on or before November 30, 2017, the Initial Investor Group may terminate this Agreement in accordance with Section 7.1(d) hereof.

2.7 Target Meeting

Provided that the Initial Investor Group has not terminated this Agreement in accordance with Section 7.1(d) hereof:

- (a) Target shall call and hold the Target Meeting by no later than January 26, 2018 and shall put forward an ordinary resolution at the Target Meeting:
 - (i) in the event that: (A) the Written Resolution has been permitted by the TSXV and the CSE; and (B) the Written Resolution has been obtained on or before November 30, 2017, approving the Target Alternate Resolutions; or
 - (ii) in the event that: (A) the Written Resolution has not been permitted by the TSXV or the CSE; or (B) the Written Resolution has not been obtained on or November 30, 2017, approving the Target Resolutions;
- (b) Target shall prepare the Target Circular, in consultation with the Initial Investor Group and their legal counsel and in compliance with Applicable Canadian Securities Laws and cause such circular to be mailed to the Target Shareholders by no later than December 22, 2017 and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed;
- (c) Target shall ensure that the Target Circular includes the recommendation of the Board of Directors that the Target Shareholders vote in favour of the Target Resolutions or the Target Alternate Resolutions, as the case may be, and shall publicly announce such recommendation at the time that it announces the calling of the Target Meeting;

- (d) the Initial Investor Group shall, in a timely manner, furnish Target with the Initial Investor Group Information for inclusion in the Target Circular, which the Initial Investor Group will ensure does not contain any misrepresentation or untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made;
- (e) Target and the Initial Investor Group shall cooperate in the preparation, filing and mailing of the Target Circular and Target shall provide the Initial Investor Group and its representatives with a reasonable opportunity to review and comment on the Target Circular and any other relevant documentation and shall incorporate all reasonable comments thereon;
- (f) Target shall conduct the Target Meeting in all material respects in accordance with the constating documents of Target and any other instrument governing the Target Meeting and as otherwise required by Applicable Law;
- (g) Target shall allow the Representatives of the Initial Investor Group to attend the Target Meeting;
- (h) Target shall not adjourn, postpone or cancel (or propose to adjourn, postpone or cancel) the Target Meeting without the prior written consent of the Initial Investor Group except: (i) as required for quorum purposes (in which case the Target Meeting shall be adjourned and not cancelled) or by Applicable Law or by a Governmental Entity; and (ii) where Target has provided the Initial Investor Group with the written notice in accordance with Section 3.6(a), in which case Target may adjourn or postpone the Target Meeting for a period not to exceed seven Business Days; and
- (i) Target shall use all commercially reasonable efforts to secure the approval of the resolutions put forward at the Target Meeting by the Target Shareholders and solicit proxies for the approval of the Target Resolutions or the Target Alternate Resolutions, as the case may be, in accordance with Applicable Laws including, at the request of the Initial Investor Group, using the services of proxy solicitation agents (provided that the Initial Investor Group will determine which solicitation agent should be retained and the Initial Investor Group shall agree to pay the expenses of any such solicitation agent). If so requested by the Initial Investor Group, Target shall instruct such proxy solicitation agents: (i) to report to the Initial Investor Group and its designated representatives concurrently with their reports to Target and to advise the Initial Investor Group as it may reasonably request, on a daily basis of each of the last seven Business Days prior to the Target Meeting, as to the aggregate tally of the proxies received by Target in respect of the Target Resolutions or the Target Alternate Resolutions, as the case may be; and (ii) to co-operate with the Initial Investor Group and any solicitation agents or other representatives of the Initial Investor Group hired to assist in the solicitations of proxies in respect of the Target Meeting.

2.8 Rights Offering

Provided that Target is able to obtain the Written Resolution by no later than November 30, 2017 or the approval of the Target Resolutions at the Target Meeting by no later than

January 26, 2018, if applicable, Target shall conduct a rights offering to the Target Shareholders (the “**Rights Offering**”) on the following terms:

- (a) Target shall issue one right (“**Right**”) for each Common Share held to each Target Shareholder of record on the record date (the “**Record Date**”) for the Rights Offering;
- (b) each member of the Initial Investor Group shall and shall cause each other Subscriber to waive his right to participate in the Rights Offering and in the event that the Record Date occurs after the Closing Date, each member of the Initial Investor Group and each other Subscriber will undertake not to exercise, sell, trade or otherwise convey any interest in any Rights issuable in connection with the Common Shares issued under the Private Placement or pursuant to the exercise of Warrants;
- (c) each 4 Rights shall entitle the holder thereof to acquire one Common Share for an exercise price of \$0.06;
- (d) the Rights Offering shall be effected by way of a rights offering circular in reliance on the registration and prospectus exemptions contained in Section 2.1 of NI 45-106 and in compliance with Applicable Canadian Securities Laws;
- (e) as soon as practicable after the date hereof, Target shall prepare and file with the applicable Securities Authorities, the TSXV and the CSE a rights offering circular in the form required under NI 45-106 and shall use all commercially reasonable efforts to obtain any required approvals from the applicable Securities Authorities, the TSXV and the CSE to proceed with the Rights Offering;
- (f) Target and the Initial Investor Group shall cooperate in the preparation, filing and mailing of the rights offering circular and Target shall provide the Initial Investor Group and its representatives with a reasonable opportunity to review and comment on the rights offering circular and any other relevant documentation and shall incorporate all reasonable comments thereon;
- (g) no “stand-by commitment” or “additional subscription privilege” (each as defined in NI 45-106) shall be granted in connection with the Rights Offering;
- (h) no fractional Target Shares shall be issued in connection with the Rights Offering with any fractional entitlements rounding to the nearest whole number; and
- (i) the expiry date for the Rights Offering shall not be less than 21 days or greater than 90 days from the date that the rights offering circular is sent to Target Shareholders.

ARTICLE 3 COVENANTS

3.1 Covenants of Target

From the date hereof until the Closing Date or termination of this Agreement, except with the prior written consent of the Initial Investor Group (such consent not to be unreasonably

withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws:

- (a) Target's business and affairs shall be conducted only in the usual and ordinary course consistent with past practices and it shall use all commercially reasonable efforts to maintain and preserve its business, assets, investments and advantageous business relationships, including payment of all cash calls made and expenses which are due and payable in the ordinary course of business, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its Investments and that become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement;
- (b) Target shall not, directly or indirectly, do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or distribution or make any other payment (whether in cash, shares or property) in respect of Target's outstanding securities; (iii) except in connection with the Rights Offering or the Private Placement, issue, grant, sell or pledge, or agree to issue, grant, sell or pledge, any Common Shares or any securities convertible into or exchangeable or exercisable for Common Shares (including any stock options), or otherwise evidencing a right to acquire Common Shares; (iv) redeem, purchase or otherwise acquire any of the outstanding Common Shares or other securities; (v) split, combine, reclassify any of the Common Shares, undertake any other capital reorganization of Target or incorporate or organize any Subsidiary; (vi) reduce the capital or stated capital of Target; (vii) adopt or approve a plan of liquidation or resolutions providing for its liquidation, dissolution, merger, consolidation or reorganization of Target; (viii) make any changes to its existing accounting policies other than as required by Applicable Laws or GAAP; or (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (c) except where required by regulatory authorities or for the protection of life and property and except as required pursuant to agreements existing as of the date hereof, Target will not, directly or indirectly, do or permit to occur any of the following: (i) sell, pledge, dispose of or encumber any Investments, except in the ordinary course consistent with past practice; (ii) expend or commit to expend amounts in respect of any capital expenditures, including approval of any work program, budget, expenditure or other capital commitment which are in excess of \$5,000 individually or \$20,000 in aggregate; (iii) expend or commit to expend any amounts with respect to any operating expenses (which for greater certainty, includes general and administrative expenses) other than in the ordinary course of business; (iv) reorganize, amalgamate, merge or otherwise combine Target with any other Person; (v) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise) any corporation, trust, partnership or other business organization or division thereof, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (vi) acquire any Investments having a cost in excess of \$5,000 individually or \$20,000 in the aggregate; (vii) incur any indebtedness for borrowed money, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances,

other than in respect of fees payable to legal, financial and other advisors in the ordinary course of business or in respect of the transactions contemplated herein, provided such amounts are consistent with the amounts previously disclosed to the Initial Investor Group; (viii) authorize, recommend or propose any release or relinquishment of any material Contract right; (ix) waive, release, grant or transfer any material rights of value or amend, modify or change, or agree to amend, modify or change, in any material respect any existing material Contract or other material document; (x) pay, discharge or satisfy any material claims, liabilities or obligations other than as reflected or reserved against in the Financial Statements or otherwise in the ordinary course of business; (xi) enter into or terminate any hedges, swaps or other financial instruments or like transactions; (xii) engage in any transaction with any related parties; or (xiii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

- (d) Target shall not make any payment to any employee, officer or director outside of their ordinary and usual compensation for services provided, except to the extent that any such entitlement relates to: (i) reasonable expense reports submitted in the ordinary course of business; or (ii) payment to a former employee or officer of an entitlement which has accrued prior to the date hereof;
- (e) Target shall not: (i) grant any officer, director, employee or consultant an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment or grant of any “change of control”, severance or termination pay policies or arrangements for any directors, officers, employees or consultants; (iv) adopt or amend or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation or other compensation or other similar plan (or amend the terms of any outstanding rights thereunder), or form a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with the existing provisions of any such plans, programs, arrangements or agreements (including the stock options); or (v) advance any loan to or forgive any portion of any loan outstanding to any officer, director or any other party not at arm’s length to Target;
- (f) Target shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled, terminated, rendered void or voidable or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by *bona fide* insurance or re-insurance companies or providers providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect (provided that Target shall be required to consult with the Initial Investor Group with respect to any such replacement policies, and if requested by the Initial Investor Group, shall permit the Initial Investor Group to obtain such replacement policies on behalf of Target, provided such policies are for substantially similar premiums), and Target will pay all premiums in respect of such insurance policies that become due after the date hereof (including in the event that the Initial Investor Group obtains any replacement policies with substantially similar premiums on behalf of Target as provided for in this Section 3.1(f);

- (g) Target shall not take any action, or omit to take any action, that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect (without giving effect to any materiality qualifiers contained therein) or that would result, or would reasonably be expected to result, in a breach by Target of this Agreement, at any time prior to Closing or termination of this Agreement, whichever first occurs;
- (h) Target shall promptly notify the Initial Investor Group in writing of any existing or, to its knowledge, potential or threatened Material Adverse Change occurring or existing after the date hereof or of any change which may be of such a nature to render any representation or warranty misleading or untrue in any material respect (without giving effect to any materiality qualifiers contained therein) and Target shall in good faith discuss with the Initial Investor Group any change in circumstances (actual or to the knowledge of Target, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the Initial Investor Group pursuant to this provision;
- (i) Target shall use its reasonable commercial efforts to obtain any third party consents required for the completion of the Private Placement and the Change of Management, without incurring any obligation to pay any fees or penalties, in a form satisfactory to the Initial Investor Group, acting reasonably, and, where obtained, provide the same to the Initial Investor Group on or prior to the Closing Date;
- (j) Target shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 5.1 and 5.3 as soon as possible following execution of this Agreement to the extent that the satisfaction of the same is within the control of Target;
- (k) except for proxies and other non-substantive communications with securityholders or if prohibited under Applicable Laws, Target will furnish promptly to the Initial Investor Group or the Initial Investor Group's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Target in connection with: (i) the Private Placement; (ii) the Target Meeting; (iii) any filings under Applicable Laws in connection with the transactions contemplated hereby; and (iv) any dealings with Governmental Entities in connection with the transactions contemplated hereby;
- (l) Target will make all necessary filings and applications under Applicable Laws, including Applicable Canadian Securities Laws, required to be made on the part of Target in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in material compliance with such Applicable Laws;
- (m) Target shall use reasonable commercial efforts and shall co-operate with the Initial Investor Group in the preparation and filing of: (i) an AIF; and (ii) a notice of intention to be qualified to file a prospectus in the form of a short form prospectus (as such term is defined in NI 44-101) pursuant to Section 2.8(1) of NI 44-101, as soon as reasonably practicable and in accordance with Applicable Canadian Securities Laws and Target shall provide the Initial Investor Group and its representatives with a reasonable opportunity to review and comment on the AIF

and any other relevant documentation and shall incorporate all reasonable comments thereon;

- (n) Target will furnish promptly to the Initial Investor Group or the Initial Investor Group's counsel any requests from any Governmental Entity for any information in respect of the business, operations, financial condition, Investments of Target or any material third party complaint, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect Target or its Investments in a material way or the transactions contemplated by this Agreement;
- (o) Target shall not take any action, refrain from taking any action, permit any action to be taken or not to be taken, inconsistent with this Agreement which might reasonably directly or indirectly interfere with or adversely affect the consummation of the transactions contemplated by this Agreement, and Target shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement;
- (p) in the event of and in relation to a material dispute or Legal Proceeding or any event which may reasonably be expected to lead to a material dispute or legal action and which relates to or may reasonably be expected to relate to Target (a "**Dispute**"), Target shall, until such time as any final compromise, agreement, expert determination or non-appealable decision of a court or tribunal of competent jurisdiction is made in respect of the Dispute or the Dispute is otherwise finally disposed of:
 - (i) consult with the Initial Investor Group, and take such action to assess, contest, dispute, defend, appeal or compromise the Dispute as the Initial Investor Group may reasonably request;
 - (ii) keep the Initial Investor Group promptly informed of the progress of the Dispute and provide the Initial Investor Group with copies of all relevant documents and such other information in Target's possession as may be requested by the Initial Investor Group, acting reasonably; and
 - (iii) not cease to defend the Dispute or make any admission of liability, agreement, settlement or compromise in relation to the Dispute without the prior written consent of the Initial Investor Group, such consent not to be unreasonably delayed or withheld;
- (q) Target will during the term of this Agreement deliver to the Initial Investor Group as soon as they become available true and complete copies of any report or statement filed by it with Securities Authorities subsequent to the date hereof. As of their respective dates, such reports and statements (excluding any information therein provided by the Initial Investor Group, as to which Target makes no representation): (i) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; and (ii) will comply in all material respects with all requirements of Applicable Laws including Applicable Canadian Securities Laws. The financial statements of Target issued by Target or to be included in such reports and

statements (excluding any information therein provided by the Initial Investor Group, as to which Target makes no representation) will be prepared in accordance with GAAP (except: (A) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Target's auditors; or (B) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements) and will present fairly the financial position, results of operations and changes in financial position of Target as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments);

- (r) Target shall: (i) duly and on a timely basis file all Returns required to be filed by it on or after the date hereof and all such Returns will be true, complete and correct in all material respects; (ii) timely pay all Taxes which are due and payable unless validly contested; (iii) not make or rescind any material express or deemed election relating to Taxes, or file any amended Returns; (iv) not make a request for a Tax ruling or enter into a closing agreement with any Governmental Entity; (v) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; (vi) not change in any material respect any of its methods of reporting income, deductions or accounting for Tax purposes from those employed in the preparation of its Return for a taxation year ending prior to the date hereof; and (vii) properly reserve (and reflect such reserves in its books and records and financial statements) in accordance with past practice and in the ordinary course of business, for all Taxes accruing in respect of Target which are not due or payable prior to the Effective Date;
- (s) Target shall duly and timely deduct and withhold all Taxes that are required to be deducted, withheld or remitted by Target under Applicable Laws for amounts paid or credited to or for the account or benefit of any Person, including, without limitation, Taxes on payments to any present or former employees, officers or directors or non-residents of Canada, and Target shall remit such amounts to the appropriate Governmental Entity within the times prescribed by such Applicable Laws; and
- (t) Target shall not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing.

3.2 Covenants of the Initial Investor Group

From the date hereof until the Closing Date or termination of this Agreement, except with the prior written consent of Target (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws:

- (a) the Initial Investor Group shall not take any action, or omit to take any action, that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect (without giving effect to any materiality qualifiers contained therein) or that would result, or would reasonably be expected to result, in a breach by the Initial Investor Group

of this Agreement, at any time prior to Closing or termination of this Agreement, whichever first occurs;

- (b) the Initial Investor Group shall promptly notify Target in writing of any change which may be of such a nature to render any representation or warranty misleading or untrue in any material respect (without giving effect to any materiality qualifiers contained therein) and the Initial Investor Group shall in good faith discuss with Target any change in circumstances (actual or, to the knowledge of the Initial Investor Group, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Target pursuant to this provision;
- (c) the Initial Investor Group shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 5.1 and 5.2 as soon as possible following execution of this Agreement to the extent that the satisfaction of the same is within the control of the Initial Investor Group;
- (d) the Initial Investor Group shall not take any action, refrain from taking any action, permit any action to be taken or not to be taken, inconsistent with this Agreement which might directly or indirectly interfere with or adversely affect the consummation of the transactions contemplated by this Agreement, and the Initial Investor Group shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement;
- (e) the Initial Investor Group shall cooperate with Target and its counsel in completing all necessary filings with the Securities Authorities, the TSXV and the CSE, as applicable, in connection with the Private Placement and the other transactions contemplated hereby, including the filing of personal information forms with the TSXV and the CSE;
- (f) the Initial Investor Group shall use its reasonable commercial efforts to ensure that each subscriber is eligible to purchase Investor Group Units or Units, as applicable, under the Private Placement in accordance with available prospectus exemptions under Applicable Canadian Securities Laws and, if applicable, under securities legislation in such other jurisdictions in which such subscribers may reside as may be acceptable to Target and the Initial Investor Group;
- (g) the Initial Investor Group shall use its reasonable commercial efforts to encourage each member of the New Board to consent to act as a director of Target and to obtain commitments from each New Executive that he or she will agree to act as an officer of Target effective at Closing;
- (h) the Initial Investor Group will furnish promptly to Target or Target's counsel any requests from any Governmental Entity for any information in respect of the Initial Investor Group or any material third party complaint, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect Target or its Investments in a material way or the transactions contemplated by this Agreement;

- (i) the Initial Investor Group shall not announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing, except as may be permitted by this Agreement; and
- (j) the Initial Investor Group shall cause the Corporation to extinguish all indebtedness owing pursuant to the Bonds at Closing.

3.3 Mutual Covenants

From the date hereof until the Closing Date or termination of this Agreement, each of the Initial Investor Group and Target will, in a prompt and timely manner, use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the transactions contemplated herein, including using reasonable commercial efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to Contracts, including, without limitation, the assignment of Target's office lease to Olympia and the assumption of the Lease Obligation by Target;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (c) to effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated herein, and the Parties will use reasonable commercial efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 including continuing to provide reasonable access to information and to maintain ongoing communications as between the Parties; and
- (d) not take any action which is inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the transactions contemplated herein.

3.4 Non-Solicitation by Target

Target shall immediately cease and cause to be terminated all discussions, solicitations, initiations, encouragements and negotiations, if any, with any parties (other than the Initial Investor Group or its affiliates) by Target or its officers, directors, employees, financial advisors, legal counsel, representatives or agents ("**Representatives**") with respect to any actual or potential Acquisition Proposal. Target shall immediately following the entering into of this Agreement send a letter to all Persons who have had discussions or negotiations or who have entered into confidentiality agreements with Target pertaining to any actual or potential Acquisition Proposal within six months prior to the date of this Agreement requesting that, and shall use reasonable efforts to have, all materials provided to such parties by Target, or prepared by such parties in respect of Target, be destroyed or returned to Target or its Representatives as the case may be in accordance with the terms of the confidentiality

agreements with such parties. Target shall immediately advise the Initial Investor Group orally and in writing of any response or action (actual, anticipated, contemplated or threatened) by any recipient of such letter which could hinder, prevent or delay or otherwise adversely affect the completion of the transactions contemplated herein.

3.5 Covenants Regarding Non-Solicitation by Target

- (a) Target shall not, directly or indirectly, through any Representative of Target, or otherwise:
 - (i) solicit, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any inquiries or proposals regarding an Acquisition Proposal or potential Acquisition Proposal;
 - (ii) participate in any negotiations or discussions regarding, or provide any confidential information with respect to or otherwise cooperate in any way with, any Acquisition Proposal or potential Acquisition Proposal;
 - (iii) withhold, withdraw or modify in a manner adverse to the Initial Investor Group the approval of the Board of Directors of the transactions contemplated hereby;
 - (iv) approve or recommend any Acquisition Proposal or potential Acquisition Proposal;
 - (v) waive any provision of, or release or terminate any standstill provisions contained in any confidentiality agreement, non-disclosure, standstill or other agreement with any third party; or
 - (vi) cause Target to enter into any agreement related to any Acquisition Proposal or potential Acquisition Proposal;

provided however that, notwithstanding any other provision of this Agreement,

- (vii) nothing shall prevent the Board of Directors from considering or participating in discussions or negotiations in respect of or responding to an unsolicited bona fide Acquisition Proposal from any Person (but, subject to Section 3.6, not approve, recommend, accept or enter into any agreement, arrangement or understanding with respect to such Acquisition Proposal), *provided that*: (A) the Board of Directors determines in good faith, after consultation with financial and outside legal advisors, that the Acquisition Proposal could reasonably constitute a Superior Proposal; (B) the Board of Directors after consultation with outside legal advisors, determines in good faith it is necessary for the Board of Directors to take such action in order to avoid breaching its fiduciary duties; and (C) prior to entering into discussions or negotiations with or responding to any Person regarding the Superior Proposal, Target notifies the Initial Investor Group of its determination that such Acquisition Proposal could reasonably constitute a Superior Proposal; and

- (viii) provided that Target is not otherwise in breach of this Agreement, the Board of Directors may release a Person who is subject to a standstill obligation in favour of Target from that standstill obligation if, prior to the Closing Time, Target receives a request from such Person to waive or release such Person from that standstill obligation in order for such Person to make an unsolicited *bona fide* Acquisition Proposal but only to the extent required to allow such Person to provide the Acquisition Proposal for consideration by the Board of Directors in accordance with and to the extent permitted by this Section 3.5.
- (b) Promptly, and in any event within 48 hours after the receipt by Target or its Representatives of any Acquisition Proposal, or any material amendments to such Acquisition Proposal, or any request for non-public information relating to Target, Target shall notify the Initial Investor Group at first orally and then in writing. Such written notice shall include a description of the terms and conditions of any inquiry or Acquisition Proposal or any amendment thereto and the identity of the Person making such inquiry or Acquisition Proposal and shall include a copy of any Acquisition Proposal. Target shall, upon request of the Initial Investor Group, promptly inform the Initial Investor Group of the status, including any change to the material terms, of any such Acquisition Proposal.
- (c) If Target receives a request for material non-public information from a Person who proposes an Acquisition Proposal in respect of Target (the existence and content of which have been disclosed to the Initial Investor Group as set forth herein), and the Board of Directors determines that such proposal could reasonably constitute a Superior Proposal pursuant to Section 3.5(a) then, and only in such case, the Board of Directors may, subject to the execution of a confidentiality agreement and standstill agreement, provide such Person with access to information regarding Target; *provided however*, that: (i) Target sends a copy of any such confidentiality agreement and standstill agreement to the Initial Investor Group immediately upon its execution; (ii) the confidentiality agreement and standstill agreement in question permits Target to notify the Initial Investor Group of the fact that Target has received an Acquisition Proposal; and (iii) the Initial Investor Group is provided with a list of, and access to, the information, if any, provided to such Person that was not previously provided to the Initial Investor Group.
- (d) Target shall reaffirm its recommendation of the Private Placement and the other transactions contemplated herein by press release promptly after: (i) any Acquisition Proposal which is publicly announced and determined not to be a Superior Proposal; or (ii) Target and the Initial Investor Group enter into any material amendment to this Agreement.
- (e) Target shall ensure that its Representatives are aware of the provisions of this Section 3.5, and it shall be responsible for any breach of this Section 3.5 by its Representatives.

3.6 Notice by Target of Superior Proposal Determination

- (a) Target covenants and agrees that:

- (i) Target shall not approve, recommend or enter into any agreement (a “**Proposed Agreement**”) in respect of an Acquisition Proposal (other than a confidentiality agreement contemplated by Section 3.5(c)) on the basis that it would constitute a Superior Proposal; and
- (ii) the Board of Directors will not withdraw, modify or change its recommendation concerning the Private Placement and the other transactions contemplated herein after the public announcement of an Acquisition Proposal that is a Superior Proposal in respect of which no Proposed Agreement has been entered into (an “**Announced Acquisition Proposal**”) or recommend any Announced Acquisition Proposal, or recommend that holders of Common Shares deposit their Common Shares under, vote in favour of or otherwise accept any Announced Acquisition Proposal or resolve to do so;

unless: (A) it has provided the Initial Investor Group with written notice that the Board of Directors has determined that it has received a Superior Proposal and, in the case of clause 3.6(a)(i) above, it has provided the Initial Investor Group with a copy of any Proposed Agreement not less than 72 hours prior to its proposed execution by Target, and in the case of clause 3.6(a)(ii) above, it has provided the Initial Investor Group with not less than 72 hours written notice that the Board of Directors intends to withdraw, modify or change its recommendation regarding the transactions contemplated herein following the public announcement of an Announced Acquisition Proposal or to recommend any Announced Acquisition Proposal (either such 72 hour period referred to herein, the “**Notice Period**”); (B) it has complied with Sections 3.5 and 3.6 with respect thereto; and (C) before entering into any Proposed Agreement, this Agreement shall have been terminated pursuant to Section 7.1. Any Proposed Agreement or such written notice, as applicable, shall, if relevant, be accompanied by a written document from the Board of Directors regarding the value in financial terms that the Board of Directors has, in consultation with financial advisors, determined in good faith should be ascribed to any non-cash consideration offered under the Proposed Agreement or Announced Acquisition Proposal, as applicable.

- (iii) During the Notice Period (as defined above), Target acknowledges that the Initial Investor Group shall have the opportunity, but not the obligation, to offer to amend the terms of this Agreement and the transactions contemplated herein. The Board of Directors will review any offer by the Initial Investor Group to amend the terms of this Agreement in good faith in order to determine, in the exercise of its fiduciary duties, whether the Initial Investor Group’s amended offer, upon acceptance by Target, would result in such Superior Proposal ceasing to be a Superior Proposal. In addition, during such Notice Period, Target shall, and shall cause its financial and legal advisors to, negotiate in good faith with the Initial Investor Group and its financial and legal advisors, to make such adjustments in the terms and conditions of this Agreement and the transactions contemplated herein as would enable Target to proceed with the transactions contemplated herein, as amended, rather than the Superior Proposal. If the Board of Directors so determines, it will enter

into an amended agreement with the Initial Investor Group reflecting the Initial Investor Group's amended proposal. If: (A) the Initial Investor Group does not offer to amend the terms of this Agreement; or (B) both (x) the Board of Directors determines, in good faith and after consultation with its financial and legal advisors that such Superior Proposal continues to be a Superior Proposal and therefore rejects the Initial Investor Group's amended proposal, and (y) Target has complied with the other requirements of Sections 3.5 and 3.6 Target shall be entitled to enter into the Proposed Agreement and withdraw, modify or change its recommendation concerning the transactions contemplated by this Agreement and recommend the Superior Proposal.

- (iv) Target also acknowledges and agrees that each successive modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of the requirement under Section 3.6(a) to initiate an additional 72 hour notice period.
- (b) In the event that Target provides the notice contemplated by Section 3.6(a) at a time which is less than 72 hours prior to the Target Meeting, the Initial Investor Group shall be entitled to require Target to adjourn or postpone the Target Meeting to a date that is not more than seven Business Days after the date of such notice.

3.7 Non-Solicitation by the Initial Investor Group

The Initial Investor Group shall immediately cease and cause to be terminated all discussions, solicitations, initiations, encouragements and negotiations, if any, with any Persons other than Target conducted by the Initial Investor Group or its Representatives with respect to any actual or potential recapitalization, arrangement, merger, take-over bid, business combination, acquisition of material assets or similar transaction, and the Initial Investor Group shall not accept any other appointment as an officer, employee or consultant, other than the Private Placement and Change of Management, provided that nothing in this Section 3.7 shall restrict the Initial Investor Group or its Representatives from submitting proposals or entering into non-binding agreements with respect to any acquisition or financing (other than an actual or potential recapitalization transaction), provided that such acquisition would be for the account of Target following Closing and would not be in conflict or competition to the transactions contemplated by this Agreement and provided that such actions shall not adversely affect the ability of Target and the Initial Investor Group to complete the transactions contemplated in this Agreement (including the Change of Management).

3.8 Provision of Information; Access

From and after the date hereof, Target shall provide the Initial Investor Group and its Representatives access, during normal business hours and at times as the Initial Investor Group may reasonably request, to its premises, books, contracts, records, computer systems, employees and management personnel and shall furnish promptly to the Initial Investor Group, all information concerning its business, assets, investments and personnel as the Initial Investor Group may reasonably request, in order to permit the New Executives to assume control of Target in an efficient and informed manner, all immediately upon but not prior to the Closing Date. Target agrees to use its reasonable commercial efforts to keep the Initial Investor Group fully apprised in a reasonably timely manner of every circumstance, action, occurrence or event

occurring or arising after the date hereof that would be material to a prudent operator of the business and operations of Target.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Target

Target hereby represents and warrants (and, as applicable, covenants) to the Initial Investor Group as follows and acknowledges that the Initial Investor Group is relying upon these representations, warranties and covenants in connection with the entering into of this Agreement, that:

- (a) Organization and Qualification of Target. Target is a corporation duly incorporated and organized and validly existing under the Applicable Laws of the Province of Alberta and has the requisite power and authority to own its Investments and conduct its business as now owned and conducted. Target is duly registered to do business and is in good standing in each jurisdiction in which the character of its Investments, or the nature of its activities make such registration necessary, except where the failure to do so would not have a Material Adverse Effect.
- (b) Authority Relative to this Agreement. Target has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors, and no other proceedings on the part of Target are or will be necessary to authorize this Agreement and the transactions and documentation contemplated hereby other than the approval of the Target Shareholders of the Private Placement that may be required by the TSXV and/or the CSE. This Agreement has been duly executed and delivered by Target and constitutes the legal, valid and binding obligation of Target enforceable against Target in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity.
- (c) Investments and Subsidiaries. A list of all of the Investments and Subsidiaries of the Corporation have been disclosed to the Initial Investor Group in the Disclosure Letter. Except as disclosed to the Initial Investor Group in the Disclosure Letter, Target has no Subsidiaries and no ownership interest in any partnership, corporation or other business organization.
- (d) No Violations.
 - (i) None of the execution and delivery of this Agreement by Target, the consummation of the transactions contemplated hereby or the compliance by Target with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any

lien, security interest, charge or encumbrance upon any of the Investments of Target under any of the terms, conditions or provisions of: (x) the constating documents of Target; or (y) any note, bond, mortgage, indenture, deed of trust, lien, Contract or other material instrument or obligation to which Target is a party or to which Target or its Investments may be subject or by which Target is bound, other than pursuant to the Bonds and related documents and Target's office lease; (B) subject to compliance with the statutes and regulations referred to in Section 4.1(d)(ii), violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Target (except, in the case of each of clauses (A) and (B) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have a Material Adverse Effect); or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect which would have a Material Adverse Effect.

- (ii) Other than in connection or compliance with Applicable Canadian Securities Laws or other Applicable Laws and the rules of the TSXV and the CSE and the approvals of the Target Shareholders contemplated herein: (A) there is no legal impediment to Target's consummation of the Private Placement and the other transactions contemplated by this Agreement; and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by Target in connection with the making or the consummation of Private Placement and the other transactions contemplated herein, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect.
- (iii) There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which Target or, to the knowledge of Target, any director, officer, employee or consultant of Target is a party or is otherwise bound that would now or hereafter: (A) limit in any material respect either the type of business in which Target may engage or the manner or locations in which it may so engage in any business; or (B) could require the disposition of any material Investments of Target.
- (iv) The execution, delivery and performance of this Agreement does not and will not result in the restriction of Target from engaging in its business or from competing with any Person or in any geographical area.

(e) Capitalization of Target.

- (i) As of the date hereof, the authorized share capital of Target consists of an unlimited number of Common Shares and an unlimited number of (non-voting) preferred shares, issuable in series. As of the date hereof, 3,851,863 Common Shares and no preferred shares are issued and outstanding. There are no stock options outstanding as of the date hereof and there are no other options, puts, calls, conversion privileges,

warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Target of any shares of Target or any securities or rights of any kind convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Target, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the share price, book value, income or other attribute of Target. All outstanding Common Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

- (ii) There are no outstanding bonds, debentures or other evidences of indebtedness of Target having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of outstanding securities on any matter. Target does not have any obligation to repurchase, redeem (except on the exercise of retraction rights in the discretion of the holder in accordance with the terms of outstanding securities) or otherwise acquire any of its outstanding securities or with respect to the voting or disposition of any of its outstanding securities. No holder of securities issued by Target has any right to compel Target to register or otherwise qualify securities for public sale in Canada or the United States.
- (f) No Material Adverse Change. Since March 31, 2017, no Material Adverse Change including, without limitation, in respect of the Investments, has occurred that has not been publicly disclosed.
- (g) Information. To the knowledge of Target, all data and information provided by Target (or any of its Representatives) to the Initial Investor Group and its affiliates, agents and representatives is complete and true and correct in all material respects and does not omit any data or information necessary to make the data and information provided, taken as a whole, not misleading in any material respect. There has been no breach of any confidentiality agreements or obligations by virtue of the disclosure to the Initial Investor Group and its affiliates, agents and representatives of such data and information, except for any such breach which would not have a Material Adverse Effect.
- (h) Absence of Undisclosed Liabilities. Target has no material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
 - (i) those set forth or adequately provided for in the balance sheets and associated notes thereto included in the Financial Statements (the “**Balance Sheets**”);
 - (ii) those incurred in the ordinary course of business since the dates of the Balance Sheets and consistent with past practice; and
 - (iii) those incurred in connection with the execution of this Agreement.

- (i) Qualified Investments. To Target's knowledge, the characterization of debt securities issued by any corporation in which Target has acquired a majority of the voting shares as being "qualified investments" for purposes of Regulation 4900(1)(i)(ii) of the ITA has not been the subject matter of any audit, action or proceeding by any Governmental Entity, and no such audit, action or proceeding is pending or threatened.
- (j) Cash. Target's cash balance, on a consolidated basis, as at the date hereof is not less than \$200,000.
- (k) Working Capital. Target's working capital balance, on a consolidated basis, as at the date hereof is not less than \$450,000.
- (l) Target Debt. The Target Debt is nil.
- (m) Bonds. As at the date hereof, the amount outstanding pursuant to the Bonds (excluding interest owing) does not exceed \$1,771,175.
- (n) Lease Obligation. As of November 1, 2017, Target has 51 months remaining in the term of the office lease respecting its current office space and is required to pay the Lease Obligation for the remainder of the term of such office lease.
- (o) Target Transaction Costs. The Target Transaction Costs shall not exceed \$100,000.
- (p) No Guarantees. Target has not guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of any other Person.
- (q) Bankruptcy and Insolvency Matters. To the knowledge of Target: (i) no action or proceeding has been commenced or filed by or against Target which seeks or may lead to: (A) receivership, bankruptcy, a commercial proposal or similar proceeding of Target; (B) the adjustment or compromise of claims against Target; or (C) the appointment of a trustee, receiver, liquidator, custodian or other similar officer for Target, and no such action or proceeding has been authorized or is being considered by or on behalf of Target and no creditor or securityholder of Target has threatened to commence or advised that it may commence, any such action or proceeding; and (ii) Target has not: (A) made, and is not considering making, an assignment for the benefit of its creditors; and (B) requested, and is not considering requesting, a meeting of its creditors to seek a reduction, compromise, composition or other accommodation with respect to its respective indebtedness.
- (r) Swaps. Target does not have any obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, options, swaps or transactions in any tradeable environmental instrument or allowance, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap

transactions, currency options or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(s) Employment Matters.

- (i) Target has provided the Initial Investor Group with a correct and complete list, or copies of any relevant agreements, (the “**Employment Information**”) in respect of each Employee, director, independent contractor, consultant and agent of Target who currently provides material services to the administration, operation, maintenance and management of Target pursuant to an agreement which may not be terminated with less Target three months’ notice (or pay in lieu thereof), whether actively at work or not, their salaries, wage rates, commissions and consulting fees, bonus arrangements, benefits, positions, status as full-time or part-time employees, location of employment and length of service.
- (ii) Except as provided for in Section 2.4, there are no Employee Obligations, and no Employee or former Employee has any agreement as to length of notice or severance payment required to terminate his or her employment, other than such as results by Applicable Law from the employment of an Employee without an agreement as to notice or severance.
- (iii) All amounts due or accrued for all salary, wages, bonuses, commissions, finder’s fees, vacation with pay, and other employee benefits in respect of Employees which are attributable to the period before Closing will be paid at or prior to the Closing Time and are or shall be accurately reflected in the books and records of Target.
- (iv) Target is in compliance with all material terms and conditions of employment and in all material respects with all Applicable Laws respecting employment, including pay equity, wages and hours of work and occupational health and safety, and to the knowledge of Target, it has not received notice of any outstanding claims, complaints, investigations or orders under any such Applicable Laws.
- (v) Target has not received notice of any outstanding assessments, penalties, fines liens, charges, surcharges, or other amounts due or owing pursuant to any workers’ compensation legislation and Target has not been reassessed in any material respect under such legislation and, to the knowledge of Target, no audit of Target is currently being performed pursuant to any applicable worker’s compensation legislation.
- (vi) To the knowledge of Target, there are no charges pending under Occupational Health and Safety legislation (“**OHSA**”) in respect of Target. Target has complied in all material respects with the terms and conditions of the OHSA, as well as with any orders issued under OHSA. There are no appeals of any orders under OHSA currently outstanding.

- (vii) Target is not a party to any actual, or to the knowledge of Target pending or threatened application, complaint or other Legal Proceeding under any Applicable Law relating to Employees or former Employees nor is Target aware of, nor is there, any factual or legal basis on which any such Legal Proceeding might be commenced.
 - (viii) To the knowledge of Target, none of the Employees is in violation of any non-competition, non-solicitation, non-disclosure or any similar agreement with any third party.
- (t) Brokerage Fees.
 - (i) The Corporation may pay a commission of up to 5% of the gross proceeds of the Private Placement to certain agents, brokers or dealers responsible for identifying Subscribers.
 - (ii) Except as provided for in Section 4.1(t)(i), Target has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.
- (u) Conduct of Business. Except as contemplated herein or would not have a Material Adverse Effect, Target has conducted and is conducting its business in the ordinary course of business consistent with past practice and in compliance in all material respects with all Applicable Laws in each jurisdiction in which it carries on business. To the knowledge of Target, Target owns, possesses or has obtained, and is in compliance with, all Permits necessary to conduct its business, except as would not have a Material Adverse Effect. Target has not conducted any business except in relation to investment in controlling interests in private companies and activities ancillary thereto.
- (v) Public Record. All documents and information filed by Target with any Securities Authority in compliance, or intended compliance, with any Applicable Canadian Securities Laws complied in all material respects with all applicable requirements of Applicable Canadian Securities Laws and did not contain, at the respective date of such document or information, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, unless such document or information was subsequently corrected or superseded prior to the date hereof.
- (w) Financial Statements. The Financial Statements were prepared in accordance with GAAP and present fairly in accordance with GAAP the financial position, results of operations and changes in financial position of Target as of the dates thereof and for the periods indicated therein and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of Target. There has been no material change in Target's accounting policies, except as required under GAAP or as described in the notes to the Financial Statements.

- (x) Off-Balance Sheet Arrangements. Target is not a party to any off-balance sheet arrangements, as that term is understood under GAAP.
- (y) Books and Records. The corporate records, books of account and minute books of Target have been maintained in accordance with all applicable statutory requirements and are complete and accurate in all material respects. All such corporate records, books of account and minute books have been provided to the Initial Investor Group or their legal counsel.
- (z) Litigation, etc. There is no claim, action, inquiry, suit, hearing, arbitration, investigation or other criminal, civil or administrative proceeding outstanding, or to the knowledge of Target, pending or threatened against or relating to Target or affecting any of its Investments nor is Target subject to any outstanding order, writ, injunction or decree that has had or is reasonably likely to have a Material Adverse Effect or that is reasonably likely to prevent or materially delay consummation of the transactions contemplated herein and Target is not otherwise aware of any circumstance currently in existence that could be reasonably likely to give rise to any such claim, action, inquiry, suit, hearing, arbitration, investigation, proceeding, order, writ, injunction or decree.
- (aa) Environmental. To the knowledge of Target and except as would not, or would not be reasonably expected to, have a Material Adverse Effect, Target is not in violation of any federal, regional, provincial, municipal or local Applicable Laws, regulations, orders, government decrees, ordinances, regulatory approvals, common law, directives, decisions or treaties in each case having the force of law and binding on Target, with respect to environmental, health or safety matters.
- (bb) Tax Matters.
 - (i) *Tax Definitions*. For purposes of this Agreement, the following definitions shall apply:

The term “**Taxes**” shall mean all taxes, duties, imposts, levies, assessments, tariffs and other charges, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed, assessed or collected by any Governmental Entity, including, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital, capital gains, payroll and employee withholding taxes, employment insurance, Canada Pension Plan contributions, social insurance taxes, sales and use taxes, ad valorem taxes, royalties, value added taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, insurance taxes, environmental taxes, transfer taxes, workers’ compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing.

The term “**Returns**” shall mean all reports, estimates, declarations of estimated tax, information statements, elections, returns and other

documentation relating to, or required to be filed in connection with, any Taxes.

- (ii) *Returns Filed and Taxes Paid.* All Returns required to be filed by or on behalf of Target have been duly filed on a timely basis and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis or have been accrued for in the Financial Statements, and no other Taxes are payable by Target with respect to items or periods covered by such Returns. The income Tax liability of Target has been assessed by each relevant Governmental Entity in respect of the taxation years of Target ending before the date hereof.
- (iii) *Tax Reserves.* Target has paid all applicable Taxes or Target has provided adequate accruals in the Financial Statements (including income Taxes and related future Taxes) for all such unpaid Taxes in accordance with GAAP. Target has made adequate provision in accordance with GAAP in its books and records for any amount of Taxes accruing in respect of any accounting period ending subsequent to March 31, 2017. Target has duly and timely paid all Taxes, including instalments in respect of Taxes, that are due and payable whether or not assessed by any appropriate Governmental Entity.
- (iv) *Liens.* There are no outstanding liens for Taxes upon any Investments of Target, other than liens for Taxes not yet due and payable and for which Target has provided adequate accruals in the Financial Statements in accordance with GAAP.
- (v) *Deficiencies.* (A) No deficiencies have been asserted and are outstanding against Target with respect to Taxes, including relating to transfer pricing; (B) Target is not a party to any action or proceeding for assessment or collection of Taxes, nor has any such event been asserted or threatened; (C) no waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of Target; (D) the Returns of Target are not the subject of any audit by a Governmental Entity, and no such audit is, to Target's knowledge, pending or threatened and there are no contingent liabilities for Taxes or any grounds for an assessment or reassessment with respect to Taxes.
- (vi) *Withholdings.* All Taxes required to be deducted, withheld or remitted by Target under Applicable Laws for amounts paid or credited to or for the account or benefit of any Person, including, Taxes on payments to any present or former employees, officers or directors or non-residents of Canada, have been duly and timely deducted and withheld and have been duly and timely remitted to the appropriate Governmental Entity. Target has charged, collected and remitted on a timely basis all Taxes as required under applicable legislation on any supply, sale or delivery whatsoever made by Target.

- (vii) *Jurisdiction.* Target has never been required to file any Return with, and has never been liable to pay any Taxes to, any Governmental Entity outside Canada. No claim has ever been made by a Governmental Entity in a jurisdiction where Target does not file Returns that it is or may be subject to the imposition of any Tax by that jurisdiction.
- (viii) *Taxes of Other Persons.* Target is not subject to liability for Taxes of any other Person. Target has not acquired assets from or invested in any Person in circumstances where Target did or could become liable for any Taxes of such Person. The value of the consideration paid or received by Target for the acquisition, sale, transfer or provision of Investments or the provision of services (including financial transactions) from or to a Person with whom Target was not dealing at arm's length within the meaning of the ITA was equal to the estimated fair market value of such Investments acquired, provided or sold or services purchased or provided. Target has not entered into any agreement with, or provided any undertaking to, any Person pursuant to which it has assumed liability for the payment of income Taxes owing by such Person.
- (ix) *Control.* There has not been an acquisition of control of Target for purposes of the ITA.
- (x) *GST.* Target is duly registered with the Canada Revenue Agency under the *Excise Tax Act* (Canada) for purposes of the goods and services tax ("**GST**"). All input tax credits claimed by Target for GST purposes were calculated in accordance with Applicable Law. Target has complied with all registration, reporting, payment, collection and remittance requirements in respect of GST and provincial sales tax or harmonized tax legislation.
- (cc) Employee Benefit Plans. Target:
 - (i) has no liability, or contingent or prospective liability, to provide benefits under any defined benefit plans (including individual plans) and has not made any promises with respect to the provision of any benefits on a defined benefit basis;
 - (ii) has no other employee benefit plans and has not made any promises with respect to increased benefits under such plans; and
 - (iii) has no stock option plans or stock based compensation arrangements.
- (dd) Reporting Issuer Status. Target is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and is in compliance in all material respects with the Applicable Canadian Securities Laws.
- (ee) Shareholder Rights Plan. There is not in effect with respect to Target, and prior to the Closing Date Target will not implement, any shareholder rights plan.
- (ff) Personal Property. To the knowledge of Target, Target has good and valid title to, or a valid and enforceable leasehold interest in, all personal property owned

or leased by it, except as would not, individually or in the aggregate, have a Material Adverse Effect.

- (gg) Owned Real Property. Target does not own and has not agreed to acquire any real property or freehold interest in real property.
- (hh) Leased Real Property. With respect to the leased real property: (i) all amounts due for all rental and other payments and other material obligations required to be paid and performed by Target, prior to the Closing Date, pursuant to the leases shall have been duly paid and performed; and (ii) prior to the Closing Date, Target's office lease shall be assigned to Olympia and Target shall continue to be responsible for the Lease Obligation;
- (ii) Restrictions on Business Activities. Except for Applicable Laws of general application, there is no agreement, judgment, injunction, order or decree binding upon Target that has or could reasonably be expected to have the effect of materially prohibiting, restricting or impairing any material business practice of Target, any material investment by Target or the conduct of any material business by Target, as now conducted (including following the transactions contemplated by this Agreement).
- (jj) Related Party Transactions. Other than in connection with the Bonds, Target is not indebted to any director, officer, employee or agent of, or independent contractor to, Target or any of its affiliates or associates (except for amounts due as normal salaries, commissions, finder's fees, bonuses, directors' fees or other forms of normal compensation for services rendered and in reimbursement of ordinary expenses). Other than pursuant to the Bonds, no director, officer, employee or agent of Target or any of its affiliates or associates is a party to any loan, contract, arrangement or understanding or other transactions with Target required to be disclosed pursuant to Applicable Canadian Securities Laws.
- (kk) Insurance. Policies of insurance are in force as of the date hereof naming Target as an insured, copies of which have been provided to the Initial Investor Group. All such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.
- (ll) Confidentiality Agreements. Since March 31, 2017, Target has not waived or released the applicability of any "standstill" or other similar provisions of any confidentiality or other similar agreements (other than industry operating and similar agreements).
- (mm) Material Agreements.
 - (i) All Contracts and other rights and authorizations that are material to the business, the Investments, the equity value or the operations of Target (the "**Material Agreements**") have been made available to the Initial Investor Group.
 - (ii) To the knowledge of Target, except as would not have a Material Adverse Effect: (A) all Material Agreements are in full force and effect, and Target

is entitled to all rights and benefits thereunder in accordance with the terms thereof in all material respects; and (B) Target has complied in all material respects with all terms of such Material Agreements, have paid all amounts due thereunder, have not waived any material rights thereunder and no material default or breach exists in respect thereof on the part of Target and Target is not aware of a material breach by any other Person who is party to or bound by any Material Agreement.

- (iii) None of the Material Agreements are subject to any termination fees, cancellation costs or other similar penalties which would become payable upon termination of such contract or agreement following a change of control of Target or upon completion of the transactions contemplated by this Agreement.
- (nn) No Shareholder Agreements. Other than the Support Agreements, there are no shareholders agreements, registration rights agreements, voting trusts, proxies or similar agreements, arrangements or commitments to which Target is a party or, to the knowledge of Target, with respect to any shares or other equity interests of Target or any other Contract relating to disposition, voting or dividends with respect to any equity securities of Target.
- (oo) Debt Service Reserve Account. Target does not maintain a debt service reserve account or account of similar nature.
- (pp) Auditors. There has not been a reportable disagreement (within the meaning of Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with Target's auditors.
- (qq) U.S. Securities Law Matters. There is no class of securities of Target which is registered pursuant to Section 12 of the U.S. Exchange Act, nor is Target subject to any reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act, and Target is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the U.S. Exchange Act.
- (rr) Place of Principal Offices. Target is not incorporated in the United States, is not organized under the laws of the United States and does not have its principal office within the United States.
- (ss) Locations of Investments and U.S. Sales. All of the Investments of Target, including all entities "controlled by" Target for the purposes of the *Hart-Scott-Rodino Antitrust Improvements Act* of 1976, as amended, are located outside the United States and did not generate sales in or into United States exceeding US\$68.2 million during Target's most recent completed fiscal year.
- (tt) Foreign Private Issuer. Target is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the U.S. Securities Act.
- (uu) Investment Company. Target is not registered nor, assuming it was incorporated in the United States, required to be registered as an "investment company" pursuant to the *United States Investment Company Act* of 1940, as amended.

4.2 Representations and Warranties of the Initial Investor Group

Each member of the Initial Investor Group represents and warrants to and in favour of Target, severally and not jointly, and acknowledges that Target is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) Authority and Enforceability. Such person has the right, power, authority, legal capacity and competence to enter into this Agreement and to perform all of their obligations hereunder and has taken all action necessary to authorize the execution, delivery and performance of this Agreement and the transactions described herein. This Agreement has been duly executed and delivered by such person and is a legal, valid and binding obligation of the person enforceable against the person in accordance with its terms subject to bankruptcy or similar Applicable Laws affecting enforcement of creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.
- (b) No Violations. None of the execution and delivery of this Agreement by such person, the consummation of the transactions contemplated hereby or the compliance by such person with any of the provisions hereof will: (i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of any agreement, contract or other material instrument or obligation to which such person is a party or to which such person is bound or (ii) violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to such person (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not materially adversely affect the consummation of the transactions contemplated herein).
- (c) Legal Impediment. Other than in connection or compliance with Applicable Canadian Securities Laws and the rules of the TSXV and the CSE, there is no legal impediment to such person's consummation of the Private Placement and the other transactions contemplated by this Agreement.
- (d) Litigation, etc. There are no actions, suits or proceedings pending or, to the knowledge of such person, threatened against or adversely affecting the Initial Investor Group at law or in equity or before or by any federal, provincial, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign, that might materially adversely affect the consummation of the transactions contemplated herein.
- (e) Eligible to Participate in the Private Placement. Such person is eligible to purchase Investor Group Units or Units, as applicable, under the Private Placement in accordance with available prospectus exemptions under Applicable Canadian Securities Laws.
- (f) Qualification as an Officer and/or Director. Such person meets the criteria of the ABCA, the TSXV and the CSE to act as an officer and/or director of Target and

such person has no reason to believe that the TSXV or the CSE will not permit such person to act as an officer and/or director of Target following the submission and review of a properly executed personal information form.

- (g) No Bankruptcy. Such person has never become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets. Such person has never been a director or executive officer of any company that, while acting in that capacity or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.
- (h) No Sanctions or Penalties. Such person has never been the subject of disciplinary action by a professional association, been subject to a penalty or sanction imposed by a court or securities regulator relating to securities or corporate matters, entered into a settlement agreement with a securities regulator or been found by a court to have committed fraud, breach of trust, theft or any similar wrongdoing, whether in a civil or criminal matter.

4.3 Privacy Issues

- (a) For the purposes of this Section 4.3, the following definitions shall apply:

“Applicable Privacy Laws” means any and all Applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act (Canada)* and/or any comparable provincial legislation including the *Personal Information Protection Act (Alberta)*;

“Authorized Authority” means, in relation to any Person, transaction or event, any: (i) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (ii) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (iv) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and

“Personal Information” means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual’s capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to the Initial Investor Group by Target in accordance with this Agreement.

- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with Applicable Privacy Laws which govern the collection, use or disclosure of Personal Information disclosed to either Party pursuant to or in connection with this Agreement (the “**Disclosed Personal Information**”).
- (c) Prior to the completion of the transactions contemplated herein, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless: (i) either Party shall have first notified such individual of such additional purpose, and where required by Applicable Laws, obtained the consent of such individual to such additional purpose; or (ii) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual.
- (d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the transactions contemplated herein, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the transactions contemplated herein.
- (e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with Applicable Laws, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties’ obligations hereunder. Prior to the completion of the transactions contemplated herein, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a bona fide need to access such information in order to complete the transactions contemplated herein.
- (g) Where authorized by Applicable Laws, each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by Applicable Laws, the Parties shall fully co-operate with one another, with the Persons to whom the Disclosed Personal Information relates, and any Authorized Authority charged with enforcement of Applicable Privacy Laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.

- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the other Party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the requesting Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions precedent, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the approval of the Target Shareholders to the Private Placement and Change of Management, if required, (in each case as may be required by the TSXV and the CSE) shall have been obtained, unless the TSXV and the CSE have waived the requirement for Target Shareholder approval of the Private Placement and Change of Management;
- (b) the TSXV and the CSE shall have conditionally approved the completion of the Private Placement and the Change of Management on terms and conditions satisfactory to the Initial Investor Group and Target, each acting reasonably;
- (c) there shall have been no action taken under Applicable Laws, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Entity, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the transactions contemplated herein; or
 - (ii) results in a judgement preventing, or assessment of material damages directly or indirectly relating to, the transactions contemplated herein.

The foregoing conditions are for the mutual benefit of the Initial Investor Group, on the one hand, and Target, on the other hand, and may be asserted by either of the Initial Investor Group or Target regardless of the circumstances and may be waived by the Initial Investor Group or Target (with respect to itself) in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which such Party may have, subject to Section 7.1.

5.2 Additional Conditions to Obligations of the Initial Investor Group

The obligations of the Initial Investor Group to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date or such other time specified in the relevant condition precedent, of the following conditions precedent:

- (a) Target shall have mailed the Target Circular and other documentation required in connection with the Target Meeting by no later than December 15, 2017 unless the TSXV and the CSE have waived the requirement for Target Shareholder approval of the Private Placement and Change of Management or the Written Resolution is obtained prior to that date;
- (b) Target shall have convened and held the Target Meeting by no later than January 15, 2018 unless the TSXV and the CSE have waived the requirement for Target Shareholder approval of the Private Placement and Change of Management or the Written Resolution is obtained prior to that date;
- (c) Target shall have furnished the Initial Investor Group with:
 - (i) certified copies of the resolutions duly passed by the Board of Directors approving this Agreement and the consummation of the transactions contemplated herein; and
 - (ii) certified copies of the Written Resolution or the resolution of the Target Shareholders duly passed at the Target Meeting approving the completion of the Private Placement and Change of Management, as the case may be, unless the TSXV and the CSE have waived the requirement for Target Shareholder approval of the Private Placement and the Change of Management;
- (d) the representations and warranties made by Target in this Agreement shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result in, or would not reasonably be expected to have, a Material Adverse Effect or would not, or would not reasonably be expected to, materially impede completion of the Private Placement and the Change of Management, and Target shall have provided to the Initial Investor Group a certificate of two senior officers certifying such accuracy on the Closing Date on behalf of Target and not in their personal capacities, and the Initial Investor Group will have no knowledge to the contrary;
- (e) no Material Adverse Change in respect of Target including, without limitation, in respect of the Investments, shall have occurred from and after the date hereof and prior to the Closing Date;
- (f) Target's Investments and revenue profile have not materially changed from the time of entering into this Agreement and Target shall have provided to the Initial Investor Group a certificate of two senior officers certifying such accuracy on the Closing Date on behalf of Target and not in their personal capacities;
- (g) Target shall have complied with its covenants and obligations herein, except where the failure to comply with its covenants and obligations, individually or in the aggregate, would not or would not reasonably be expected to have a Material Adverse Effect or would not, or would not reasonably be expected to, materially impede completion of the Private Placement and the Change of Management,

and Target shall have provided to the Initial Investor Group a certificate of two senior officers certifying compliance with such covenants on the Closing Date on behalf of Target and not in their personal capacities, and the Initial Investor Group will have no knowledge to the contrary; and

- (h) the Initial Investor Group shall be satisfied, acting reasonably, that immediately upon the completion of the Private Placement and the payment in full of all indebtedness owing pursuant to the Bonds: (i) each of Target and the Old Executives will deliver mutual releases as provided in Section 2.2(b); and (ii) the Old Board and the Old Executives shall resign and the Old Board shall have taken such actions as are reasonably necessary to facilitate the appointment of the members of the New Board to fill the vacancies caused by the resignation of the members of the Old Board without the necessity of holding a meeting of the Target Shareholders.

The conditions in this Section 5.2 are for the exclusive benefit of the Initial Investor Group and may be asserted only by the Initial Investor Group regardless of the circumstances or may be waived only by the Initial Investor Group in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Initial Investor Group may have, subject to Section 7.1.

5.3 Additional Conditions to Obligations of Target

The obligations of Target to consummate the transactions contemplated hereby are subject to the satisfaction, on or before the Closing Date or such other time specified in the relevant condition precedent, of the following conditions precedent:

- (a) the representations and warranties made by each member of the Initial Investor Group in this Agreement shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not or would not reasonably be expected to materially impede completion of the Private Placement and the Change of Management, and each member of the Initial Investor Group shall have provided to Target a certificate certifying such accuracy on the Closing Date, and Target will have no knowledge to the contrary;
- (b) the Initial Investor Group shall have complied with its covenants and obligations herein, except where the failure to comply with its covenants or obligations, individually or in the aggregate, would not or would not reasonably be expected to materially impede completion of the Private Placement and the Change of Management, and each member of the Initial Investor Group shall have provided to Target a certificate certifying compliance with such covenants on the Closing Date, and Target will have no knowledge to the contrary;
- (c) the Initial Investor Group shall cause the Corporation to extinguish all indebtedness owing pursuant to the Bonds at Closing;

- (d) properly executed Unit Subscription Agreements and Investor Group Subscription Agreements, together with certified cheques or bank drafts or other forms of payment and other required items, have been delivered by the applicable Subscribers as contemplated in Section 2.1(c) (including, for greater certainty, for the number of Units and/or Investor Group Units, as applicable, described in Section 2.1(a)) to the satisfaction of Target, acting reasonably; and
- (e) Target shall be satisfied, acting reasonably, that immediately upon completion of the Private Placement and the payment in full of all indebtedness owing pursuant to the Bonds and subject to the resignations of the Old Board and Old Executives, that the members of the New Board shall be appointed to fill the vacancies created by the resignations of the Old Board without the necessity of a meeting of the Target Shareholders and the New Executives shall be appointed as officers of Target.

The conditions in this Section 5.3 are for the exclusive benefit of Target and may be asserted by Target regardless of the circumstances or may be waived by Target in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Target may have, subject to Section 7.1.

5.4 Notice and Effect of Failure to Comply with Conditions

- (a) Each Party shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof to the Closing Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of any Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.
- (b) If any of the conditions precedent set forth in Sections 5.1, 5.2, or 5.3 hereof shall not be complied with or waived by the Party or Parties for whom a right to waive such condition precedent has been provided for and for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whom a right to assert the benefit of the condition precedent is provided may, terminate this Agreement as provided in Section 7.1 hereof; provided that, prior to the consummation of the transactions contemplated by this Agreement, the Party intending to rely thereon has delivered a written notice to the other Party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent, and shall provide in such notice that the other Party shall be entitled to cure any breach of a covenant or representation and warranty or other matters within five Business Days after receipt of such notice (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date). More than one such notice may be delivered by a Party.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when the Closing has occurred.

ARTICLE 6 AMENDMENT

6.1 Amendment of Agreement

This Agreement may at any time and from time to time, before or after the holding of the Target Meeting, be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of the Target Shareholders.

ARTICLE 7 TERMINATION

7.1 Termination

This Agreement may be terminated at any time prior to the Closing Date:

- (a) by mutual written consent of the Initial Investor Group and Target;
- (b) as provided in Section 5.4(b), provided that the failure to satisfy the particular condition precedent being relied upon did not occur as a result of a breach by the Party seeking to rely on the condition precedent of any of its covenants or obligations under the Agreement;
- (c) by any of the Initial Investor Group or Target if a court of competent jurisdiction or a governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable, provided that the Party seeking to terminate this Agreement pursuant to this Section 7.1(c) shall have used all commercially reasonable efforts to remove such order, decree, ruling or injunction; or
- (d) by the Initial Investor Group if the Written Resolution is not obtained by the date specified in Section 2.6(a).

Furthermore, this Agreement shall automatically terminate immediately following completion of the Private Placement or if the Closing Date has not occurred by the Outside Date. In the event of the termination of this Agreement, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Party hereunder, except with respect to the obligations set forth in Sections 2.5, 4.3 and 9.9, which shall survive such termination. Nothing in this Section shall relieve any Party from liability for any breach of any provision of this Agreement.

ARTICLE 8 NOTICES

8.1 Notices

All notices that may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by telecopy or other electronic means:

- (a) in the case of the Initial Investor Group, to:
Sonny Mottahed
c/o McCarthy Tétrault LLP
Suite 4000, 421-7th Avenue S.W.
Calgary, AB T2P 4K9
Facsimile: (403) 260-3501
Email: sonny@bcmc.ca

with a copy to:

McCarthy Tétrault LLP
Suite 4000, 421-7th Avenue S.W.
Calgary, AB T2P 4K9
Attention: Sony Gill
Facsimile: (403) 260-3501
Email: sgill@mccarthy.ca

- (b) in the case of Target, to:
Target Capital Inc.
Suite 1020, 140 10th Avenue S.E.
Calgary, AB T2G 0R1

Attention: Rick Skauge
Facsimile: (403) 264-9740
Email: rick@olympiafinancial.com

with a copy to:

Olympia Financial Group Inc.
Suite 2300, 125 9th Avenue S.E.
Calgary, Alberta T2G 0P6

Attention: Jonathan Bahnuik
Facsimile: (403) 265-1455
Email: bahnuikJ@olympiatrust.com

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such telecopy or electronic copy is received.

ARTICLE 9 GENERAL

9.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto.

9.2 Assignment

No Party may assign any of its rights or obligations under this Agreement without prior written consent of the other Parties.

9.3 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. To the extent that the Initial Investor Group furnishes Target with any information or statements to be included in any press release or other disclosure documents of Target, the Initial Investor Group shall ensure such information or statements do not contain any misrepresentation or untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made. Notwithstanding the foregoing, if any Party is required by Applicable Laws or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will use reasonable commercial efforts to consult with the other Parties as to the wording of such disclosure prior to its being made.

9.4 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

9.5 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.6 Time of Essence

Time shall be of the essence of this Agreement.

9.7 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

9.8 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

9.9 Third Party Beneficiaries

The provisions of Section 2.5 are: (a) intended for the benefit of all present and former directors and officers of Target, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Target shall hold the rights and benefits of Section 2.5 in trust for and on behalf of the Third Party Beneficiaries and Target hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (b) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

9.10 Actions Taken by the Initial Investor Group / Material Breach

Any action, determination, delivery or request required or permitted to be taken, made or performed by the Initial Investor Group hereunder shall be considered to be a joint and several collective action to be undertaken by the Initial Investor Group and Sonny Mottahed shall have the power and authority (and each member of the Initial Investor Group hereby grants to Sonny Mottahed the power and authority) to take such action for and on behalf of the Initial Investor Group. The failure by any individual member of the Initial Investor Group to comply with any of the covenants or obligations hereunder shall not be considered to be a breach by the Initial Investor Group of such covenants or obligations if the remaining members of the Initial Investor Group perform such covenants and obligations in the stead of the non-performing member of the Initial Investor Group or, where curable, cure such covenants or obligations (and where applicable, within the time periods provided herein) and provided that such failure does not adversely affect the ability of Target and the Initial Investor Group to complete the Private Placement and the Change of Management on the terms contemplated herein).

9.11 Counterparts

This Agreement may be executed by facsimile or other electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

TARGET CAPITAL INC.

Per: (signed) "Rick Skauge"

(signed) "Sonny Mottahed"
SONNY MOTTAHED

(signed)
(WITNESS)

(signed) "Bill MacDonald"
BILL MACDONALD

(signed)
(WITNESS)

(signed) "David Cheadle"
DAVID CHEADLE

(signed)
(WITNESS)

**SCHEDULE A
FORM OF WARRANTS**

Unless permitted under securities legislation, the holder of this certificate must not trade the warrants represented by this certificate nor the securities issuable upon exercise of the warrants represented by this certificate before ●, 2018. Without prior written approval of the TSX Venture Exchange and the Canadian Securities Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or the Canadian Securities Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 2018.

The warrants represented by this certificate expire at 4:30 p.m. (Calgary time) on ●, 2022 and this certificate shall be void with respect to any warrants not exercised by that time.

WARRANT CERTIFICATE

TARGET CAPITAL INC.

(Incorporated under the *Business Corporations Act* (Alberta))

**WARRANT CERTIFICATE
NO. W-●**

**● WARRANTS TO PURCHASE ONE COMMON
SHARE PER WARRANT**

This is to certify that for value received

● (hereinafter referred to as the “**Holder**”)

is the registered holder of ● warrants (“**Warrant**”), each one such Warrant evidencing a right issued by Target Capital Inc. (the “**Corporation**”) to the Holder to subscribe for and purchase one fully paid and non-assessable common share in the capital of the Corporation (“**Common Share**”) at an exercise price of \$0.10 per Common Share, subject to adjustment and upon the terms and conditions set forth in the “**Terms and Conditions of Warrants of Target Capital Inc.**” attached hereto and forming a part hereof.

Subject to Section 2, the right to purchase Common Shares represented by this Warrant Certificate may only be exercised during the period herein specified by:

- (a) completing, in the manner indicated, and executing the attached subscription form for that number of Common Shares which the Holder is entitled and wishes to purchase;
- (b) surrendering this Warrant Certificate to the Corporation at Suite 300, 407 3rd Street S.W. Calgary, Alberta T2P 4X6; and
- (c) paying the appropriate subscription price for the Common Shares so subscribed for either by cash or cheque payable at par in Canadian funds to or to the order of the Corporation.

[remainder of the page intentionally left blank]

IN WITNESS WHEREOF the Corporation has caused this certificate to be signed by a duly authorized officer effective as of ●, 2017.

TARGET CAPITAL INC.

Per: _____
Sonny Mottahed
President and Chief Executive Officer

**TERMS AND CONDITIONS OF WARRANTS OF
TARGET CAPITAL INC.**

The following terms and conditions (the “**Terms and Conditions**”) are attached to and form part of the grant of Warrants to the Holder by Target Capital Inc.:

1. In this Agreement, unless the context otherwise requires:

“**Board**” means the board of directors of the Corporation, or if appointed, a special committee of directors appointed from time to time by the board of directors;

“**Business Day**” means a day on which Canadian chartered banks are open for business in the City of Calgary;

“**Common Shares**” means the common shares in the capital of the Corporation as constituted on the date hereof;

“**Corporation**” means Target Capital Inc. and any successor thereto, including a successor referred to in Section 17;

“**CSE**” means the Canadian Securities Exchange;

“**Current Market Price**” in respect of a Common Share on any date means the weighted average price per Common Share for the 20 consecutive trading days ending immediately before such date on the TSXV or the CSE (or on any other Canadian stock exchange on which the Common Shares shall then be listed and designated by the Board for such purpose if the Common Shares shall not then be listed on the TSXV or the CSE); the weighted average price shall be determined by dividing the aggregate of the sale prices of all such Common Shares sold on such exchange or market, as the case may be, during such 20 consecutive trading days by the total number of such Common Shares so sold; or if:

- (a) the Common Shares are not listed upon a stock exchange in Canada; or
- (b) within such 20 consecutive trading days there have not been at least five days in which at least 100 Common Shares have traded,

the Current Market Price in respect of a Common Share shall be determined by the Board acting reasonably and in good faith;

“**Dividends Paid in the Ordinary Course**” means cash dividends declared payable on the Common Shares in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, greater than:

- (a) fifty (50%) percent of the retained earnings of the Corporation as at the end of its immediately preceding fiscal year; and
- (b) one hundred (100%) percent of the aggregate consolidated net income of the Corporation, determined before computation of extraordinary items, for its immediately preceding fiscal year;

“**Exercise Price**” means the amount of \$0.10 per Common Share, as adjusted from time to time, as herein provided;

“**Expiration Date**” means ●, 2022;

“Expiration Time” means 4:30 p.m. (Calgary time) on the applicable Expiration Date;

“person” includes any individual, partnership, corporation or any other entity or association;

“TSXV” means the TSX Venture Exchange;

“Warrant” means a warrant granted hereby, each such warrant entitling the Holder to subscribe for and purchase (subject to adjustment) one fully paid and non-assessable Common Share upon the terms and conditions herein provided; and

“Warrant Certificate” means certificate representing the Warrants formed by the face page hereof, these terms and conditions and Schedule A hereto.

2. The Warrants may only be exercised by the Holder at the following times and with respect to the number of Common Shares hereinafter provided for:
 - (a) one third of the Warrants represented by this Warrant Certificate as at the date of grant or issue thereof at any time and prior to the Expiration Time after the Current Market Price equals or exceeds \$0.12.
 - (b) one third of the Warrants represented by this Warrant Certificate as at the date of grant or issue thereof at any time and prior to the Expiration Time after the Current Market Price equals or exceeds \$0.16; and
 - (c) one third of the Warrants represented by this Warrant Certificate as at the date of grant or issue thereof at any time and prior to the Expiration Time after the Current Market Price equals or exceeds \$0.20.
3. Subject to Section 2, the Warrants granted hereunder shall be exercisable by notice in writing, in the form attached hereto, given by the Holder or his legal personal representative to the Corporation and accompanied by payment in cash or by cheque in an amount equal to the aggregate Exercise Price for the number of Common Shares specified in such notice. Upon any such exercise of Warrants as aforesaid, the Corporation shall forthwith cause the transfer agent and registrar of the Corporation to deliver to the Holder or his legal personal representative (or as such person may otherwise direct in the notice of the exercise of the option) within five Business Days following receipt by the Corporation of any such valid notice of exercise of Warrants and payment, a certificate or certificates in the name of the Holder or his nominee representing in the aggregate the number of Common Shares the Holder or his legal personal representative shall have then paid for.
4. The Exercise Price or the number of Common Shares or other securities or property purchasable upon exercise of the Warrants shall be subject to adjustment from time to time in the events and in the manner provided for below.
 - (a) If and whenever at any time after the date hereof and prior to the Expiration Time the Corporation shall:
 - (i) issue Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the Corporation’s shareholders as a stock dividend or make a distribution on its outstanding Common Shares (other than as Dividends Paid in the Ordinary Course);
 - (ii) subdivide, redivide or change its outstanding Common Shares into a greater number of shares; or

- (iii) consolidate, reduce or combine its outstanding Common Shares into a smaller number of shares;

(each of the events enumerated in the clauses (i), (ii) and (iii), above, being hereinafter referred to as a **“Common Share Reorganization”**), the Exercise Price shall be adjusted effective immediately after the record date or effective date, as the case may be, which is used to determine the holders of outstanding Common Shares for the happening of a Common Share Reorganization, by multiplying the Exercise Price in effect immediately prior to such record date or effective date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such record date or effective date before giving effect to such Common Shares Reorganization, and the denominator of which shall be the number of Common Shares outstanding after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date).

- (b) If and whenever at any time after the date hereof and prior to the Expiration Time, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all of the holders of the outstanding Common Shares with respect to the payment of dividends or the return of capital, including the Common Shares pursuant to which such shareholders are entitled, directly or indirectly, during a period expiring not more than 45 days after such record date (the **“Rights Period”**), to subscribe for or purchase Common Shares at a price per share to the holder of less than 95% of the Current Market Price on such record date or to subscribe for or purchase securities (in this paragraph (b) referred to as **“Exchangeable Securities”**) exchangeable for or convertible into Common Shares at an effective subscription price per Common Shares (giving effect to the terms of such subscription or purchase and of such exchange or conversion privilege) of less than 95% of the Current Market Price on such record date (any of such events being hereinafter called a **“Rights Offering”**), then the Exercise Price shall be adjusted effective immediately after the end of the Rights Period to a price determined by multiplying the Exercise Price in effect immediately prior to the end of the Rights Period by a fraction:

- (i) the numerator of which shall be the aggregate of:
 - A. the number of Common Shares outstanding as of the record date for the Rights Offering; and
 - B. a number determined by dividing: (I) either (1) the product of the number of Common Shares issued or subscribed for during the Rights Period upon the exercise of the rights, warrants, or options distributed under the Rights Offering and the price per share at which such Common Shares are acquired; or, as the case may be, (2) the product of the exchange or conversion price of the Exchangeable Securities and the number of such Exchangeable Securities distributed under the Rights Offering following the expiry of the Rights Period; by (II) the Current Market Price as of the record date for the Rights Offering; and
- (ii) the denominator of which shall be the number of Common Shares outstanding immediately after the end of the Rights Period (after giving effect to the Rights Offering, including the number of Common Shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options distributed under the Rights Offering and the number of Common Shares that

would have been issued had all Exchangeable Securities been exchanged for or converted into Common Shares).

For the purposes of any computation made in accordance with this subsection 4(b), Common Shares owned legally or beneficially by the Corporation or a subsidiary or any other affiliate (as such terms are defined in the *Securities Act* (Alberta)) of the Corporation shall be disregarded.

- (c) If and whenever at any time after the date hereof and prior to the Expiration Time the Corporation shall fix a record date for the issue or the distribution to all or substantially all of the holders of one or more classes of outstanding Common Shares of: (i) shares of any class other than Common Shares; (ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares (excluding those referred to in subsection 4(b)); (iii) evidences of the Corporation's indebtedness; or (iv) any property or other assets (including cash), and if such issuance or distribution does not constitute Dividends Paid in the Ordinary Course, a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall, subject to the prior written approval of any stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading, if required, be adjusted effective immediately after such record date to a price determined by multiplying the Exercise Price in effect on such record date by a fraction:
- (i) the numerator of which shall be:
 - A. the product obtained when the number of Common Shares outstanding on such record date is multiplied by the Current Market Price on such record date; less
 - B. the excess, if any, of (A) the fair market value, as determined by action by the directors (whose determination shall be conclusive), which action shall be subject to the prior written approval of any stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading, if required, to the holders of the Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or other assets issued or distributed in the Special Distribution, over (B) the fair market value of any consideration received therefore by the Corporation from the holders of the Common Shares, as determined by action by the directors (whose determination shall be conclusive); and
 - (ii) the denominator of which shall be the product obtained when the number of Common Shares outstanding on such record date is multiplied by the Current Market Price on such record date.

To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon such shares or rights, options or warrants or evidences of indebtedness or assets actually distributed.

For the purposes of any computation made in accordance with this subsection 4(c), Common Shares owned legally or beneficially by the Corporation or a subsidiary or any other affiliate (as such terms are defined in the *Securities Act* (Alberta)) of the Corporation shall be disregarded.

- (d) If and whenever at any time after the date hereof and prior to the Expiration Time there shall be a reclassification of the Common Shares at any time outstanding or a change of the outstanding Common Shares into other securities (other than a Common Share Reorganization), or a consolidation, arrangement, amalgamation or merger of the Corporation with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the outstanding Common Shares, a change or exchange of the Common Shares into or for other shares or securities), or a transfer, sale or conveyance of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity (any of such events being herein called a “**Capital Reorganization**”), the Holder, upon any exercise of its right hereunder to purchase Common Shares after the effective date of such Capital Reorganization, shall be entitled to receive, and shall accept, for the same aggregate consideration, in lieu of the number of Common Shares to which the Holder was theretofore entitled upon such exercise, the aggregate number of shares, other securities or other property which the Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Common Shares that the holder was theretofore entitled to acquire upon such exercise. If determined appropriate by the board of directors of the Corporation, subject to the prior written approval of any stock exchange or over-the-counter market on which the Common Shares are then listed or quoted for trading, if required, appropriate adjustments shall be made following any such Capital Reorganization in the application of the provisions set forth herein, with respect to the rights and interest thereafter of the Holder and the adjustments to the Exercise Price and/or number or type of shares, warrants or other securities, to the end that such provisions shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares, other securities or other property thereafter deliverable upon the exercise of any of the Warrants evidenced by this Warrant Certificate.
- (e) If and whenever at any time after the date hereof and prior to the Expiration Time a Common Share Reorganization, Rights Offering or Special Distribution shall occur and any such event results in an adjustment in the Exercise Price, the number of Common Shares purchasable pursuant to each of the Warrants evidenced by this Warrant Certificate shall be adjusted contemporaneous with the adjustment of the Exercise Price, by multiplying the number of Common Shares theretofore purchasable on the exercise thereof by a fraction, the numerator of which shall be the Exercise Price in effect immediately prior to such adjustment and the denominator of which shall be the Exercise Price resulting from such adjustment, such that the holder shall be entitled or obligated, as the case may be, to subscribe for such number of Common Shares having the same aggregate consideration after as before such Common Shares Reorganization, Rights Offering or Special Distribution.
- (f) The adjustments to the Exercise Price and number or type of Common Shares or other securities or property of the Corporation provided for herein are cumulative and such adjustments shall be made successively whenever any of the relevant events referred to herein shall occur. For purposes of the adjustments set forth above, the following provisions shall apply:
- (i) if a dispute shall at any time arise with respect to adjustments provided for herein, such dispute shall be conclusively determined by the Corporation’s auditors (except in cases where any determination relating to adjustments is to be made by the Board) or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the

directors and any such determination shall be binding upon the Corporation and the Holder;

- (ii) in the case of any other change in the outstanding Common Shares, other than a change contemplated by paragraphs (a), (b), (c) or (d) hereof, the number of Common Shares purchasable upon exercise of the Warrants evidenced hereby shall be adjusted immediately after the record date for such change so that the Holder shall be entitled to receive, upon the exercise of such Warrants at any time after the record date of such change, such shares, securities or rights as the holder would have received had such Warrants been exercised immediately prior to such record date subject to adjustment thereafter in accordance with the provisions contained in this section provided that if the Corporation, before any adjustment to the Warrants is made, legally abandons any change prior to giving effect thereto, then no adjustment in the number of Common Shares purchasable upon exercise of any of the Warrants evidenced hereby shall be required solely by reason of the setting of such record date;
 - (iii) if the Corporation shall set a record date to determine holders of outstanding Common Shares entitled to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such shareholders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then no adjustment in the Exercise Price or the number of Common Shares purchasable upon exercise of any of the Warrants evidenced hereby shall be required solely by reason of the setting of such record date;
 - (iv) in the absence of a resolution of the directors fixing a record date for a Common Share Reorganization, Rights Offering or Special Distribution, the Corporation shall be deemed to have fixed as the record date therefor the date on which the Common Share Reorganization, Rights Offering or Special Distribution is effected; and
 - (v) as a condition precedent to the taking of any action which would require any adjustment in any attribute of the Warrants, including the Exercise Price and the number or class of shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Corporation have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all shares or other securities that the Holder is entitled to receive on the total exercise thereof in accordance with the provisions thereof.
- (g) No adjustment in the Exercise Price or in the number of Common Shares purchasable upon exercise shall be made in respect of any event described in paragraphs (a), (b) or (c), other than the events referred to in clauses (ii) and (iii) of paragraph (a), if the holders of Warrants are entitled to participate in such event on the same terms *mutatis mutandis* as if such holders had exercised their Warrants and acquired Common Shares prior to or on the effective date or record date of such event; provided that such participation shall be subject to receipt of all necessary regulatory approvals.
- (h) In any case in which the terms of the Warrants evidenced by this certificate shall require that an adjustment become effective as of a particular time, the Corporation may defer, until such time, issuing to the Holder, in respect of any Warrants exercised after the record date for the event giving rise to the adjustment and before such time the kind and amount of shares, warrants or other securities to which the Holder would be entitled

upon such exercise by reason of the relevant adjustment, provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing such Holder's right, upon the occurrence of any event requiring the adjustment, to the relevant adjustment.

- (i) On the happening of each and every event referred to above that gives rise to an adjustment, the applicable provisions of these Warrants shall, *ipso facto*, be deemed to be amended accordingly and the Corporation shall take all necessary action so as to comply with such provisions as so amended. The Corporation shall provide the Holder with notice of any and all adjustments hereunder in accordance with subsection (q) as well as any adjustment to the Common Shares of the Corporation pursuant to the terms of the Articles of the Corporation. For greater certainty, no adjustments shall be made pursuant to this Section 4 in the event that identical adjustments to the number of Common Shares issuable upon exercise of the Warrants have already been made pursuant to the terms of the Common Shares.
- (j) In determining at any time and from time to time the number of Common Shares outstanding at any particular time for purposes of this Section 4, there shall be included that number of Common Shares which would be outstanding upon conversion of all convertible securities then outstanding, and upon exercise of all rights, options or warrants then outstanding to purchase Common Shares, and there shall be excluded any Common Shares (and Common Shares which would be outstanding upon conversion of convertible securities) held by or for the account of the Corporation.
- (k) Whenever Common Shares shall have been issued for non-cash consideration in whole or in part, the issue price for such Common Shares shall be determined by the Board, acting reasonably and in good faith.
- (l) No adjustment to the Exercise Price shall be made, other than pursuant to subsection (a)(iii) or subsection (m), which would have the effect of increasing the Exercise Price.
- (m) Upon the expiry of the period for conversion of convertible securities or exchange of exchangeable securities and the exercise period for rights, options or warrants (other than rights, options or warrants in respect of which they are entitled to participate, as contemplated in subsection (g)) to purchase Common Shares, convertible securities or exchangeable securities, the Exercise Price shall be adjusted to what it would have been if such unconverted convertible securities, unexchanged exchangeable securities and unexercised rights, options or warrants had not been issued.
- (n) The adjustments provided for in this Section 4 in the Exercise Price and in the number of classes of shares which are to be received on the exercise of the option hereby granted are cumulative. After any adjustment pursuant to this Section 4, the term "**Common Shares**" where used in this Agreement shall be interpreted to mean the shares or other securities or property of adjustments pursuant to this Section, the Holder is entitled to receive upon the exercise of the option hereby granted, and the number of Common Shares indicated in any exercise made pursuant to the option hereby granted shall be interpreted to mean the number of shares of all classes which, as a result of all prior adjustments pursuant to this Section, the Holder is entitled to receive upon the full exercise of the option granted hereby entitling the Holder to purchase the number of Common Shares so indicated.
- (o) No fractional shares or script representing fractional shares shall be issued upon the exercise of any rights pursuant to the option granted hereby. To the extent that a holder of the option granted hereby would otherwise be entitled to a fraction of a share such

right may be exercised only in combination with other rights which in the aggregate entitle the holder to purchase a whole number of Common Shares.

- (p) If, in the opinion of the Board, the provisions of Section 4 are not strictly applicable, or if strictly applicable would not fairly protect the rights of the Holder in accordance with the intent and purposes hereof, the Board shall make any adjustment in such provisions as the Board deems appropriate for the benefit of the Holder.
 - (q) The Corporation covenants with the Holder that so long as these Terms and Conditions remains in force, it will give notice to the Holder of its intention to fix a record date or take any action in respect of any event referred to in Section 4, such notice shall specify the particulars of such event and the record date and/or the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given in each case not less than 14 days prior to such applicable record date or effective date.
5. Nothing herein contained shall obligate the Holder to purchase and/or pay for any of the Common Shares, except those Common Shares in respect of which the Holder shall have exercised Warrants.
 6. The Holder shall have no rights whatsoever as a shareholder in respect of any of the Common Shares (including any rights to receive dividends or other distributions therefrom or thereon), except those Common Shares in respect of which the Holder shall have exercised Warrants. The Corporation may deem and treat the Holder as the absolute owner thereof and shall not be effected by any notice to the contrary.
 7. The Warrants are not transferable by the Holder to any person, other than transfers: (i) to another holder of Warrants; (ii) to an individual who is a director, senior officer, employee or consultant of the Corporation or a subsidiary of the Corporation; (iii) to a child or a spouse of the Holder; (iv) to a person or company of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons or companies described in paragraphs (i), (ii) or (iii); or (v) to a trust or estate of which all of the beneficiaries or a majority of the trustees are persons or companies described in paragraphs (i), (ii), (iii) or (iv). Any such permitted transfer of Warrants shall be accompanied by a completed and signed transfer form or direction acceptable to the Corporation.
 8. Upon surrender and payment as aforesaid, the Corporation will, subject to the terms hereof, issue to the person or persons named in the subscription form the number of Common Shares subscribed for and such person or persons will be shareholders of the Corporation in respect of such Common Shares as at the date of surrender and payment notwithstanding any delay in the issuance of a share certificate in respect thereof.
 9. As soon as practicable after surrender and payment, the Corporation will mail to such person or persons at the address or addresses specified in the subscription form, a certificate or certificates evidencing the Common Shares subscribed for. If the Holder subscribes for a number of Common Shares which is less than the maximum number of Common Shares which could be subscribed for as the result of the exercise of all of the Warrants evidenced by this Warrant Certificate, the Holder shall be entitled to receive a new Warrant Certificate (substantially in the form hereof) for that number of the Warrants not exercised so as to allow the purchase of those Common Shares that might have been subscribed for hereunder but which were not then subscribed for and purchased by the Holder. In no event shall fractional Common Shares be issued in connection with the exercise of the Warrants evidenced by this Warrant Certificate.

10. Notwithstanding any provision to the contrary contained herein, no Common Shares will be issued pursuant to the exercise of any Warrant if the issuance of such securities would constitute a violation of the securities laws of any applicable jurisdiction. Any certificate issued in exchange or replacement for this Warrant Certificate and any certificate for any Common Shares issued pursuant to the exercise of any Warrants shall be subject to such resale restrictions and shall bear such legends as may be required under applicable securities laws or under the policies of the TSXV or the CSE or such other exchange upon which the Common Shares may be listed from time to time, including the legend appearing on the face page of this Warrant Certificate to the extent that the hold period referred to therein has not expired. If, at any time, in the opinion of legal counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at that holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of legal counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such securities in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Corporation in exchange for a certificate which does not bear such legend.
11. Time shall be of the essence of these Terms and Conditions.
12. In the event that the date on or by which any action is required to be taken pursuant to these Terms and Conditions is not a Business Day, then such action shall be required to be taken on or by, as the case may be, the next following day which is a Business Day.
13. Except as otherwise set forth herein, these Terms and Conditions shall be binding upon and enure to the benefit of the heirs, executors, administrators, legal personal representatives to the extent provided in Section 7, successors and assigns of the Holder and of the Corporation respectively.
14. The Corporation hereby represents, warrants, covenants and agrees as follows:
 - (a) it will reserve out of its authorized capital a sufficient number of Common Shares to satisfy the rights of acquisition provided for in this Warrant Certificate;
 - (b) all Common Shares issued upon exercise of the right to purchase provided for herein shall, upon payment of the Exercise Price therefor, be issued as fully paid and non-assessable shares;
 - (c) it is duly authorized and has all necessary corporate power and authority to create and issue the Warrants evidenced hereby and issue the Common Shares issuable upon the exercise of the Warrants;
 - (d) this Warrant Certificate has been duly executed and the Warrants evidenced hereby represent valid, legal and binding obligations of the Corporation enforceable against the Corporation in accordance with the terms hereof, and the Corporation has the power and authority to issue this Warrant Certificate and to perform each of its obligations as herein contained; and
 - (e) the execution and delivery of this Warrant Certificate by the Corporation are not, and the issuance of the Common Shares upon exercise of the Warrants in accordance with the terms hereof will not be, inconsistent with the Corporation's articles or by-laws, and do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Corporation is a party or by which it is bound.

15. These Terms and Conditions shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
16. Any notice in writing required or permitted to be given hereunder shall be addressed to the Corporation at:

Target Capital Inc.
Suite 300, 407 3rd Street S.W.
Calgary, Alberta T2P 4X6
Email: sonny@bcmc.ca
Attention: Sonny Mottahed, President and Chief Executive Officer

Any such address for the giving of notices hereunder may be changed by notice in writing given hereunder.

17. Nothing herein contained shall prevent any amalgamation or merger of the Corporation with or into any other corporation or corporations, or a conveyance or transfer of all or substantially all the properties and assets of the Corporation as an entirety to any corporation lawfully entitled to acquire and operate same; provided, however, that the corporation formed by such amalgamation or merger or which acquires by conveyance or transfer all or substantially all of the properties and assets of the Corporation shall, simultaneously with such amalgamation, merger, conveyance or transfer, assume the due and punctual performance and observance of all the covenants and conditions hereof to be performed or observed by the Corporation.
18. If the Corporation, pursuant to Section 17 above, shall be amalgamated or merged with or into any other corporation or corporations, the shares of which are not listed on a stock exchange, or shall convey or transfer all or substantially all of its properties and assets as an entirety to any other corporation, the successor corporation formed by such consolidation or amalgamation, or into which the Corporation shall have been amalgamated or merged or which shall have received a conveyance or transfer as aforesaid, shall succeed to and be substituted for the Corporation hereunder and such changes in phraseology and form (but not in substance) may be made in this Warrant Certificate as may be appropriate in view of such amalgamation, merger or transfer.

SCHEDULE A TO WARRANT CERTIFICATE

EXERCISE FORM

TO: TARGET CAPITAL INC.

Terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Warrant Certificate delivered herewith.

The undersigned hereby irrevocably exercises the right to acquire _____ Common Shares in accordance with and subject to the provisions of the accompanying Warrant Certificate and encloses or delivers herewith payment in the amount of \$_____, representing the aggregate Exercise Price for _____ Warrants.

The Common Shares are to be issued as follows:

Name: _____

Address for registration:

Address for delivery (if different from above):

DATED as of _____, _____.

(Signature of Holder)

Print Full Name of Holder

Print Full Address of Holder

Instructions:

1. The Holder may exercise its right to receive Common Shares by completing this form and surrendering this form and the accompanying certificate to the Corporation, together with the applicable Exercise Price, at Suite 300, 407 3rd Street S.W. Calgary, Alberta T2P 4X6, Attention: President and Chief Executive Officer. The rights of the Holder cease if the Warrants are not exercised prior to the time and date specified in the certificate.
2. If this exercise 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 exercise form and warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

SCHEDULE B
FORM OF INVESTOR GROUP SUBSCRIPTION AGREEMENT

**SUBSCRIPTION AGREEMENT FOR UNITS
INVESTOR GROUP**

TO: TARGET CAPITAL INC. (the "Corporation")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of units of the Corporation set forth below (the "Units") for the aggregate subscription price set forth below (the "Aggregate Subscription Price"), representing a subscription price of \$0.06 per Unit, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Units of Target Capital Inc." attached hereto (the "Terms and Conditions", and together with this page and the attached exhibits, the "Subscription Agreement"). Each Unit will be comprised of one common share of the Corporation ("Common Share") and one Common Share purchase warrant ("Warrant") entitling the holder to purchase one Common Share ("Warrant Share") at a price of \$0.10 per Warrant Share for a period of five years from the Closing Date (as defined herein). **In addition to this face page, the Subscriber must also complete the applicable sections of the Terms and Conditions and the exhibits attached hereto, if applicable.**

Notice is provided to the Subscriber and the Subscriber acknowledges that unless permitted under securities legislation, the holder of the Common Shares and Warrants underlying the Units acquired hereunder or Warrant Shares underlying the Warrants (including the Subscriber) must not trade the security before the date that is four months and a day after the distribution date, which date, if the Closing Date is December 15, 2017, is April 16, 2018.

(Name of Subscriber - please print)

By: _____
(Authorized Signature)

(Official Capacity or Title - please print)

(Please print name of individual whose signature appears above if different than the name of the subscriber printed above.)

(Subscriber's Address)

(Telephone Number)

(E-Mail Address)

Number of Units: _____

Aggregate Subscription Price: _____

If the Subscriber is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to NI 45-106 (as defined herein) by virtue of being either: (i) a trust company or trust corporation acting on behalf of a fully managed account managed by the trust company or trust corporation; or (ii) a person acting on behalf of a fully managed account managed by it, and in each case satisfying the criteria set forth in NI 45-106 or Section 73.3 of the *Securities Act* (Ontario), as applicable, complete the following and ensure that Exhibits are completed in respect of such principal ("Disclosed Beneficial Purchaser"):

(Name of Disclosed Beneficial Purchaser)

(Disclosed Beneficial Purchaser's Address)

(Disclosed Beneficial Purchaser's E-Mail Address)

Register the Common Shares and Warrants as set forth below:

(Name)

(Account reference, if applicable)

(Address)

Deliver the Common Shares and Warrants as set forth below:

(Name)

(Account reference, if applicable)

(Contact Name)

(Address)

The Subscriber or, if applicable, the Disclosed Beneficial Purchaser currently holds:

_____ Common Shares; and

_____ securities convertible into Common Shares.

The Subscriber or, if applicable, the Disclosed Beneficial Purchaser, is (please check the applicable box(es)):

an "insider" of the Corporation (as such term is described in the *Securities Act* (Alberta))

a "registrant" (as such term is described in the *Securities Act* (Alberta))

a Pro Group Member pursuant to the policies of the TSX Venture Exchange

a Dealer pursuant to the policies of the Canadian Securities Exchange

ACCEPTANCE: The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

Dated _____, 2017.

TARGET CAPITAL INC.

By: _____

Subscription No:

TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS OF TARGET CAPITAL INC.

Terms of the Offering

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Corporation in whole or in part at any time. If this subscription is rejected by the Corporation, this subscription and all monies tendered therewith shall be returned forthwith to the Subscriber, without interest or deduction.
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) that the Units subscribed for by it hereunder form part of a larger issuance and sale by the Corporation of an aggregate of up to 83,333,333 Units, at an issue price of \$0.06 per Unit, for aggregate gross proceeds of up to approximately \$5,000,000 (the "**Offering**").
3. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting), that the Corporation may pay a commission of up to 5% of the gross proceeds of the Offering to certain agents, brokers or dealers responsible for identifying subscribers in the Offering.
4. The Subscriber is required to deliver the Aggregate Subscription Price prior to the Closing Date (as defined herein). The Subscriber's obligation to provide the full amount of the Aggregate Subscription Price is irrevocable.

Terms of the Units

5. Each Unit is comprised of one Common Share and one Warrant. The Common Shares and the Warrants comprising the Units will separate immediately upon the closing of the Offering.
6. The Warrants will be created and issued pursuant to the terms of a definitive certificate representing the Warrants. The Warrants shall be subject to such other terms and conditions as may be determined by the Corporation and to the definitive terms of the warrant certificate.
7. Each Warrant entitles the holder thereof to purchase one Warrant Share at an exercise price of \$0.10 per Warrant Share at any time prior to 4:30 p.m. (Calgary time) on or before the date that is five years following the Closing Date.
8. The Warrants will become exercisable as to one-third upon the 20-day weighted average trading price of the Common Shares (the "**Market Price**") equaling or exceeding \$0.12; as to one-third upon the Market Price equaling or exceeding \$0.16; and as to one-third upon the Market Price equaling or exceeding \$0.20.

Representations, Warranties and Covenants of the Subscriber

9. The Subscriber (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) (and for the purpose of the following representations, warranties and covenants, any reference to the "Subscriber" or "it" includes the Subscriber and each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation and its counsel (and acknowledges that the Corporation and its counsel are relying thereon) both at the date hereof and at the Closing Time (as defined herein) that:
 - (a) it has been independently advised as to restrictions with respect to trading in the Common Shares, Warrants and Warrant Shares (collectively, the "**Offered Securities**") imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation (written or verbal) has been made to it by or on behalf of the Corporation with respect to the foregoing, acknowledges that it is aware of the characteristics of the Offered Securities, the risks relating to an investment therein and of the fact that it not be able to resell the Offered Securities except in accordance with limited exemptions under applicable securities legislation and regulatory policy until expiry of the applicable restricted period and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Offered Securities shall bear a legend indicating that the resale of such securities is restricted; and **the Subscriber further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of**

the resale restrictions applicable to it and it is the Subscriber's responsibility to comply with such restrictions before selling the Offered Securities; and

- (b) the Subscriber acknowledges that any certificates representing the Offered Securities will bear the following legend indicating that the resale of such securities is restricted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE [THE CLOSING DATE]."; and

- (c) the Subscriber has received or viewed (or both) an investor presentation PowerPoint document of the Corporation (collectively, the "**Investor Presentation**") and further acknowledges that:
- (i) the Subscriber, in making the decision to invest in the Offered Securities, has relied solely upon the information provided in this Subscription Agreement, the Investor Presentation and the Subscriber's own investigation of the Corporation, which investigation has provided the Subscriber with all the information the Subscriber has deemed necessary for the purposes of its investment decision, and not upon any oral or other written representation as to fact or otherwise made by or on behalf of the Corporation or otherwise;
 - (ii) it has not received or been provided with, nor has it requested, nor does it have any need to receive, any offering memorandum, registration statement, prospectus, sales or advertising literature or any other document, other than the Investor Presentation, describing or purporting to describe the business and affairs of the Corporation which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the Offered Securities;
 - (iii) it has received all the information that it considers necessary or appropriate for deciding whether to purchase the Offered Securities and understands that any discussions with representatives of the Corporation, as well as any information issued by the Corporation, were intended to describe certain aspects of the Corporation's business and prospects, but were not necessarily a thorough or exhaustive description;
 - (iv) any business plans prepared by the Corporation have been, and continue to be, subject to change and any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results; and
 - (v) it has carefully read and reviewed this Subscription Agreement and has asked such questions of management of the Corporation and received all information as deemed necessary for it to make an informed decision with respect to the investment hereunder; and
- (d) it has not become aware of and the purchase of the Units is not made through or as a result of any general solicitation or any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Units; and
- (e) unless it is purchasing under subsection 9(g), it is purchasing the Units as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the securities, it is resident in the jurisdiction set out as the "Subscriber's Address" on the face page hereof and if the Subscriber is acting as agent for a Disclosed Beneficial Purchaser, such Disclosed Beneficial Purchaser is resident in the jurisdiction set forth in the Subscription Agreement as the "Principal's Address", and it or, if the Subscriber is acting as agent for a Disclosed Beneficial Purchaser, the Disclosed Beneficial Purchaser fully complies with one or more of the criteria set forth below:
- (i) it is resident in **one of the provinces or territories of Canada**, and it is an "*accredited investor*", as such term is defined: (A) if the Subscriber is resident in or otherwise subject to the applicable securities laws of a jurisdiction of Canada other than Ontario, in National Instrument 45-106 entitled "Prospectus Exemptions" ("**NI 45-106**") promulgated under applicable securities legislation in such

- jurisdictions; or (B) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario, in Section 73.3(1) of the *Securities Act* (Ontario), it was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106, and it has concurrently executed and delivered a Representation Letter in the form attached as **Exhibit 1** to this Subscription Agreement and specifically represents and warrants that one or more of the categories set forth in **Appendix A** attached to the Representation Letter correctly, and in all respects, describes the Subscriber, and will describe the Subscriber as at the Closing Date, and the Subscriber has so indicated by initialling beside the category in such **Appendix A** which so describes it, and, if applicable, has completed the Accredited Investor Risk Acknowledgment Form in the form attached as **Appendix B** to the Representation Letter; or
- (ii) it is resident in **one of the provinces or territories of Canada** and the acquisition cost to the Subscriber of purchasing the Units is not less than \$150,000 paid in cash at the time of the trade and it was not created or used solely to purchase or hold securities in reliance on this exemption from the registration and prospectus requirements and it is one of the following and the Subscriber has so indicated by initialling the applicable paragraph:
- _____ (I) a corporation that pre-existed the Offering and has a *bona fide* purpose other than the investment in the Offered Securities; or
 - _____ (II) a partnership, trust, fund and or association, syndicate organization or other organized group of persons, whether incorporated or not, that pre-existed the Offering of the Units and has a *bona fide* purpose other than the investment in the Offered Securities; or
 - _____ (III) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; or
- (iii) it is resident **one of the provinces or territories of Canada** and is one of the following and the Subscriber has so indicated by initialling the applicable paragraph:
- _____ (I) a "**director**", "**executive officer**" or "**control person**" (as such terms are defined in the *Securities Act* (Alberta) or NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation, or of an "affiliate" (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation; or
 - _____ (II) a "**spouse**" (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement), parent, grandparent, brother, sister, child or grandchild of any person referred to in subparagraph (I) above; or
 - _____ (III) a parent, grandparent, brother, sister, child or grandchild of the spouse of any person referred to in subparagraph (I) above; or
 - _____ (IV) a "**close personal friend**" of any person referred to in subparagraph (I) above, and it certifies to the Corporation that it has reviewed and understands the guidance respecting the meaning of the phrase "close personal friend" set forth in **Exhibit 2** hereto and has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and, if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed and delivered a Risk Acknowledgement Form in the form attached as **Exhibit 3** to this Subscription Agreement; or

- _____ (V) a “**close business associate**” of any person referred to in subparagraph (I) above, and it certifies to the Corporation that it has reviewed and understands the guidance respecting the meaning of the phrase "close business associate" set forth in **Exhibit 2** hereto and has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed and delivered a Risk Acknowledgement Form in the form attached as **Exhibit 3** to this Subscription Agreement; or
- _____ (VI) a “**founder**” (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation or a spouse, parent, grandparent, brother, sister, child, close personal friend or close business associate of a founder of the Corporation, and, if the Subscriber is a close personal friend or close business associate of a founder of the Corporation, has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement;
- _____ (VII) a parent, grandparent, brother, sister, child or grandchild of the spouse of a founder of the Corporation; or
- _____ (VIII) a person of which a majority of the voting securities are beneficially owned by, or a majority of directors are, persons or companies described in subparagraphs (I) through (VII) above, and if the Subscriber is relying on persons who are close personal friends or close business associates of a director, executive officer, control person or founder of the Corporation, has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement; or
- _____ (IX) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons or companies described in subparagraphs (I) through (VII) above, and if the Subscriber is relying on persons who are close personal friends or close business associates of a director, executive officer, control person or founder of the Corporation, has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement,

and in the case of a Subscriber **resident in or otherwise subject to applicable securities laws of Ontario**, then the Subscriber has completed and executed **Exhibit 4** to this Subscription Agreement, which has also been completed and executed by the other persons specified as follows:

For the purposes of a Subscriber **resident in or otherwise subject to applicable securities laws of Ontario** relying on paragraph 4(f)(iii), **Exhibit 4** must be signed by all of the following:

- (A) the Subscriber;
- (B) an executive officer of the Corporation other than the Subscriber;
- (C) if the Subscriber is a person referred to under paragraph 9(e)(iii)(II), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who has the specified relationship with the Subscriber;

- (D) if the Subscriber is a person referred to under paragraph 9(e)(iii)(III), the director, executive officer or control person of the Corporation or an affiliate of the Corporation whose spouse has the specified relationship with the Subscriber;
 - (E) if the Subscriber is a person referred to under paragraph 9(e)(iii)(IV) or 9(e)(iii)(V), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who is a close personal friend or a close business associate of the Subscriber; and
 - (F) the founder of the Corporation, if the Subscriber is a person referred to in paragraph 9(e)(iii)(VI) or 9(e)(iii)(VII) other than the founder of the Corporation; or
- (iv) it is resident in or otherwise subject to the applicable securities laws of **one of the provinces or territories of Canada** and it is one of the following and the Subscriber has so indicated by initialling the applicable paragraph:
- _____ (I) an employee, “**executive officer**”, “**director**” or “**consultant**” (as such terms (other than employee) are defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation and participation in the trade is “**voluntary**”, meaning it is not induced to participate in the trade by expectation of employment or continued employment with, appointment or continued appointment with, or engagement to provide services or continued engagement to provide services to, as applicable, the Corporation; or
 - _____ (II) an employee, “**executive officer**”, “**director**” or “**consultant**” of a “**related entity**” (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation and participation in the trade is voluntary (as defined above); or
 - _____ (III) a “**permitted assign**” (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of a person referred to in paragraphs (I) or (II) and participation in the trade is voluntary (as defined above); and
- the Subscriber will provide such evidence of compliance with all matters described in this section 9(e)(iv) as the Corporation may request; and
- (v) if it is a resident or otherwise subject to applicable securities laws of **any jurisdiction referred to in the preceding paragraphs** but not purchasing thereunder, it is purchasing pursuant to an exemption from prospectus and registration requirements (particulars of which are enclosed herewith) available to it under applicable securities legislation and shall deliver to the Corporation such further particulars of the exemption(s) and the Subscriber’s qualifications thereunder as the Corporation or their counsel may request; and
- (f) if the Subscriber is resident in or otherwise subject to applicable securities laws of a **jurisdiction other than Canada or the United States**, the Subscriber confirms, represents and warrants that:
- (i) it is an “accredited investor”, as such term is defined in NI 45-106, it was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106, and it has concurrently **executed and delivered a Representation Letter in the form attached as Exhibit 1 to this Subscription Agreement** and specifically represents and warrants that one or more of the categories set forth in Appendix A attached to the Representation Letter correctly, and in all respects, describes the Subscriber, and will describe the Subscriber as at the Closing Date (as defined herein) and the Subscriber has so indicated by initialing beside the category in such Appendix A which so describes it, and, if applicable, has completed the Accredited Investor Risk Acknowledgment Form in the form attached as Appendix B to the Representation Letter; and

- (ii) the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the jurisdiction in which the Subscriber is resident (the “**International Jurisdiction**”) and which would apply to the acquisition of the Offered Securities; and
 - (iii) the Subscriber is purchasing the Units pursuant to exemptions from the prospectus or registration requirements or equivalent requirements under applicable securities laws or, if such is not applicable, the Subscriber is permitted to purchase the Units under the applicable securities laws of the International Jurisdiction without the need to rely on any exemptions; and
 - (iv) the applicable securities laws of the International Jurisdiction do not require the Corporation to make any filings or seek any approvals of any kind whatsoever from any securities regulator of any kind whatsoever in the International Jurisdiction in connection with the sale of the Units or the issue or resale of the Offered Securities; and
 - (v) the purchase of the Units by the Subscriber does not trigger:
 - (vi) (A) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such purchase in the International Jurisdiction; or
 - (vii) (B) any continuous disclosure reporting obligation of the Corporation in the International Jurisdiction; and
 - (viii) the Subscriber will, if requested by the Corporation, deliver to the Corporation either or both: (A) a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to above (and such other matters as maybe reasonably be requested by the Corporation or its legal counsel) to the satisfaction of the Corporation, acting reasonably; and/or (B) such other evidence of compliance with all aforementioned matters as the Corporation or its legal counsel may request; and
- (g) if it is not purchasing as principal, it has disclosed the name of the principal on the face-page of this Subscription Agreement, it is duly authorized to enter into this Subscription Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each Disclosed Beneficial Purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Offered Securities, it acknowledges that the Corporation is required by law to disclose to certain regulatory authorities the identity of each Disclosed Beneficial Purchaser of Units for whom it may be acting, and it is resident in the jurisdiction set out as the “Subscriber’s Address” and each Disclosed Beneficial Purchaser is resident in the jurisdiction set out as the “Principal’s Address” and:
- (i) it is resident in or otherwise subject to applicable securities laws of **one of the provinces or territories of Canada** and it is an “accredited investor” as such term is defined in paragraphs (p) or (q) of the definition of “accredited investor” in NI 45-106 or the *Securities Act* (Ontario), as applicable, and reproduced in **Appendix A to Exhibit 1** of this Subscription Agreement (provided, however, that it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada) and is therefore deemed to be purchasing as principal pursuant to NI 45-106 and it has concurrently executed and delivered a Representation Letter in the form attached hereto as **Exhibit 1** and has initialled in **Appendix A** thereto indicating that the Subscriber satisfies one of the categories of “accredited investor” set out in paragraphs (p) or (q) of **Appendix A** thereto; or
 - (ii) subject to securities laws applicable to the Subscriber, it is acting as agent for one or more Disclosed Beneficial Purchasers, each of such principals is purchasing as principal for its own account, not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of all or any of the Offered Securities, and each of such principals complies with subparagraphs (i), (ii), (iii), (iv) or (v) of paragraph 9(e) hereof as are applicable to it; and
- (h) if it is a resident of or otherwise subject to applicable securities laws of any jurisdiction not referred to in the preceding paragraph 9(e) it, or any Disclosed Beneficial Purchaser for whom it is acting, complies with the

requirements of all applicable securities laws in the jurisdiction of its residence and will provide such evidence of compliance with all such matters as the Corporation or its counsel may request; and

- (i) it (and any Disclosed Beneficial Purchaser for whom it is acting) acknowledges that:
 - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Offered Securities; and
 - (ii) there is no government or other insurance covering the Offered Securities; and
 - (iii) there are risks associated with the purchase of Units and investment in the Offered Securities; and
 - (iv) there are restrictions on the Subscriber's ability to resell the Offered Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling any of those securities; and
 - (v) the Corporation may complete additional financings in the future in order to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber; and
 - (vi) the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under the *Securities Act* (Alberta) and other applicable securities laws and, as a consequence of acquiring the Common Shares and Warrants pursuant to this exemption, certain protections, rights and remedies provided by those securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber; and
- (j) the Subscriber has not received from the Corporation any financial assistance of any kind, directly or indirectly, in connection with its purchase of Units hereunder; and
- (k) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Offered Securities purchased pursuant to this Subscription Agreement may be voted following the Closing Date; and
- (l) it is aware that the Offered Securities have not been 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 state, territory or possession of the United States and that these securities may not be offered or sold, directly or indirectly in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of the applicable states and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Common Shares or Warrants; and
- (m) the Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered; and
- (n) it is not a U.S. Person (as such term is defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person; and
- (o) it (and, if applicable, any Disclosed Beneficial Purchaser) undertakes and agrees that it will not offer or sell any of the Offered Securities in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available and further that it will not resell any of the Offered Securities subscribed

for hereunder except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules; and

- (p) if it is not an individual: (i) it has the legal capacity to authorize, execute, be bound by and deliver this Subscription Agreement, and (ii) the individual signing this Subscription Agreement has been duly authorized to execute and deliver this Subscription Agreement, and (iii) all necessary approvals of directors, officers, shareholders or otherwise have been given and obtained; and
- (q) if it is an individual, it is of the full age of majority in the jurisdiction in which it is resident and is legally capable and competent to execute and be bound by this Subscription Agreement and take all action and to perform the covenants and obligations pursuant hereto; and
- (r) the Subscriber has had adequate time to review this Subscription Agreement; and
- (s) this Subscription Agreement has been duly and validly authorized, executed and delivered and, when accepted by the Corporation, will constitute a legal, valid, binding and enforceable obligation of the Subscriber; and
- (t) in the case of a subscription by it for Units acting as agent for a Disclosed Beneficial Purchaser, it is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such Disclosed Beneficial Purchaser and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such Disclosed Beneficial Purchaser and the Subscriber acknowledges that the Corporation is required by law to disclose to certain principal regulatory authorities the identity of each Disclosed Beneficial Purchaser for whom the Subscriber may be acting; and
- (u) it has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Offered Securities and is able to bear the economic risk of loss of its investments or, where it is not purchasing as principal, each Disclosed Beneficial Purchaser, is able to bear the economic risk of loss of its investment in the Offered Securities and it has had access to such information, if any, concerning the Corporation and the terms and conditions of the Offering as it considered necessary in connection with its investment decision; and
- (v) it confirms that none of the Corporation or any of its respective directors, officers, employees or representatives have made any representations (oral or written) to the Subscriber:
 - (i) that any person will resell or repurchase any of the Offered Securities;
 - (ii) that any person will refund the purchase price of any of the Offered Securities; or
 - (iii) as to the future price or value of any of the Offered Securities; and
- (w) it acknowledges that the Corporation's counsel is acting as counsel to the Corporation and not as counsel to the Subscriber; and
- (x) the Subscriber is relying solely upon this Subscription Agreement and publicly available information relating to the Corporation and, other than as stated herein, not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation; and
- (y) it acknowledges that this Subscription Agreement is not enforceable by the Subscriber until the Subscription Agreement has been accepted by the Corporation; and
- (z) it understands, acknowledges and is aware that Units are being offered for sale only on a "private placement" basis and that the sale of Units and delivery of the Common Shares and Warrants is conditional upon such sale being exempt from the requirements under applicable securities laws as to the filing of a prospectus or delivery of an offering memorandum or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the filing of a prospectus or delivering an offering memorandum and, as a consequence: (i) it is restricted from using most of the civil remedies available under securities legislation; (ii) the common law may not provide it with an adequate remedy in the event that it suffers investment loss in

connection with securities acquired in a private placement; (iii) it may not receive information that would otherwise be required to be provided to it under securities legislation; and (iv) the Corporation is relieved from certain obligations that would otherwise apply under securities legislation; and

- (aa) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Common Shares and Warrants including, without limitation: (i) in the case of an “accredited investor” resident in one of the provinces or territories of Canada, a Representation Letter in the form attached as **Exhibit 1**, including **Appendix A** and, if applicable, the Accredited Investor Risk Acknowledgment Form in the form attached as **Appendix B**; (ii) if the Subscriber is purchasing under subparagraph 9(e)(iii) hereof as a “close personal friend” or “close business associate”, the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Risk Acknowledgment Form attached as **Exhibit 3** to this Subscription Agreement; (iii) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario and is purchasing under subparagraph 9(e)(iii), **Exhibit 4** to this Subscription Agreement; and (iv) if the Subscriber is not an individual and beneficially owns, directly or indirectly, 5% or more of the Corporation’s voting securities after the Offering and the Subscriber has not previously filed a Form 4C with the TSX Venture Exchange, a fully executed and completed copy of Form 4C - Corporate Placee Registration Form attached hereto as **Exhibit 5**; and
- (bb) if the Subscriber: (i) is a corporation and beneficially owns, directly or indirectly, 5% or more of the Corporation’s voting securities after the Offering; and (ii) has not completed a Form 4C - Corporate Placee Registration Form attached hereto as **Exhibit 5**, then the Subscriber represents that it has previously filed a Form 4C - Corporate Placee Registration Form with the TSX Venture Exchange; and
- (cc) the Subscriber does not act jointly or in concert with another subscriber for Units for the purposes of the acquisition of the Offered Securities; and
- (dd) the entering into of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber, or if the Subscriber is not a natural person, any of the Subscriber’s constating documents, or any agreement to which the Subscriber is a party or by which it is bound; and
- (ee) the delivery of this Subscription Agreement, the acceptance hereof by the Corporation and the issuance of the Common Shares and Warrants to the Subscriber complies or will comply with all applicable laws of the Subscriber’s jurisdiction of residence and domicile and will not cause the Corporation or any of its officers or directors to become subject to or require any disclosure, prospectus or other reporting requirement; and
- (ff) unless it is purchasing under Section 9(e)(iii)(l) hereof, the Subscriber is not a “control person” of the Corporation, as that term is defined in the *Securities Act* (Alberta), will not become a “control person” of the Corporation by purchasing the number of Units subscribed for under this Subscription Agreement, and does not intend to act jointly or in concert with any other person to form a control group in respect of the Corporation; and
- (gg) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Subscription Agreement and the transactions contemplated herein can be consummated by the Subscriber; and
- (hh) the Subscriber acknowledges that it has been encouraged to obtain independent legal, income tax and investment advice with respect to its subscription for these Units and accordingly, had the opportunity to acquire an understanding of the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Subscription Agreement.

Rights Offering by the Corporation

10. The Subscriber acknowledges that the Corporation announced on November 21, 2017 its intention to conduct a rights offering (the “**Rights Offering**”) to the holders of its Common Shares. The Subscriber acknowledges and agrees that the Subscriber waives his, her or its entitlement to participate in the Rights Offering with respect to the Offered Securities, regardless of the record date of the Rights Offering and undertakes not to exercise, sell, transfer or convey an interest in any of the rights issued thereunder in the event that the record date of the Rights Offering occurs after the Closing Date and has together with this Subscription Agreement executed and delivered **Exhibit 6** attached to this Subscription Agreement.

Representations, Warranties and Covenants of the Corporation

11. By accepting this Subscription Agreement, the Corporation represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) both at the date hereof and at the Closing Time that:

- (a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Offered Securities; and
- (b) this Subscription Agreement, once accepted, constitutes a binding obligation of the Corporation enforceable in accordance with its terms; and
- (c) the execution and delivery of, and the performance of the terms of, this Subscription Agreement by the Corporation, including the issuance of the Common Shares and Warrants, does not and will not constitute a breach of or default under the constating documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound.

Closing

12. The Subscriber agrees to deliver to the Corporation’s counsel McCarthy Tétrault LLP, Suite 4000, 421 - 7th Avenue S.W., Calgary, Alberta T2P 4K9, Attention: Ben Layton (fax: 403.260.3501 - email: blayton@mccarthy.ca) not later than 4:00 p.m. (Calgary time) two business days prior to the Closing Date, or by such other time as is acceptable to the Corporation:

- (a) this duly completed and executed Subscription Agreement;
- (b) if the Subscriber is an “accredited investor”, a fully executed and completed Representation Letter in the form attached as **Exhibit 1**, including **Appendix A** and, if applicable, the Accredited Investor Risk Acknowledgment Form in the form attached as **Appendix B**;
- (c) if the Subscriber is purchasing under subparagraph 9(e)(iii) hereof as a “close personal friend” or “close business associate”, the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement;
- (d) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario and is purchasing under subparagraph 9(e)(iii), **Exhibit 4** to this Subscription Agreement;
- (e) if the Subscriber is not an individual and beneficially owns, directly or indirectly, 5% or more of the Corporation’s voting securities after the Offering and the Subscriber has not previously filed a Form 4C with the TSX Venture Exchange, a fully executed and completed copy of Form 4C - Corporate Placee Registration Form attached hereto as **Exhibit 5**;
- (f) a fully executed and completed Agreement and Direction with Respect to Rights Offering in the form of **Exhibit 6**; and
- (g) such other documents as may be required or requested of the Subscriber by the Corporation or its counsel as contemplated herein.

13. The Subscriber further agrees to deliver the Aggregate Subscription Price by way of certified cheque or bank draft payable to "Target Capital Inc." for an amount equal to the Aggregate Subscription Price or payment of the same amount in such other manner as is acceptable to the Corporation not later than 4:00 p.m. (Calgary time) two business days prior to the Closing Date. If this Subscription Agreement is rejected in whole or in part, the Subscriber acknowledges that the unused portion of the Aggregate Subscription Price will be promptly returned to it without interest.

14. The closing of the Offering will be completed at the offices of McCarthy Tétrault LLP, the Corporation's counsel, at Suite 4000, 421 – 7th Avenue S.W., Calgary, Alberta. The closing will occur at 8:00 a.m. (Calgary time) or such other time agreed on by the Corporation (the "**Closing Time**") either (a) December 15, 2017; or (b) January 26, 2018 if a meeting is required among the holders of the Common Shares, or as such other date agreed on by the Corporation and the investors of the Offering (the "**Closing Date**").

15. The Corporation shall be entitled to rely on delivery of a facsimile or electronically scanned (PDF) copy of executed subscriptions, and acceptance by the Corporation of such facsimile or electronically scanned subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof. Notwithstanding the foregoing, upon the request of the Corporation, the Subscriber shall deliver originally executed copies of the documents listed in Section 12 hereof to the Corporation within two business days of such request. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

General

16. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time and will survive the completion of the issuance of the Common Shares and Warrants. The representations, warranties and covenants of the Subscriber herein are made with the intent that they be relied upon by the Corporation and its counsel in determining the eligibility of a purchaser of Units and the Subscriber agrees to indemnify the Corporation and its directors, officers, employees, advisors, affiliates, shareholders, partners and agents from and against any and all loss, liability, claim, damage and expense whatsoever including, but not limited to, any fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, administrative proceeding or investigation commenced or threatened or any claim whatsoever arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Corporation in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Corporation in connection herewith. The Subscriber undertakes to immediately notify the Corporation, c/o McCarthy Tétrault LLP, Suite 4000, 421 - 7th Avenue S.W., Calgary, Alberta T2P 4K9, Attention: Sony Gill (fax: 403.260.3501 – email: sgill@mccarthy.ca) of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time.

17. The Subscriber, on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, acknowledges and consents to the fact that the Corporation is collecting its personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time), or that of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, for the purpose of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to purchase the Units under applicable securities laws, preparing and registering certificates representing the Offered Securities to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. The Subscriber, on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, acknowledges and consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices. The Subscriber, on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, further acknowledges and consents to the fact that the Corporation may be required by the securities laws of the applicable jurisdictions, the rules and policies of any securities commission, stock exchange or the rules of the Investment Dealers Association of Canada to provide regulatory authorities with any personal information provided by the Subscriber in this Subscription Agreement. The Subscriber represents and warrants, as applicable, that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder. In

addition to the foregoing, it agrees and acknowledge that the Corporation may use and disclose its personal information, or that of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, as follows:

- (a) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Subscriber or any Disclosed Beneficial Purchaser for whom it is contracting hereunder;
- (b) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency;
- (c) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings;
- (d) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
- (e) disclosure to professional advisors of the Corporation in connection with the performance of their professional services;
- (f) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Subscriber's prior written consent;
- (g) disclosure to a court determining the rights of the parties under this Subscription Agreement; or
- (h) for use and disclosure as otherwise required or permitted by law.

18. Furthermore, the Subscriber is hereby notified that:

- (a) the Corporation may deliver to the Ontario Securities Commission certain personal information pertaining to the Subscriber, including such Subscriber's full name, residential address and telephone number, the number of Units purchased by the Subscriber and the total purchase price paid for such Units, the prospectus exemption relied on by the Corporation and the date of distribution of the Common Shares and Warrants;
- (b) such information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation;
- (c) such information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and
- (d) the Subscriber may contact the following public official in Ontario with respect to questions about the Ontario Securities Commission's indirect collection of such information at the following address and telephone number:

Administrative Support Clerk
Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8086

19. If the Subscriber (or if applicable a Disclosed Beneficial Principal) is resident in or otherwise subject to the applicable securities laws of the Province of British Columbia, the Subscriber is hereby notified that: (i) the Corporation may deliver to the British Columbia Securities Commission certain personal information pertaining to the Subscriber, including such Subscriber's full name, residential address and telephone number, whether the Subscriber is an insider of the Corporation or a registrant, the number of Units purchased by the Subscriber and the total purchase price paid for such Units, the prospectus exemption relied on by the Corporation and the date of distribution of the Common Shares and Warrants; (ii) such information is being collected indirectly by the British Columbia Securities Commission under the authority granted to it in securities legislation; (iii) such information is being collected for the purposes of the administration and enforcement of the securities legislation of British Columbia; (iv) certain information pertaining to the Subscriber will be available for public inspection at the British Columbia Securities Commission during normal business hours, including the Subscriber's full name, whether the Subscriber is an insider

of Corporation or a registrant, the number of Units purchased by the Subscriber, and the total purchase price paid for such Units and, if the Subscriber is an insider or promoter of the Corporation, the number, type and total consideration paid for all securities of the Corporation beneficially owned or directly or indirectly controlled, on the Closing Date, by such insider or promoter; and (v) the Subscriber may contact the following public official in British Columbia with respect to questions about the British Columbia Securities Commission's indirect collection of such information at the following address and telephone number:

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2 Telephone: (604) 899-6500
Toll free across Canada: 1-800-373-6393 Facsimile: (604) 899-6581

20. The Subscriber has authorized the indirect collection of the information in Section 18 by the Ontario Securities Commission and Section 19 by the British Columbia Securities Commission.

21. The Subscriber represents and warrants that the funds representing the Aggregate Subscription Price which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge (a) none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (b) it will promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

22. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.

23. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

24. Time shall be of the essence hereof.

25. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

26. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Corporation and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a Subscriber who is acting as nominee or agent to the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not be assignable by any party without prior written consent of the other parties.

27. The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.

28. Neither this Subscription Agreement nor any provision hereof shall be waived, modified, changed, discharged or terminated except only by a written instrument signed by each party against whom the waiver, change, discharge or termination is sought.

29. The invalidity, illegality or unenforceability of any provision in this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

30. The Subscriber acknowledges and agrees that acceptance of this Subscription Agreement will be conditional, among other things, upon the sale of Units to the Subscriber being exempt from any prospectus and offering memorandum requirements of all applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at closing of the certificates representing the Common Shares and Warrants to or upon the direction of the Subscriber in accordance with the provisions hereof.

31. The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof.

32. The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.

33. In this Subscription Agreement (including attachments), references to "\$" or "Cdn. \$" are to Canadian dollars.

34. The Subscriber and each beneficial purchaser, if any, acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of Units be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à l'achat des securities soient rédigés en anglais seulement.*

In addition to completing the first page of this Subscription Agreement and the applicable sections of the Terms and Conditions, please also complete the attached exhibits, as applicable.

**EXHIBIT 1
REPRESENTATION LETTER**

(FOR ACCREDITED INVESTORS)

TO: TARGET CAPITAL INC. (the "Corporation")

In connection with the agreement to purchase units of the Corporation ("**Units**"), each Unit comprised of one common share in the capital of the Corporation ("**Common Share**") and one Common Share purchase warrant by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Exhibit 1), hereby represents, warrants, covenants and certifies to the Corporation, both as at the date hereof and as of the Closing Time (as defined in the Subscription Agreement):

1. The Subscriber is resident in or is otherwise subject to the applicable securities laws of a jurisdiction of Canada;
2. The Subscriber:
 - (a) is:
 - (i) purchasing the Units as principal for its own account or complies with the provisions of paragraph 9(e) of the Subscription Agreement; and
 - (ii) an "accredited investor", as such term is defined: (A) if the Subscriber is resident in or otherwise subject to the applicable securities laws of a province of Canada other than Ontario, in National Instrument 45-106 entitled "*Prospectus Exemptions*" ("**NI 45-106**") promulgated under applicable securities legislation in such jurisdictions; or (B) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario, in Section 73.3(1) of the *Securities Act* (Ontario), by virtue of satisfying the indicated criterion as set out in Appendix "A" to this Representation Letter; or
 - (b) is an "accredited investor" as such term is defined in paragraphs (p) or (q) of the definition of "accredited investor" in NI 45-106 or the *Securities Act* (Ontario), as applicable, by virtue of satisfying the indicated criterion as set out in Appendix "A" to this Representation Letter;
3. The Subscriber fully understands the meaning of the terms and conditions of the category of "accredited investor" applicable to it, has had an opportunity to discuss the meaning of the category of "accredited investor" applicable to it with a representative of the Corporation, and confirms that it has reviewed and understands the definitions in Appendix "A" to this Representation Letter in respect of the category of "accredited investor" applicable to it and, in particular, if the Subscriber is an "accredited investor" by virtue of satisfying paragraph (j), (j.1), (k) or (l) of Appendix "A" to this Representation Letter, it has reviewed and understands the meaning and calculation of "financial assets", "related liabilities" and "net assets", as applicable, contained in Appendix "A" hereto;
4. The Subscriber was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106 or the *Securities Act* (Ontario), as applicable;
5. If the Subscriber is relying on paragraphs (j), (k) or (l) of the definition of "accredited investor" in NI 45-106 or the *Securities Act* (Ontario), as applicable, the Subscriber has executed and delivered a Risk Acknowledgment Form set out in Appendix "B" to this Representation Letter which, upon execution, shall be incorporated into and form a part of the Subscription Agreement and the Corporation and its counsel shall be entitled to rely thereon; and
6. Upon execution of this Exhibit 1 by the Subscriber, this Exhibit 1 shall be incorporated into and form a part of the Subscription Agreement and the Corporation and its counsel shall be entitled to rely thereon.

Dated: _____.

IMPORTANT: PLEASE INITIAL THE APPLICABLE PROVISION IN APPENDIX A ON THE NEXT PAGES AND, IF APPLICABLE, COMPLETE APPENDIX B

Print Name of Subscriber

By: _____
Signature

Print Name of Signatory (if different from Subscriber)

Title

APPENDIX "A" TO EXHIBIT 1

NOTE: THE INVESTOR MUST INITIAL OR OTHERWISE MARK BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Accredited Investor - (defined in National Instrument 45-106 or Section 73.3(1) of the *Securities Act* (Ontario)) means:

- _____ (a) a Canadian financial institution, or an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); or
- _____ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- _____ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; or
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; or
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); or
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada; or
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec; or
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or
- _____ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada; or

- _____ (j) an individual who, either alone or with a spouse, beneficially owns **financial assets** having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000; or

(Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of "financial assets" below. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of "related liabilities" below. In the case where financial assets are held in a trust or in another type of investment vehicle for the benefit of an individual there may be questions as to whether the individual beneficially owns the financial assets. The following factors are indicative of beneficial ownership of financial assets: (i) physical or constructive possession of evidence of ownership of the financial asset; (ii) entitlement to receipt of any income generated by the financial asset; (iii) risk of loss of the value of the financial asset; and (iv) the ability to dispose of the financial asset or otherwise deal with it as you see fit. For example, securities held in a self-directed RRSP, for your sole benefit, are beneficially owned by you. In general, financial assets in a spousal RRSP would also be included for the purposes of the financial assets test in this paragraph (j); however, financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you. If you meet the higher financial asset threshold set out in paragraph (j.1) as an individual exclusive of your spouse, then initial paragraph (j.1) instead of this paragraph (j).)

Please provide the following information to the best of your knowledge based on the most recent information available to you:

Aggregate realizable value of financial assets before taxes \$ _____

Related liabilities \$ _____

(Note: If the Subscriber is relying on this category of Accredited Investor to purchase the Units, the Subscriber must also complete in duplicate Appendix "B" to this Representation Letter.)

- _____ (j.1) an individual who beneficially owns **financial assets** having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000; or

(Note: See the definition of "financial assets" below and the guidance in paragraph (j) above. The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1).)

Please provide the following information to the best of your knowledge based on the most recent information available to you:

Aggregate realizable value of financial assets before taxes \$ _____

Related liabilities \$ _____

- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or

Please provide the following information (based on your two most recent notices of assessment from the Canada Revenue Agency or equivalent):

Net income before taxes	Last year	Range – Less than \$100,000 <input type="checkbox"/>	State Amount:
		Range – \$100,000 to \$200,000 <input type="checkbox"/>	\$ _____
		Range – \$201,000 to \$300,000 <input type="checkbox"/>	
		Range – \$301,000 to \$400,000 <input type="checkbox"/>	
		Range – Greater than \$401,000 <input type="checkbox"/>	

Year prior to last	Range – Less than \$100,000 <input type="checkbox"/>	State Amount:
	Range – \$100,000 to \$200,000 <input type="checkbox"/>	\$ _____
	Range – \$201,000 to \$300,000 <input type="checkbox"/>	
	Range – \$301,000 to \$400,000 <input type="checkbox"/>	
	Range – Greater than \$401,000 <input type="checkbox"/>	

<u>If applicable</u> , net income before taxes of your spouse	Last year	Range – Less than \$100,000 <input type="checkbox"/>	State Amount:
		Range – \$100,000 to \$200,000 <input type="checkbox"/>	\$ _____
		Range – \$201,000 to \$300,000 <input type="checkbox"/>	
		Range – \$301,000 to \$400,000 <input type="checkbox"/>	
		Range – Greater than \$401,000 <input type="checkbox"/>	

Year prior to last	Range – Less than \$100,000 <input type="checkbox"/>	State Amount:
	Range – \$100,000 to \$200,000 <input type="checkbox"/>	\$ _____
	Range – \$201,000 to \$300,000 <input type="checkbox"/>	
	Range – \$301,000 to \$400,000 <input type="checkbox"/>	
	Range – Greater than \$401,000 <input type="checkbox"/>	

(Note: If the Subscriber is relying on this category of Accredited Investor to purchase the Units, the Subscriber must also complete in duplicate Appendix "B" to this Representation Letter.)

- _____ (l) an individual who, either alone or with a spouse, has **net assets** of at least \$5,000,000;
or

(Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage or equity line of credit). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the Closing Date.)

Please provide the following information by subtracting your total liabilities from your total assets:

Total Assets	\$ _____
<u>Minus</u> , Total Liabilities (including outstanding taxes)	- \$ _____
<u>Equals</u> , Net Assets	= \$ _____

(Note: If the Subscriber is relying on this category of Accredited Investor to purchase the Units, the Subscriber must also complete in duplicate Appendix "B" to this Representation Letter.)

(Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under paragraphs (t) or (w) below, which must be initialed and the applicable information provided.)

- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or
- _____ (n) an investment fund that distributes or has distributed its securities only to:
- (i) a person that is or was an accredited investor at the time of the distribution, or
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 or 2.19 of National Instrument 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106; or
- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt; or
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or
- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; or

- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function; or
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors (as defined in National Instrument 45-106); or

If you initialled (t), then indicate the name and category of accredited investor (by reference to the applicable letter above) of each of the owners of interests (attach additional pages if more than three):

<u>Name</u>	<u>Category of Accredited Investor</u>
_____	_____
_____	_____
_____	_____

- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator an accredited investor; or
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

Note: If you initialled (w), then indicate the name and category of accredited investor (by reference to the applicable letter above) of each of the following (attach additional pages if more than three trustees):

	<u>Name</u>	<u>Category of Accredited Investor</u>
Individual who established trust:	_____	_____
Trustee	_____	_____
Trustee	_____	_____
Trustee	_____	_____

For the purposes hereof:

- (a) **“bank”** means a bank named in Schedule I or II of the *Bank Act* (Canada);
- (b) **“Canadian financial institution”** means
- (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (x) **“consultant”** means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that:
- (i) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution,
 - (ii) provides the services under a written contract with the issuer or a related entity of the issuer, and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer,
- and includes
- (iv) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and
 - (v) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer;
- (c) **“control person”** has the same meaning as in securities legislation and generally means any person that holds or is one of a combination of persons that holds:
- (i) a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and
 - (ii) if a person holds more than 20% of the outstanding voting rights attached to all outstanding voting securities of an issuer, the person is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;
- (d) **“director”** means:
- (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
 - (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

- (e) **“eligibility adviser”** means:
- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
 - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - (iii) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (iv) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (f) **“executive officer”** means, for an issuer, an individual who is
- (i) a chair, vice-chair or president,
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
 - (iii) performing a policy-making function in respect of the issuer;
- (g) **“financial assets”** means
- (i) cash,
 - (ii) securities, or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (h) **“foreign jurisdiction”** means a country other than Canada or a political subdivision of a country other than Canada;
- (i) **“founder”** means, in respect of an issuer, a person who,
- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the distribution or trade is actively involved in the business of the issuer;
- (j) **“fully managed account”** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (k) **“individual”** means a natural person, but does not include:

- (i) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or trust, or
 - (ii) a natural person in the person's capacity as trustee, executor, administrator or other legal representative;
- (l) **"insider"** means:
- (i) a director or an officer of an issuer,
 - (ii) a director or an officer of a person that is itself an insider or a subsidiary of an issuer,
 - (iii) a person that has:
 - (A) beneficial ownership of, or control or direction over, directly or indirectly, or
 - (B) a combination of beneficial ownership of, and control or direction over, directly or indirectly,
- securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution,
- (iv) an issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for long as it continues to hold that security,
 - (v) a person designated as an insider in an order made under section 3.2, or
 - (vi) person that is in a prescribed class of persons;
- (m) **"investment fund"** has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (n) **"jurisdiction"** means a province or territory of Canada except when used in the term foreign jurisdiction;
- (o) **"local jurisdiction"** means the jurisdiction in which the Canadian securities regulatory authority is situate;
- (p) **"permitted assign"** means, for a person that is an employee, executive officer, director or consultant of an issuer or of a related entity of the issuer,
- (i) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the person,
 - (ii) a holding entity for the person,
 - (iii) a RRSP, RRIF, or TFSA of the person,
 - (iv) a spouse of the person,
 - (v) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of the person,
 - (vi) a holding entity of the spouse of the person,

- (vii) a RRSP, RRIP or TFSA of the spouse of the person;
- (q) **“person”** includes
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (r) **“registrant”** means a person registered or required to be registered under the applicable securities laws;
- (s) **“regulator”** means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;
- (t) **“related entity”** means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer;
- (u) **“related liabilities”** means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets.
- (v) **“Schedule III bank”** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (w) **“spouse”** means, an individual who,
 - (i) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
 - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (x) **“subsidiary”** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

Affiliated Entities, Control and Subsidiaries

1. A person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other, or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.
2. A person or company is considered to be controlled by a person or company if

- (a) in the case of a person or company,
 - (i) voting securities of the first mentioned person or company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of, the other person or company, and
 - (ii) the votes carried by the securities are entitled, if exercise, to elect a majority of the directors of the first mentioned person or company.
 - (b) in the case of a partnership that does not have directors, other than a limited partnership, the second mentioned person or company holds more than 50% of the interests in the partnership; or
 - (c) in the case of a limited partnership, the general partner is the second mentioned person or company.
3. A person or company is considered to be a subsidiary entity of another person or company if
- (a) it is controlled by,
 - (iii) that other; or
 - (iv) that other and one or more persons or companies, each of which is controlled by that other; or
 - (v) two or more persons or companies, each of which is controlled by that other; or
 - (vi) it is a subsidiary entity of a person or company that is the other's subsidiary entity.

All monetary references are in Canadian dollars

APPENDIX "B" TO EXHIBIT 1

RISK ACKNOWLEDGEMENT FORM FOR CERTAIN INDIVIDUAL ACCREDITED INVESTORS

To be completed by individuals investing under categories (j), (k) or (l) of the definition of "accredited investor" in National Instrument 45-106 – Prospectus Exemptions or Section 73.3 of the Securities Act (Ontario), which are reproduced in Appendix "A" to Exhibit 1 as paragraphs (j), (k) or (l), as applicable. Note that individuals investing under category (j.1) of the definition of "accredited investor" in National Instrument 45-106 – Prospectus Exemptions or Section 73.3 of the Securities Act (Ontario) do not need to complete this form.

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Units, each comprised of one Common Share and one Common Share purchase Warrant	Issuer: Target Capital Inc.
Purchased from: Target Capital Inc. (the Issuer)	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____. [<i>Instruction: Insert the total dollar amount of the investment.</i>]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials

<ul style="list-style-type: none"> Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) 	
<ul style="list-style-type: none"> Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	
Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	Dealer Rep. Code:
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
For more information about this investment	
c/o McCarthy Tétrault LLP 4000, 421 - 7 th Avenue S.W. Calgary, Alberta T2P 4K9 Contact: Sonny Mottahed Phone Number: 403.351.1779 Email Address: sonny@bcmc.ca	
For more information about prospectus exemptions, contact your local contact information at www.securities-administrators.ca.	

Form instructions:

- The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.

- 2. The purchaser must sign this form. Each of the purchaser and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*

EXHIBIT 2

CLOSE PERSONAL FRIEND/CLOSE BUSINESS ASSOCIATE QUESTIONNAIRE

To be completed by Subscribers to whom section 9(e)(iii)(IV), (V), (VI), (VIII) or (IX) of the Subscription Agreement applies.

Name of director, executive officer, control person or founder of whom Subscriber is a close personal friend/close business associate

Length of relationship

Details of relationship or prior business dealings

The undersigned understands that the Corporation is relying on this information in determining to sell securities to the undersigned in a manner exempt from the registration and prospectus requirements of applicable securities laws.

Date: _____.

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from Subscriber)

Title

MEANING OF "CLOSE PERSONAL FRIEND" AND "CLOSE BUSINESS ASSOCIATE"
AS DESCRIBED IN COMPANION POLICY 45-106CP TO NATIONAL INSTRUMENT 45-106
PROSPECTUS EXEMPTIONS

Meaning of "close personal friend"

A "close personal friend" of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. The term "close personal friend" can include a family member who is not already specifically identified in the exemptions if the family member satisfies the criteria described above.

The following factors are relevant in determining whether a relationship is that of a close personal friend:

- (a) the length of time the individual has known the director, executive officer, founder or control person,
- (b) the nature of the relationship between the individual and the director, executive officer, founder or control person including such matters as the frequency of contacts between them and the level of trust and reliance in the other circumstances, and
- (c) the number of "close personal friends" of the director, executive officer, found or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close personal friend solely because the individual is:

- (a) a relative,
- (b) a member of the same organization, association or religious group,
- (c) a co-worker, colleague or associate at the same workplace,
- (d) a client, customer, former client or former customer,
- (e) a mere acquaintance, or
- (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the individual and the director, executive officer, founder or control person must be direct. For example the exemption is not available to a close personal friend of a close personal friend of a director of the issuer.

A relationship that is primarily founded on participation in an Internet forum is not considered to be a relationship of a close personal friend.

Meaning of "close business associate"

A "close business associate" is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment.

The following factors are relevant in determining whether a relationship is that of a close business associate:

- (a) the length of time the individual has known the director, executive officer, founder or control person,
- (b) the nature of any specific business relationships between the individual and the director, executive officer, founder or control person, including, for each relationship, when it began, the frequency of contact between them and when it terminated if it is not ongoing, and the level of trust and reliance in the other circumstances,
- (c) the nature and number of any business dealings between the individual and the director, executive officer, founder or control person, the length of the period during which they occurred, and the nature and date of the most recent business dealing, and
- (d) the number of "close business associates" of the director, executive officer, founder or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close business associate solely because the individual is:

- (a) a member of the same club, organization, association or religious group,
- (b) a co-worker, colleague or associate at the same workplace,
- (c) a client, customer, former client or former customer,
- (d) a mere acquaintance, or
- (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the individual and the director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close business associate of a close business associate of a director of the issuer.

A relationship that is primarily founded on participation in an Internet forum is not considered to be a relationship of a close business associate.

EXHIBIT 3

RISK ACKNOWLEDGEMENT FORM

(Saskatchewan Close Friends and Close Business Associates Only)

**Risk Acknowledgement
Saskatchewan Close Personal Friends and Close Business Associates**

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [state name], who is a _____ [state title - founder, director, executive officer or control person] of _____ [state name of issuer or its affiliate – if an affiliate state “an affiliate of the issuer” and give the issuer’s name].

I acknowledge that I am purchasing based on my close relationship with _____ [state name of founder, director, executive officer or control person] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

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EXHIBIT 4

Certain Ontario Investors Only

**RISK ACKNOWLEDGEMENT FORM FOR ONTARIO FAMILY,
FRIENDS AND BUSINESS ASSOCIATES**

WARNING!
**This investment is risky. Don't invest unless you can afford to lose all the money
you pay for this investment**

SECTION 1 TO BE COMPLETED BY THE ISSUER	
2. About your investment	
Type of securities: Units, each comprised of one Common Share and one Common Share purchase Warrant	Issuer: Target Capital Inc.
Purchased from: Target Capital Inc. (the Issuer)	
SECTION 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
3. Risk acknowledgement [Instruction: initial all boxes in Section 2]	
This investment is risky. <i>Initial that you understand that:</i>	Your initials
Risk of loss – You could lose your entire investment of \$_____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
4. Family, friend or business associate status [Instruction: initial one or more boxes that apply]	
You must meet at least one of the following criteria to be able to make this investment. <i>Initial the statement that applies to you.</i>	Your initials

<p>A. You are:</p> <p>1. <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p>	
<p>2. <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
<p>B. You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position affiliate of the issuer: _____.</p> <p>You are the _____ of that person or that person's spouse.</p> <p><i>[Instruction: To qualify for this investment, the person listed above must be (a) your spouse or (b) your or your spouse's parent, grandparent, brother, sister, child or grandchild.]</i></p>	
<p>C. You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p>D. You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p>5. Your name and signature</p>	
<p><i>By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.</i></p>	
<p>First and last name (please print):</p>	
<p>Signature:</p>	<p>Date:</p>

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE	
6. Contact person at the issuer or an affiliate of the issuer	
<i>[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]</i>	
<i>By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: [check the box that applies]</i>	
<input type="checkbox"/> family relationship as set out in section 3B of this form	
<input type="checkbox"/> close personal friendship as set out in section 3C of this form	
<input type="checkbox"/> close business associate relationship as set out in section 3D of this form	
First and last name of contact person (please print):	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:
SECTION 6 TO BE COMPLETED BY THE ISSUER	
7. For more information about this investment	
c/o McCarthy Tétrault LLP 4000, 421 - 7 th Avenue S.W. Calgary, Alberta T2P 4K9	
Contact: Sonny Mottahed Phone Number: 403.351.1779 Email Address: sonny@bcmc.ca	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.	
Signature of executive officer of the issuer (other than the purchaser):	Date:

Form instructions:

1. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
2. *The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the*

purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.

3. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus Exemptions.*

For the purposes of a Subscriber resident in or otherwise subject to applicable securities laws of Ontario relying on paragraph 9(e)(iii) of the Subscription Agreement to which this Exhibit 4 is attached, then this Exhibit must be signed by all of the following:

- (i) the Subscriber; and
- (ii) an executive officer of the Corporation other than the Subscriber; and
- (iii) if the Subscriber is a person referred to under paragraph 9(e)(iii)(II), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who has the specified relationship with the Subscriber; or
- (iv) if the Subscriber is a person referred to under paragraph 9(e)(iii)(III), the director, executive officer or control person of the Corporation or an affiliate of the Corporation whose spouse has the specified relationship with the Subscriber; or
- (v) if the Subscriber is a person referred to under paragraph 9(e)(iii)(IV) or 9(e)(iii)(V), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who is a close personal friend or a close business associate of the Subscriber; or
- (vi) the founder of the Corporation, if the Subscriber is a person referred to in paragraph 9(e)(iii)(VI) or 9(e)(iii)(VII) other than the founder of the Corporation

EXHIBIT 5

TSX venture
EXCHANGE



FORM 4C
CORPORATE PLACEE REGISTRATION FORM

This Form will remain on file with the Exchange and must be completed if required under section 4(b) of Part II of Form 4B. The corporation, trust, portfolio manager or other entity (the "Placee") need only file it on one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed Issuers. If as a result of the Private Placement, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a Personal Information Form (2A) or, if applicable, Declarations, with the Exchange.

Placee Information:

- (a) Name: _____
- (b) Complete Address: _____
- (c) Jurisdiction of Incorporation or Creation: _____
- (a) Is the Placee purchasing securities as a portfolio manager: (Yes/No)? _____
- (b) Is the Placee carrying on business as a portfolio manager outside of Canada: (Yes/No)? _____

If the answer to 2(b) above was "Yes", the undersigned certifies that:

- (d) it is purchasing securities of an Issuer on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client's express consent to a transaction;
- (e) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a "portfolio manager" business) in _____ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;
- (f) it was not created solely or primarily for the purpose of purchasing securities of the Issuer;
- (g) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and
- (h) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Issuer, and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing.

If the answer to 2(a) above was "No", please provide the names and addresses of Control Persons of the Placee:

Name *	City	Province or State	Country

* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

5. Acknowledgement - Personal Information and Securities Laws

(a) "Personal Information" means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
 - (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.
- (b) The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

Dated and certified (if applicable), acknowledged and agreed, at _____

on _____.

(Name of Purchaser - please print)

(Authorized Signature)

(Official Capacity - please print)

(Please print name of individual whose signature appears above)

THIS IS NOT A PUBLIC DOCUMENT

EXHIBIT 6
AGREEMENT AND DIRECTION WITH RESPECT
TO RIGHTS OFFERING

_____, 2017

To the Undersigned Subscriber for units, each unit consisting of one common share ("**Common Share**") and one Common Share purchase warrant ("**Warrant**") of Target Capital Inc. (the "**Corporation**")

Dear Sir/Madame:

Re: Waiver of Right to Participate in Rights Offering and Prohibition of Transfer

The Corporation has reached an agreement (the "**Reorganization Agreement**") with an investor group comprised of Sonny Mottahed, Bill Macdonald and David Cheadle (the "**Initial Investor Group**") to complete a proposed recapitalization of the Corporation consisting of: (i) an up to \$5 million recapitalization of the Corporation through a private placement (the "**Private Placement**"); (ii) the appointment of a new management team led by Mr. Sonny Mottahed (the "**New Management Team**"); (iii) the appointment of a new board of directors that will include Sonny Mottahed, Bill Macdonald, Gregory Turnbull, Matteo Volpi and Chad Oakes (the "**New Board**"); and (iv) a rights offering to the shareholders of the Corporation (the "**Rights Offering**"). Completion of the Private Placement, the appointment of the New Management Team, and the Rights Offering, are subject to standard closing conditions, including the approval of the TSX Venture Exchange (the "**TSXV**") and the Canadian Securities Exchange (the "**CSE**") and, in some cases, disinterested shareholder approval by way of written consent or a resolution at a shareholders' meeting.

In exchange for being offered the opportunity to participate in the Private Placement and other good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned subscriber for Common Shares and Warrants (the "**Subscriber**") agrees that it will waive its right to participate in the Rights Offering in respect of securities issued under the Private Placement or issued on exercise of securities issued pursuant to the Private Placement (collectively, the "**Securities**") even if the record date for the Rights Offering (the "**Record Date**") is after the closing of the Private Placement.

In furtherance of ensuring that no holder of the Securities is issued rights ("**Rights**") pursuant to the Rights Offering, the Subscriber agrees with the Corporation that:

- (a) it is intended that holders of the Securities shall waive their rights to participate in the Rights Offering in respect of the Securities, regardless of the Record Date, and regardless of who the holder is, and therefore the Subscriber undertakes not to exercise, sell, transfer or convey any interest in any of the Rights issued under the Rights Offering in respect of the Securities in the event that the Record Date occurs after the closing date of the Private Placement;
- (b) he, she or it will not sell, convey or otherwise dispose of his, her or its Securities until after the Record Date;
- (c) the Rights issued in respect of the Securities shall not be delivered to the Subscriber but shall be held by the Corporation or its transfer agent until the expiry thereof;
- (d) the Corporation may hold certificates representing the Securities (other than the Securities which are registered at the time of issuance in the name of a registered plan or a broker or other nominee provided such party provides written acknowledgment and acceptance of the terms and conditions of paragraph (b), above) in escrow pending the Record Date; and

- (e) the adjustment provisions as set forth in Sections 4(b) and 4(c) of the certificate representing the Warrants will not apply in respect of the Rights Offering.

The Subscriber represents and warrants to the Corporation, and acknowledges that the Corporation is relying upon such representations and warranties in entering into this agreement, that:

- (a) the Subscriber has good and sufficient power, authority and right to enter into this agreement;
- (b) this agreement constitutes a legal, valid and binding obligation of the Subscriber enforceable against the Subscriber in accordance with its terms, and that neither the execution of this agreement by the Subscriber nor the holding or performance consummation by the Subscriber of the rights and obligations contemplated hereby will constitute a violation of or default under, or conflict with, any contract, commitment, agreement, arrangement, understanding or restriction of any kind to which the Subscriber is a party or by which the Subscriber is bound; and
- (c) no consent, order, approval or authorization, including without limitation any regulatory approval or order or the consent of any lender to the Subscriber, is required in connection with the Subscriber's entering into of this agreement and the Subscriber's holding or performance of the rights and obligations contemplated hereby.

Assignment

No party to this agreement may assign any of its rights or obligations hereunder without the prior written consent of the other party. Subject to the foregoing, this agreement shall be binding upon and shall enure to the benefit of and be enforceable by the Subscriber and the Corporation and their respective heirs, executors, administrators, personal representatives, successors at law and permitted assigns.

Governing Law

This agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the parties irrevocably attorn to the jurisdiction of the courts of the Province of Alberta with respect to claims arising hereunder.

[Remainder of the page intentionally left blank]

If you are in agreement with the foregoing, please indicate your acceptance thereof by signing and returning a copy of this letter to the Corporation.

Yours truly,

TARGET CAPITAL INC.

By: _____
President and Chief Executive Officer

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Subscriber hereby irrevocably accepts the foregoing as of the _____ day of _____, 2017.

Subscriber Signature

Witness Signature

Name of Subscriber (please print)

Name of Witness (please print)

Address

City/Province

Postal Code

SCHEDULE C
FORM OF UNIT SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT FOR UNITS

TO: TARGET CAPITAL INC. (the "Corporation")

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number of units of the Corporation set forth below (the "**Units**") for the aggregate subscription price set forth below (the "**Aggregate Subscription Price**"), representing a subscription price of \$0.06 per Unit, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Units of Target Capital Inc." attached hereto (the "**Terms and Conditions**", and together with this page and the attached exhibits, the "**Subscription Agreement**"). Each Unit will be comprised of one common share of the Corporation ("**Common Share**") and one half of one Common Share purchase warrant ("**Warrant**"). Each Warrant entitles the holder to purchase one Common Share ("**Warrant Share**") at a price of \$0.10 per Warrant Share for a period of five years following the Closing Date (as defined herein). **In addition to this face page, the Subscriber must also complete the applicable sections of the Terms and Conditions and the exhibits attached hereto, if applicable.**

Notice is provided to the Subscriber and the Subscriber acknowledges that unless permitted under securities legislation, the holder of the Common Shares and Warrants underlying the Units acquired hereunder or Warrant Shares underlying the Warrants (including the Subscriber) must not trade the security before the date that is four months and a day after the distribution date, which date, if the Closing Date is December 15, 2017, is April 16, 2018.

(Name of Subscriber - please print)

By: _____
(Authorized Signature)

(Official Capacity or Title - please print)

(Please print name of individual whose signature appears above if different than the name of the subscriber printed above.)

(Subscriber's Address)

(Telephone Number)

(E-Mail Address)

Number of Units: _____

Aggregate Subscription Price: _____

If the Subscriber is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to NI 45-106 (as defined herein) by virtue of being either: (i) a trust company or trust corporation acting on behalf of a fully managed account managed by the trust company or trust corporation; or (ii) a person acting on behalf of a fully managed account managed by it, and in each case satisfying the criteria set forth in NI 45-106 or Section 73.3 of the *Securities Act* (Ontario), as applicable, complete the following and ensure that Exhibits are completed in respect of such principal ("Disclosed Beneficial Purchaser"):

(Name of Disclosed Beneficial Purchaser)

(Disclosed Beneficial Purchaser's Address)

(Disclosed Beneficial Purchaser's E-Mail Address)

Register the Common Shares and Warrants as set forth below:

(Name)

(Account reference, if applicable)

(Address)

Deliver the Common Shares and Warrants as set forth below:

(Name)

(Account reference, if applicable)

(Contact Name)

(Address)

The Subscriber or, if applicable, the Disclosed Beneficial Purchaser currently holds:

_____ Common Shares; and

_____ securities convertible into Common Shares.

The Subscriber or, if applicable, the Disclosed Beneficial Purchaser, is (please check the applicable box(es)):

an "insider" of the Corporation (as such term is described in the *Securities Act* (Alberta))

a "registrant" (as such term is described in the *Securities Act* (Alberta))

a Pro Group Member pursuant to the policies of the TSX Venture Exchange

a Dealer pursuant to the policies of the Canadian Securities Exchange

ACCEPTANCE: The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

Dated _____, 2017.

TARGET CAPITAL INC.

By: _____

Subscription No:

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR
UNITS OF TARGET CAPITAL INC.****Terms of the Offering**

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Corporation in whole or in part at any time. If this subscription is rejected by the Corporation, this subscription and all monies tendered therewith shall be returned forthwith to the Subscriber, without interest or deduction.
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) that the Units subscribed for by it hereunder form part of a larger issuance and sale by the Corporation of an aggregate of up to 83,333,333 Units, at an issue price of \$0.06 per Unit, for aggregate gross proceeds of up to approximately \$5,000,000 (the "**Offering**").
3. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting), that the Corporation may pay a commission of up to 5% of the gross proceeds of the Offering to certain agents, brokers or dealers responsible for identifying subscribers in the Offering.
4. The Subscriber is required to deliver the Aggregate Subscription Price prior to the Closing Date (as defined herein). The Subscriber's obligation to provide the full amount of the Aggregate Subscription Price is irrevocable.

Terms of the Units

5. Each Unit is comprised of one Common Share and one half of one Warrant. The Common Shares and the Warrants comprising the Units will separate immediately upon the closing of the Offering.
6. The Warrants will be created and issued pursuant to the terms of a definitive certificate representing the Warrants. The Warrants shall be subject to such other terms and conditions as may be determined by the Corporation and to the definitive terms of the warrant certificate.
7. Each Warrant entitles the holder thereof to purchase one Warrant Share at an exercise price of \$0.10 per Warrant Share at any time prior to 4:30 p.m. (Calgary time) on or before the date that is five years following the Closing Date.
8. The Warrants will become exercisable as to one-third upon the 20-day weighted average trading price of the Common Shares (the "**Market Price**") equaling or exceeding \$0.12; as to one-third upon the Market Price equaling or exceeding \$0.16; and as to one-third upon the Market Price equaling or exceeding \$0.20.

Representations, Warranties and Covenants of the Subscriber

9. The Subscriber (on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) (and for the purpose of the following representations, warranties and covenants, any reference to the "Subscriber" or "it" includes the Subscriber and each Disclosed Beneficial Purchaser on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation and its counsel (and acknowledges that the Corporation and its counsel are relying thereon) both at the date hereof and at the Closing Time (as defined herein) that:
 - (a) it has been independently advised as to restrictions with respect to trading in the Common Shares, Warrants and Warrant Shares (collectively, the "**Offered Securities**") imposed by applicable securities legislation in the jurisdiction in which it resides, confirms that no representation (written or verbal) has been made to it by or on behalf of the Corporation with respect to the foregoing, acknowledges that it is aware of the characteristics of the Offered Securities, the risks relating to an investment therein and of the fact that it not be able to resell the Offered Securities except in accordance with limited exemptions under applicable securities legislation and regulatory policy until expiry of the applicable restricted period and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Offered Securities shall bear a legend indicating that the resale of such securities is restricted; and **the Subscriber further acknowledges that it has been advised to consult its own legal counsel in its jurisdiction of residence for full particulars of**

the resale restrictions applicable to it and it is the Subscriber's responsibility to comply with such restrictions before selling the Offered Securities; and

- (b) the Subscriber acknowledges that any certificates representing the Offered Securities will bear the following legend indicating that the resale of such securities is restricted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE [THE CLOSING DATE]."; and

- (c) the Subscriber has received or viewed (or both) an investor presentation PowerPoint document of the Corporation (collectively, the "**Investor Presentation**") and further acknowledges that:

- (i) the Subscriber, in making the decision to invest in the Offered Securities, has relied solely upon the information provided in this Subscription Agreement, the Investor Presentation and the Subscriber's own investigation of the Corporation, which investigation has provided the Subscriber with all the information the Subscriber has deemed necessary for the purposes of its investment decision, and not upon any oral or other written representation as to fact or otherwise made by or on behalf of the Corporation or otherwise;
- (ii) it has not received or been provided with, nor has it requested, nor does it have any need to receive, any offering memorandum, registration statement, prospectus, sales or advertising literature or any other document, other than the Investor Presentation, describing or purporting to describe the business and affairs of the Corporation which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the Offered Securities;
- (iii) it has received all the information that it considers necessary or appropriate for deciding whether to purchase the Offered Securities and understands that any discussions with representatives of the Corporation, as well as any information issued by the Corporation, were intended to describe certain aspects of the Corporation's business and prospects, but were not necessarily a thorough or exhaustive description;
- (iv) any business plans prepared by the Corporation have been, and continue to be, subject to change and any projections included in such business plans or otherwise are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results; and
- (v) it has carefully read and reviewed this Subscription Agreement and has asked such questions of management of the Corporation and received all information as deemed necessary for it to make an informed decision with respect to the investment hereunder; and

- (d) it has not become aware of and the purchase of the Units is not made through or as a result of any general solicitation or any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the Internet) with respect to the distribution of the Units; and

- (e) unless it is purchasing under subsection 9(h), it is purchasing the Units as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the securities, it is resident in the jurisdiction set out as the "Subscriber's Address" on the face page hereof and if the Subscriber is acting as agent for a Disclosed Beneficial Purchaser, such Disclosed Beneficial Purchaser is resident in the jurisdiction set forth in the Subscription Agreement as the "Principal's Address", and it or, if the Subscriber is acting as agent for a Disclosed Beneficial Purchaser, the Disclosed Beneficial Purchaser fully complies with one or more of the criteria set forth below:

- (i) it is resident in **one of the provinces or territories of Canada**, and it is an "*accredited investor*", as such term is defined: (A) if the Subscriber is resident in or otherwise subject to the applicable securities laws of a jurisdiction of Canada other than Ontario, in National Instrument 45-106 entitled "Prospectus Exemptions" ("**NI 45-106**") promulgated under applicable securities legislation in such

- jurisdictions; or (B) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario, in Section 73.3(1) of the *Securities Act* (Ontario), it was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106, and it has concurrently executed and delivered a Representation Letter in the form attached as **Exhibit 1** to this Subscription Agreement and specifically represents and warrants that one or more of the categories set forth in **Appendix A** attached to the Representation Letter correctly, and in all respects, describes the Subscriber, and will describe the Subscriber as at the Closing Date, and the Subscriber has so indicated by initialling beside the category in such **Appendix A** which so describes it, and, if applicable, has completed the Accredited Investor Risk Acknowledgment Form in the form attached as **Appendix B** to the Representation Letter; or
- (ii) it is resident in **one of the provinces or territories of Canada** and the acquisition cost to the Subscriber of purchasing the Units is not less than \$150,000 paid in cash at the time of the trade and it was not created or used solely to purchase or hold securities in reliance on this exemption from the registration and prospectus requirements and it is one of the following and the Subscriber has so indicated by initialling the applicable paragraph:
- _____ (I) a corporation that pre-existed the Offering and has a *bona fide* purpose other than the investment in the Offered Securities; or
 - _____ (II) a partnership, trust, fund and or association, syndicate organization or other organized group of persons, whether incorporated or not, that pre-existed the Offering of the Units and has a *bona fide* purpose other than the investment in the Offered Securities; or
 - _____ (III) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative; or
- (iii) it is resident **one of the provinces or territories of Canada** and is one of the following and the Subscriber has so indicated by initialling the applicable paragraph:
- _____ (I) a "**director**", "**executive officer**" or "**control person**" (as such terms are defined in the *Securities Act* (Alberta) or NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation, or of an "affiliate" (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation; or
 - _____ (II) a "**spouse**" (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement), parent, grandparent, brother, sister, child or grandchild of any person referred to in subparagraph (I) above; or
 - _____ (III) a parent, grandparent, brother, sister, child or grandchild of the spouse of any person referred to in subparagraph (I) above; or
 - _____ (IV) a "**close personal friend**" of any person referred to in subparagraph (I) above, and it certifies to the Corporation that it has reviewed and understands the guidance respecting the meaning of the phrase "close personal friend" set forth in **Exhibit 2** hereto and has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and, if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed and delivered a Risk Acknowledgement Form in the form attached as **Exhibit 3** to this Subscription Agreement; or

- _____ (V) a “**close business associate**” of any person referred to in subparagraph (I) above, and it certifies to the Corporation that it has reviewed and understands the guidance respecting the meaning of the phrase "close business associate" set forth in **Exhibit 2** hereto and has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed and delivered a Risk Acknowledgement Form in the form attached as **Exhibit 3** to this Subscription Agreement; or
- _____ (VI) a “**founder**” (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation or a spouse, parent, grandparent, brother, sister, child, close personal friend or close business associate of a founder of the Corporation, and, if the Subscriber is a close personal friend or close business associate of a founder of the Corporation, has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement;
- _____ (VII) a parent, grandparent, brother, sister, child or grandchild of the spouse of a founder of the Corporation; or
- _____ (VIII) a person of which a majority of the voting securities are beneficially owned by, or a majority of directors are, persons or companies described in subparagraphs (I) through (VII) above, and if the Subscriber is relying on persons who are close personal friends or close business associates of a director, executive officer, control person or founder of the Corporation, has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement; or
- _____ (IX) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons or companies described in subparagraphs (I) through (VII) above, and if the Subscriber is relying on persons who are close personal friends or close business associates of a director, executive officer, control person or founder of the Corporation, has provided the details of that relationship in the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement,

and in the case of a Subscriber **resident in or otherwise subject to applicable securities laws of Ontario**, then the Subscriber has completed and executed **Exhibit 4** to this Subscription Agreement, which has also been completed and executed by the other persons specified as follows:

For the purposes of a Subscriber **resident in or otherwise subject to applicable securities laws of Ontario** relying on paragraph 4(f)(iii), **Exhibit 4** must be signed by all of the following:

- (A) the Subscriber;
- (B) an executive officer of the Corporation other than the Subscriber;
- (C) if the Subscriber is a person referred to under paragraph 9(e)(iii)(II), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who has the specified relationship with the Subscriber;

- (D) if the Subscriber is a person referred to under paragraph 9(e)(iii)(III), the director, executive officer or control person of the Corporation or an affiliate of the Corporation whose spouse has the specified relationship with the Subscriber;
 - (E) if the Subscriber is a person referred to under paragraph 9(e)(iii)(IV) or 9(e)(iii)(V), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who is a close personal friend or a close business associate of the Subscriber; and
 - (F) the founder of the Corporation, if the Subscriber is a person referred to in paragraph 9(e)(iii)(VI) or 9(e)(iii)(VII) other than the founder of the Corporation; or
- (iv) it is resident in or otherwise subject to the applicable securities laws of **one of the provinces or territories of Canada** and it is one of the following and the Subscriber has so indicated by initialling the applicable paragraph:
- _____ (I) an employee, “**executive officer**”, “**director**” or “**consultant**” (as such terms (other than employee) are defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation and participation in the trade is “**voluntary**”, meaning it is not induced to participate in the trade by expectation of employment or continued employment with, appointment or continued appointment with, or engagement to provide services or continued engagement to provide services to, as applicable, the Corporation; or
 - _____ (II) an employee, “**executive officer**”, “**director**” or “**consultant**” of a “**related entity**” (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of the Corporation and participation in the trade is voluntary (as defined above); or
 - _____ (III) a “**permitted assign**” (as such term is defined in NI 45-106 and reproduced in Appendix A to **Exhibit 1** of this Subscription Agreement) of a person referred to in paragraphs (I) or (II) and participation in the trade is voluntary (as defined above); and
- the Subscriber will provide such evidence of compliance with all matters described in this section 9(e)(iv) as the Corporation may request; and
- (v) if it is a resident or otherwise subject to applicable securities laws of **any jurisdiction referred to in the preceding paragraphs** but not purchasing thereunder, it is purchasing pursuant to an exemption from prospectus and registration requirements (particulars of which are enclosed herewith) available to it under applicable securities legislation and shall deliver to the Corporation such further particulars of the exemption(s) and the Subscriber’s qualifications thereunder as the Corporation or their counsel may request; and
- (f) if the Subscriber is resident in or otherwise subject to applicable securities laws of a **jurisdiction other than Canada or the United States**, the Subscriber confirms, represents and warrants that:
- (i) it is an “accredited investor”, as such term is defined in NI 45-106, it was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106, and it has concurrently **executed and delivered a Representation Letter in the form attached as Exhibit 1 to this Subscription Agreement** and specifically represents and warrants that one or more of the categories set forth in Appendix A attached to the Representation Letter correctly, and in all respects, describes the Subscriber, and will describe the Subscriber as at the Closing Date (as defined herein) and the Subscriber has so indicated by initialing beside the category in such Appendix A which so describes it, and, if applicable, has completed the Accredited Investor Risk Acknowledgment Form in the form attached as Appendix B to the Representation Letter; and

- (ii) the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the jurisdiction in which the Subscriber is resident (the “**International Jurisdiction**”) and which would apply to the acquisition of the Offered Securities; and
 - (iii) the Subscriber is purchasing the Units pursuant to exemptions from the prospectus or registration requirements or equivalent requirements under applicable securities laws or, if such is not applicable, the Subscriber is permitted to purchase the Units under the applicable securities laws of the International Jurisdiction without the need to rely on any exemptions; and
 - (iv) the applicable securities laws of the International Jurisdiction do not require the Corporation to make any filings or seek any approvals of any kind whatsoever from any securities regulator of any kind whatsoever in the International Jurisdiction in connection with the sale of the Units or the issue or resale of the Offered Securities; and
 - (v) the purchase of the Units by the Subscriber does not trigger:
 - (vi) (A) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such purchase in the International Jurisdiction; or
 - (vii) (B) any continuous disclosure reporting obligation of the Corporation in the International Jurisdiction; and
 - (viii) the Subscriber will, if requested by the Corporation, deliver to the Corporation either or both: (A) a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to above (and such other matters as maybe reasonably be requested by the Corporation or its legal counsel) to the satisfaction of the Corporation, acting reasonably; and/or (B) such other evidence of compliance with all aforementioned matters as the Corporation or its legal counsel may request; and
- (g) if it is not purchasing as principal, it has disclosed the name of the Disclosed Beneficial Purchaser on the face-page of this Subscription Agreement, it is duly authorized to enter into this Subscription Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each Disclosed Beneficial Purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Offered Securities, it acknowledges that the Corporation is required by law to disclose to certain regulatory authorities the identity of each Disclosed Beneficial Purchaser of Units for whom it may be acting, and it is resident in the jurisdiction set out as the “Subscriber’s Address” and each Disclosed Beneficial Purchaser is resident in the jurisdiction set out as the “Disclosed Beneficial Purchaser’s Address” and:
- (i) it is resident in or otherwise subject to applicable securities laws of **one of the provinces or territories of Canada** and it is an “accredited investor” as such term is defined in paragraphs (p) or (q) of the definition of “accredited investor” in NI 45-106 or the *Securities Act* (Ontario), as applicable, and reproduced in **Appendix A to Exhibit 1** of this Subscription Agreement (provided, however, that it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada) and is therefore deemed to be purchasing as principal pursuant to NI 45-106 and it has concurrently executed and delivered a Representation Letter in the form attached hereto as **Exhibit 1** and has initialled in **Appendix A** thereto indicating that the Subscriber satisfies one of the categories of “accredited investor” set out in paragraphs (p) or (q) of **Appendix A** thereto; or
 - (ii) subject to securities laws applicable to the Subscriber, it is acting as agent for one or more Disclosed Beneficial Purchasers, each of such principals is purchasing as principal for its own account, not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of all or any of the Offered Securities, and each of such principals complies with subparagraphs (i), (ii), (iii), (iv) or (v) of paragraph **Error! Reference source not found.** hereof as are applicable to it; and

- (h) if it is not purchasing as principal, it has disclosed the name of the principal on the face-page of this Subscription Agreement, it is duly authorized to enter into this Subscription Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each Disclosed Beneficial Purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Offered Securities, it acknowledges that the Corporation is required by law to disclose to certain regulatory authorities the identity of each Disclosed Beneficial Purchaser of Units for whom it may be acting, and it is resident in the jurisdiction set out as the "Subscriber's Address" and each Disclosed Beneficial Purchaser is resident in the jurisdiction set out as the "Principal's Address" and:
- (i) it is resident in or otherwise subject to applicable securities laws of **one of the provinces or territories of Canada** and it is an "accredited investor" as such term is defined in paragraphs (p) or (q) of the definition of "accredited investor" in NI 45-106 or the *Securities Act* (Ontario), as applicable, and reproduced in **Appendix A to Exhibit 1** of this Subscription Agreement (provided, however, that it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada) and is therefore deemed to be purchasing as principal pursuant to NI 45-106 and it has concurrently executed and delivered a Representation Letter in the form attached hereto as **Exhibit 1** and has initialled in **Appendix A** thereto indicating that the Subscriber satisfies one of the categories of "accredited investor" set out in paragraphs (p) or (q) of **Appendix A** thereto; or
 - (ii) subject to securities laws applicable to the Subscriber, it is acting as agent for one or more Disclosed Beneficial Purchasers, each of such principals is purchasing as principal for its own account, not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of all or any of the Offered Securities, and each of such principals complies with subparagraphs (i), (ii), (iii), (iv) or (v) of paragraph 9(c) hereof as are applicable to it; and
- (i) if it is a resident of or otherwise subject to applicable securities laws of any jurisdiction not referred to in the preceding paragraph 9(c) it, or any Disclosed Beneficial Purchaser for whom it is acting, complies with the requirements of all applicable securities laws in the jurisdiction of its residence and will provide such evidence of compliance with all such matters as the Corporation or its counsel may request; and
- (j) it (and any Disclosed Beneficial Purchaser for whom it is acting) acknowledges that:
- (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Offered Securities; and
 - (ii) there is no government or other insurance covering the Offered Securities; and
 - (iii) there are risks associated with the purchase of Units and investment in the Offered Securities; and
 - (iv) there are restrictions on the Subscriber's ability to resell the Offered Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling any of those securities; and
 - (v) the Corporation may complete additional financings in the future in order to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber; and
 - (vi) the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under the *Securities Act* (Alberta) and other applicable securities laws and, as a consequence of acquiring the Common Shares and Warrants pursuant to this exemption, certain protections, rights and remedies provided by those securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber; and

- (k) the Subscriber has not received from the Corporation any financial assistance of any kind, directly or indirectly, in connection with its purchase of Units hereunder; and
- (l) the Subscriber has not and will not enter into any voting trust or similar agreement that has the effect of directing the manner in which the votes attached to the Offered Securities purchased pursuant to this Subscription Agreement may be voted following the Closing Date; and
- (m) it is aware that the Offered Securities have not been 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 state, territory or possession of the United States and that these securities may not be offered or sold, directly or indirectly in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of the applicable states and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Common Shares or Warrants; and
- (n) the Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered; and
- (o) it is not a U.S. Person (as such term is defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person; and
- (p) it (and, if applicable, any Disclosed Beneficial Purchaser) undertakes and agrees that it will not offer or sell any of the Offered Securities in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available and further that it will not resell any of the Offered Securities subscribed for hereunder except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules; and
- (q) if it is not an individual: (i) it has the legal capacity to authorize, execute, be bound by and deliver this Subscription Agreement, and (ii) the individual signing this Subscription Agreement has been duly authorized to execute and deliver this Subscription Agreement, and (iii) all necessary approvals of directors, officers, shareholders or otherwise have been given and obtained; and
- (r) if it is an individual, it is of the full age of majority in the jurisdiction in which it is resident and is legally capable and competent to execute and be bound by this Subscription Agreement and take all action and to perform the covenants and obligations pursuant hereto; and
- (s) the Subscriber has had adequate time to review this Subscription Agreement; and
- (t) this Subscription Agreement has been duly and validly authorized, executed and delivered and, when accepted by the Corporation, will constitute a legal, valid, binding and enforceable obligation of the Subscriber; and
- (u) in the case of a subscription by it for Units acting as agent for a Disclosed Beneficial Purchaser, it is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such Disclosed Beneficial Purchaser and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such Disclosed Beneficial Purchaser and the Subscriber acknowledges that the Corporation is required by law to disclose to certain principal regulatory authorities the identity of each Disclosed Beneficial Purchaser for whom the Subscriber may be acting; and
- (v) it has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Offered Securities and is able to bear the economic risk of loss of its investments or, where it is not purchasing as principal, each Disclosed Beneficial Purchaser, is able to bear the economic risk

of loss of its investment in the Offered Securities and it has had access to such information, if any, concerning the Corporation and the terms and conditions of the Offering as it considered necessary in connection with its investment decision; and

- (w) it confirms that none of the Corporation or any of its respective directors, officers, employees or representatives have made any representations (oral or written) to the Subscriber:
 - (i) that any person will resell or repurchase any of the Offered Securities;
 - (ii) that any person will refund the purchase price of any of the Offered Securities; or
 - (iii) as to the future price or value of any of the Offered Securities; and
- (x) it acknowledges that the Corporation's counsel is acting as counsel to the Corporation and not as counsel to the Subscriber; and
- (y) the Subscriber is relying solely upon this Subscription Agreement and publicly available information relating to the Corporation and, other than as stated herein, not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation; and
- (z) it acknowledges that this Subscription Agreement is not enforceable by the Subscriber until the Subscription Agreement has been accepted by the Corporation; and
- (aa) it understands, acknowledges and is aware that Units are being offered for sale only on a "private placement" basis and that the sale of Units and delivery of the Common Shares and Warrants is conditional upon such sale being exempt from the requirements under applicable securities laws as to the filing of a prospectus or delivery of an offering memorandum or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the filing of a prospectus or delivering an offering memorandum and, as a consequence: (i) it is restricted from using most of the civil remedies available under securities legislation; (ii) the common law may not provide it with an adequate remedy in the event that it suffers investment loss in connection with securities acquired in a private placement; (iii) it may not receive information that would otherwise be required to be provided to it under securities legislation; and (iv) the Corporation is relieved from certain obligations that would otherwise apply under securities legislation; and
- (bb) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Common Shares and Warrants including, without limitation: (i) in the case of an "accredited investor" resident in one of the provinces or territories of Canada, a Representation Letter in the form attached as **Exhibit 1**, including **Appendix A** and, if applicable, the Accredited Investor Risk Acknowledgment Form in the form attached as **Appendix B**; (ii) if the Subscriber is purchasing under subparagraph 9(e)(iii) hereof as a "close personal friend" or "close business associate", the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Risk Acknowledgment Form attached as **Exhibit 3** to this Subscription Agreement; (iii) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario and is purchasing under subparagraph 9(e)(iii), **Exhibit 4** to this Subscription Agreement; and (iv) if the Subscriber is not an individual and beneficially owns, directly or indirectly, 5% or more of the Corporation's voting securities after the Offering and the Subscriber has not previously filed a Form 4C with the TSX Venture Exchange, a fully executed and completed copy of Form 4C - Corporate Placee Registration Form attached hereto as **Exhibit 5**; and
- (cc) if the Subscriber: (i) is a corporation and beneficially owns, directly or indirectly, 5% or more of the Corporation's voting securities after the Offering; and (ii) has not completed a Form 4C - Corporate Placee Registration Form attached hereto as **Exhibit 5**, then the Subscriber represents that it has previously filed a Form 4C - Corporate Placee Registration Form with the TSX Venture Exchange; and
- (dd) the Subscriber does not act jointly or in concert with another subscriber for Units for the purposes of the acquisition of the Offered Securities; and

- (ee) the entering into of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber, or if the Subscriber is not a natural person, any of the Subscriber's constating documents, or any agreement to which the Subscriber is a party or by which it is bound; and
- (ff) the delivery of this Subscription Agreement, the acceptance hereof by the Corporation and the issuance of the Common Shares and Warrants to the Subscriber complies or will comply with all applicable laws of the Subscriber's jurisdiction of residence and domicile and will not cause the Corporation or any of its officers or directors to become subject to or require any disclosure, prospectus or other reporting requirement; and
- (gg) unless it is purchasing under Section 9(e)(iii)(l) hereof, the Subscriber is not a "control person" of the Corporation, as that term is defined in the *Securities Act* (Alberta), will not become a "control person" of the Corporation by purchasing the number of Units subscribed for under this Subscription Agreement, and does not intend to act jointly or in concert with any other person to form a control group in respect of the Corporation; and
- (hh) no authorization, consent, order, approval or notice of any federal, provincial, territorial, municipal or foreign regulatory body or official must be obtained or given, and no waiting period must expire, in order that this Subscription Agreement and the transactions contemplated herein can be consummated by the Subscriber; and
- (ii) the Subscriber acknowledges that it has been encouraged to obtain independent legal, income tax and investment advice with respect to its subscription for these Units and accordingly, had the opportunity to acquire an understanding of the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Subscription Agreement.

Rights Offering by the Corporation

10. The Subscriber acknowledges that the Corporation announced on November 21, 2017 its intention to conduct a rights offering (the "**Rights Offering**") to the holders of its Common Shares. The Subscriber acknowledges and agrees that the Subscriber waives his, her or its entitlement to participate in the Rights Offering with respect to the Offered Securities, regardless of the record date of the Rights Offering and undertakes not to exercise, sell, transfer or convey an interest in any of the rights issued thereunder in the event that the record date of the Rights Offering occurs after the Closing Date and has together with this Subscription Agreement executed and delivered **Exhibit 6** attached to this Subscription Agreement.

Representations, Warranties and Covenants of the Corporation

11. By accepting this Subscription Agreement, the Corporation represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) both at the date hereof and at the Closing Time that:

- (a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Offered Securities; and
- (b) this Subscription Agreement, once accepted, constitutes a binding obligation of the Corporation enforceable in accordance with its terms; and
- (c) the execution and delivery of, and the performance of the terms of, this Subscription Agreement by the Corporation, including the issuance of the Common Shares and Warrants, does not and will not constitute a breach of or default under the constating documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound.

Closing

12. The Subscriber agrees to deliver to the Corporation's counsel McCarthy Tétrault LLP, Suite 4000, 421 - 7th Avenue S.W., Calgary, Alberta T2P 4K9, Attention: Ben Layton (fax: 403.260.3501 - email: blayton@mccarthy.ca) not

later than 4:00 p.m. (Calgary time) two business days prior to the Closing Date, or by such other time as is acceptable to the Corporation:

- (a) this duly completed and executed Subscription Agreement;
- (b) if the Subscriber is an “accredited investor”, a fully executed and completed Representation Letter in the form attached as **Exhibit 1**, including **Appendix A** and, if applicable, the Accredited Investor Risk Acknowledgment Form in the form attached as **Appendix B**;
- (c) if the Subscriber is purchasing under subparagraph 9(e)(iii) hereof as a “close personal friend” or “close business associate”, the Questionnaire attached hereto in **Exhibit 2** and if the Subscriber is resident in or otherwise subject to the applicable securities laws of Saskatchewan, the Subscriber has concurrently executed the Risk Acknowledgement Form attached as **Exhibit 3** to this Subscription Agreement;
- (d) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario and is purchasing under subparagraph 9(e)(iii), **Exhibit 4** to this Subscription Agreement;
- (e) if the Subscriber is not an individual and beneficially owns, directly or indirectly, 5% or more of the Corporation’s voting securities after the Offering and the Subscriber has not previously filed a Form 4C with the TSX Venture Exchange, a fully executed and completed copy of Form 4C - Corporate Placee Registration Form attached hereto as **Exhibit 5**;
- (f) a fully executed and completed Agreement and Direction with Respect to Rights Offering in the form of **Exhibit 6**; and
- (g) such other documents as may be required or requested of the Subscriber by the Corporation or its counsel as contemplated herein.

13. The Subscriber further agrees to deliver the Aggregate Subscription Price by way of certified cheque or bank draft payable to “Target Capital Inc.” for an amount equal to the Aggregate Subscription Price or payment of the same amount in such other manner as is acceptable to the Corporation not later than 4:00 p.m. (Calgary time) two business days prior to the Closing Date. If this Subscription Agreement is rejected in whole or in part, the Subscriber acknowledges that the unused portion of the Aggregate Subscription Price will be promptly returned to it without interest.

14. The closing of the Offering will be completed at the offices of McCarthy Tétrault LLP, the Corporation’s counsel, at Suite 4000, 421 – 7th Avenue S.W., Calgary, Alberta. The closing will occur at 8:00 a.m. (Calgary time) or such other time agreed on by the Corporation (the “**Closing Time**”) either (a) December 15, 2017; or (b) January 26, 2018 if a meeting is required among the holders of the Common Shares, or as such other date agreed on by the Corporation and the investors of the Offering (the “**Closing Date**”).

15. The Corporation shall be entitled to rely on delivery of a facsimile or electronically scanned (PDF) copy of executed subscriptions, and acceptance by the Corporation of such facsimile or electronically scanned subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof. Notwithstanding the foregoing, upon the request of the Corporation, the Subscriber shall deliver originally executed copies of the documents listed in Section 12 hereof to the Corporation within two business days of such request. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

General

16. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time and will survive the completion of the issuance of the Common Shares and Warrants. The representations, warranties and covenants of the Subscriber herein are made with the intent that they be relied upon by the Corporation and its counsel in determining the eligibility of a purchaser of Units and the Subscriber agrees to indemnify the Corporation and its directors, officers, employees, advisors, affiliates, shareholders, partners and agents from and against any and all loss, liability, claim, damage and expense whatsoever including, but not limited to, any fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, administrative

proceeding or investigation commenced or threatened or any claim whatsoever arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Corporation in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Corporation in connection herewith. The Subscriber undertakes to immediately notify the Corporation, c/o McCarthy Tétrault LLP, Suite 4000, 421 - 7th Avenue S.W., Calgary, Alberta T2P 4K9, Attention: Sony Gill (fax: 403.260.3501 – email: sgill@mccarthy.ca) of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time.

17. The Subscriber, on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, acknowledges and consents to the fact that the Corporation is collecting its personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time), or that of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, for the purpose of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to purchase the Units under applicable securities laws, preparing and registering certificates representing the Offered Securities to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. The Subscriber, on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, acknowledges and consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices. The Subscriber, on its own behalf and, if applicable, on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, further acknowledges and consents to the fact that the Corporation may be required by the securities laws of the applicable jurisdictions, the rules and policies of any securities commission, stock exchange or the rules of the Investment Dealers Association of Canada to provide regulatory authorities with any personal information provided by the Subscriber in this Subscription Agreement. The Subscriber represents and warrants, as applicable, that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each Disclosed Beneficial Purchaser for whom it is contracting hereunder. In addition to the foregoing, it agrees and acknowledge that the Corporation may use and disclose its personal information, or that of each Disclosed Beneficial Purchaser for whom it is contracting hereunder, as follows:

- (a) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Subscriber or any Disclosed Beneficial Purchaser for whom it is contracting hereunder;
- (b) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency;
- (c) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings;
- (d) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
- (e) disclosure to professional advisors of the Corporation in connection with the performance of their professional services;
- (f) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Subscriber's prior written consent;
- (g) disclosure to a court determining the rights of the parties under this Subscription Agreement; or
- (h) for use and disclosure as otherwise required or permitted by law.

18. Furthermore, the Subscriber is hereby notified that:

- (a) the Corporation may deliver to the Ontario Securities Commission certain personal information pertaining to the Subscriber, including such Subscriber's full name, residential address and telephone number, the number of Units purchased by the Subscriber and the total purchase price paid for such Units, the prospectus exemption relied on by the Corporation and the date of distribution of the Common Shares and Warrants;

- (b) such information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation;
- (c) such information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and
- (d) the Subscriber may contact the following public official in Ontario with respect to questions about the Ontario Securities Commission's indirect collection of such information at the following address and telephone number:

Administrative Support Clerk
Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8086

19. If the Subscriber (or if applicable a Disclosed Beneficial Principal) is resident in or otherwise subject to the applicable securities laws of the Province of British Columbia, the Subscriber is hereby notified that: (i) the Corporation may deliver to the British Columbia Securities Commission certain personal information pertaining to the Subscriber, including such Subscriber's full name, residential address and telephone number, whether the Subscriber is an insider of the Corporation or a registrant, the number of Units purchased by the Subscriber and the total purchase price paid for such Units, the prospectus exemption relied on by the Corporation and the date of distribution of the Common Shares and Warrants; (ii) such information is being collected indirectly by the British Columbia Securities Commission under the authority granted to it in securities legislation; (iii) such information is being collected for the purposes of the administration and enforcement of the securities legislation of British Columbia; (iv) certain information pertaining to the Subscriber will be available for public inspection at the British Columbia Securities Commission during normal business hours, including the Subscriber's full name, whether the Subscriber is an insider of Corporation or a registrant, the number of Units purchased by the Subscriber, and the total purchase price paid for such Units and, if the Subscriber is an insider or promoter of the Corporation, the number, type and total consideration paid for all securities of the Corporation beneficially owned or directly or indirectly controlled, on the Closing Date, by such insider or promoter; and (v) the Subscriber may contact the following public official in British Columbia with respect to questions about the British Columbia Securities Commission's indirect collection of such information at the following address and telephone number:

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2 Telephone: (604) 899-6500
Toll free across Canada: 1-800-373-6393 Facsimile. (604) 899-6581

20. The Subscriber has authorized the indirect collection of the information in Section 18 by the Ontario Securities Commission and Section 19 by the British Columbia Securities Commission.

21. The Subscriber represents and warrants that the funds representing the Aggregate Subscription Price which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge (a) none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (b) it will promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

22. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.

23. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

24. Time shall be of the essence hereof.

25. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

26. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Corporation and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a Subscriber who is acting as nominee or agent to the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not be assignable by any party without prior written consent of the other parties.

27. The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.

28. Neither this Subscription Agreement nor any provision hereof shall be waived, modified, changed, discharged or terminated except only by a written instrument signed by each party against whom the waiver, change, discharge or termination is sought.

29. The invalidity, illegality or unenforceability of any provision in this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

30. The Subscriber acknowledges and agrees that acceptance of this Subscription Agreement will be conditional, among other things, upon the sale of Units to the Subscriber being exempt from any prospectus and offering memorandum requirements of all applicable securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at closing of the certificates representing the Common Shares and Warrants to or upon the direction of the Subscriber in accordance with the provisions hereof.

31. The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof.

32. The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.

33. In this Subscription Agreement (including attachments), references to "\$" or "Cdn. \$" are to Canadian dollars.

34. The Subscriber and each beneficial purchaser, if any, acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of Units be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à l'achat des securities soient rédigés en anglais seulement.*

In addition to completing the first page of this Subscription Agreement and the applicable sections of the Terms and Conditions, please also complete the attached exhibits, as applicable.

**EXHIBIT 1
REPRESENTATION LETTER**

(FOR ACCREDITED INVESTORS)

TO: TARGET CAPITAL INC. (the "Corporation")

In connection with the agreement to purchase units of the Corporation ("**Units**"), each Unit comprised of one common share in the capital of the Corporation ("**Common Share**") and one Common Share purchase warrant by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Exhibit 1), hereby represents, warrants, covenants and certifies to the Corporation, both as at the date hereof and as of the Closing Time (as defined in the Subscription Agreement):

1. The Subscriber is resident in or is otherwise subject to the applicable securities laws of a jurisdiction of Canada;
2. The Subscriber:
 - (a) is:
 - (i) purchasing the Units as principal for its own account or complies with the provisions of paragraph 9(c) of the Subscription Agreement; and
 - (ii) an "accredited investor", as such term is defined: (A) if the Subscriber is resident in or otherwise subject to the applicable securities laws of a province of Canada other than Ontario, in National Instrument 45-106 entitled "*Prospectus Exemptions*" ("**NI 45-106**") promulgated under applicable securities legislation in such jurisdictions; or (B) if the Subscriber is resident in or otherwise subject to the applicable securities laws of Ontario, in Section 73.3(1) of the *Securities Act* (Ontario), by virtue of satisfying the indicated criterion as set out in Appendix "A" to this Representation Letter; or
 - (b) is an "accredited investor" as such term is defined in paragraphs (p) or (q) of the definition of "accredited investor" in NI 45-106 or the *Securities Act* (Ontario), as applicable, by virtue of satisfying the indicated criterion as set out in Appendix "A" to this Representation Letter;
3. The Subscriber fully understands the meaning of the terms and conditions of the category of "accredited investor" applicable to it, has had an opportunity to discuss the meaning of the category of "accredited investor" applicable to it with a representative of the Corporation, and confirms that it has reviewed and understands the definitions in Appendix "A" to this Representation Letter in respect of the category of "accredited investor" applicable to it and, in particular, if the Subscriber is an "accredited investor" by virtue of satisfying paragraph (j), (j.1), (k) or (l) of Appendix "A" to this Representation Letter, it has reviewed and understands the meaning and calculation of "financial assets", "related liabilities" and "net assets", as applicable, contained in Appendix "A" hereto;
4. The Subscriber was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106 or the *Securities Act* (Ontario), as applicable;
5. If the Subscriber is relying on paragraphs (j), (k) or (l) of the definition of "accredited investor" in NI 45-106 or the *Securities Act* (Ontario), as applicable, the Subscriber has executed and delivered a Risk Acknowledgment Form set out in Appendix "B" to this Representation Letter which, upon execution, shall be incorporated into and form a part of the Subscription Agreement and the Corporation and its counsel shall be entitled to rely thereon; and
6. Upon execution of this Exhibit 1 by the Subscriber, this Exhibit 1 shall be incorporated into and form a part of the Subscription Agreement and the Corporation and its counsel shall be entitled to rely thereon.

Dated: _____.

IMPORTANT: PLEASE INITIAL THE APPLICABLE PROVISION IN APPENDIX A ON THE NEXT PAGES AND, IF APPLICABLE, COMPLETE APPENDIX B

Print Name of Subscriber

By: _____
Signature

Print Name of Signatory (if different from Subscriber)

Title

APPENDIX "A" TO EXHIBIT 1

NOTE: THE INVESTOR MUST INITIAL OR OTHERWISE MARK BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Accredited Investor - (defined in National Instrument 45-106 or Section 73.3(1) of the *Securities Act* (Ontario)) means:

- _____ (a) a Canadian financial institution, or an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); or
- _____ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- _____ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; or
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; or
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); or
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada; or
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec; or
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or
- _____ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada; or

- _____ (j) an individual who, either alone or with a spouse, beneficially owns **financial assets** having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000; or

(Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of "financial assets" below. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of "related liabilities" below. In the case where financial assets are held in a trust or in another type of investment vehicle for the benefit of an individual there may be questions as to whether the individual beneficially owns the financial assets. The following factors are indicative of beneficial ownership of financial assets: (i) physical or constructive possession of evidence of ownership of the financial asset; (ii) entitlement to receipt of any income generated by the financial asset; (iii) risk of loss of the value of the financial asset; and (iv) the ability to dispose of the financial asset or otherwise deal with it as you see fit. For example, securities held in a self-directed RRSP, for your sole benefit, are beneficially owned by you. In general, financial assets in a spousal RRSP would also be included for the purposes of the financial assets test in this paragraph (j); however, financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you. If you meet the higher financial asset threshold set out in paragraph (j.1) as an individual exclusive of your spouse, then initial paragraph (j.1) instead of this paragraph (j).)

Please provide the following information to the best of your knowledge based on the most recent information available to you:

Aggregate realizable value of financial assets before taxes \$ _____

Related liabilities \$ _____

(Note: If the Subscriber is relying on this category of Accredited Investor to purchase the Units, the Subscriber must also complete in duplicate Appendix "B" to this Representation Letter.)

- _____ (j.1) an individual who beneficially owns **financial assets** having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000; or

(Note: See the definition of "financial assets" below and the guidance in paragraph (j) above. The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1).)

Please provide the following information to the best of your knowledge based on the most recent information available to you:

Aggregate realizable value of financial assets before taxes \$ _____

Related liabilities \$ _____

- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or

Please provide the following information (based on your two most recent notices of assessment from the Canada Revenue Agency or equivalent):

Net income before taxes	Last year	Range – Less than \$100,000 <input type="checkbox"/>	State Amount: \$ _____
		Range – \$100,000 to \$200,000 <input type="checkbox"/>	
		Range – \$201,000 to \$300,000 <input type="checkbox"/>	
		Range – \$301,000 to \$400,000 <input type="checkbox"/>	
		Range – Greater than \$401,000 <input type="checkbox"/>	

Year prior to last	Range – Less than \$100,000 <input type="checkbox"/>	State Amount: \$ _____
	Range – \$100,000 to \$200,000 <input type="checkbox"/>	
	Range – \$201,000 to \$300,000 <input type="checkbox"/>	
	Range – \$301,000 to \$400,000 <input type="checkbox"/>	
	Range – Greater than \$401,000 <input type="checkbox"/>	

<u>If applicable</u> , net income before taxes of your spouse	Last year	Range – Less than \$100,000 <input type="checkbox"/>	State Amount: \$ _____
		Range – \$100,000 to \$200,000 <input type="checkbox"/>	
		Range – \$201,000 to \$300,000 <input type="checkbox"/>	
		Range – \$301,000 to \$400,000 <input type="checkbox"/>	
		Range – Greater than \$401,000 <input type="checkbox"/>	

Year prior to last	Range – Less than \$100,000 <input type="checkbox"/>	State Amount: \$ _____
	Range – \$100,000 to \$200,000 <input type="checkbox"/>	
	Range – \$201,000 to \$300,000 <input type="checkbox"/>	
	Range – \$301,000 to \$400,000 <input type="checkbox"/>	
	Range – Greater than \$401,000 <input type="checkbox"/>	

(Note: If the Subscriber is relying on this category of Accredited Investor to purchase the Units, the Subscriber must also complete in duplicate Appendix "B" to this Representation Letter.)

- _____ (l) an individual who, either alone or with a spouse, has **net assets** of at least \$5,000,000;
or

(Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage or equity line of credit). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the Closing Date.)

Please provide the following information by subtracting your total liabilities from your total assets:

Total Assets	\$ _____
<u>Minus</u> , Total Liabilities (including outstanding taxes)	- \$ _____
<u>Equals</u> , Net Assets	= \$ _____

(Note: If the Subscriber is relying on this category of Accredited Investor to purchase the Units, the Subscriber must also complete in duplicate Appendix "B" to this Representation Letter.)

(Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under paragraphs (t) or (w) below, which must be initialed and the applicable information provided.)

- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or
- _____ (n) an investment fund that distributes or has distributed its securities only to:
- (i) a person that is or was an accredited investor at the time of the distribution, or
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 or 2.19 of National Instrument 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106; or
- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt; or
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or
- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; or

- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function; or
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors (as defined in National Instrument 45-106); or

If you initialled (t), then indicate the name and category of accredited investor (by reference to the applicable letter above) of each of the owners of interests (attach additional pages if more than three):

<u>Name</u>	<u>Category of Accredited Investor</u>
_____	_____
_____	_____
_____	_____

- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator an accredited investor; or
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

Note: If you initialled (w), then indicate the name and category of accredited investor (by reference to the applicable letter above) of each of the following (attach additional pages if more than three trustees):

	<u>Name</u>	<u>Category of Accredited Investor</u>
Individual who established trust:	_____	_____
Trustee	_____	_____
Trustee	_____	_____
Trustee	_____	_____

For the purposes hereof:

- (a) **“bank”** means a bank named in Schedule I or II of the *Bank Act* (Canada);
- (b) **“Canadian financial institution”** means
 - (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (x) **“consultant”** means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that:
 - (i) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution,
 - (ii) provides the services under a written contract with the issuer or a related entity of the issuer, and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer,
 and includes
 - (iv) for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner, and
 - (v) for a consultant that is not an individual, an employee, executive officer, or director of the consultant, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer;
- (c) **“control person”** has the same meaning as in securities legislation and generally means any person that holds or is one of a combination of persons that holds:
 - (i) a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, and
 - (ii) if a person holds more than 20% of the outstanding voting rights attached to all outstanding voting securities of an issuer, the person is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer;
- (d) **“director”** means:
 - (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
 - (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

- (e) **“eligibility adviser”** means:
- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
 - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - (iii) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (iv) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (f) **“executive officer”** means, for an issuer, an individual who is
- (i) a chair, vice-chair or president,
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
 - (iii) performing a policy-making function in respect of the issuer;
- (g) **“financial assets”** means
- (i) cash,
 - (ii) securities, or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (h) **“foreign jurisdiction”** means a country other than Canada or a political subdivision of a country other than Canada;
- (i) **“founder”** means, in respect of an issuer, a person who,
- (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the distribution or trade is actively involved in the business of the issuer;
- (j) **“fully managed account”** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (k) **“individual”** means a natural person, but does not include:

- (i) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or trust, or
 - (ii) a natural person in the person's capacity as trustee, executor, administrator or other legal representative;
- (l) **"insider"** means:
- (i) a director or an officer of an issuer,
 - (ii) a director or an officer of a person that is itself an insider or a subsidiary of an issuer,
 - (iii) a person that has:
 - (A) beneficial ownership of, or control or direction over, directly or indirectly, or
 - (B) a combination of beneficial ownership of, and control or direction over, directly or indirectly,
- securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution,
- (iv) an issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for long as it continues to hold that security,
 - (v) a person designated as an insider in an order made under section 3.2, or
 - (vi) person that is in a prescribed class of persons;
- (m) **"investment fund"** has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (n) **"jurisdiction"** means a province or territory of Canada except when used in the term foreign jurisdiction;
- (o) **"local jurisdiction"** means the jurisdiction in which the Canadian securities regulatory authority is situate;
- (p) **"permitted assign"** means, for a person that is an employee, executive officer, director or consultant of an issuer or of a related entity of the issuer,
- (i) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the person,
 - (ii) a holding entity for the person,
 - (iii) a RRSP, RRIF, or TFSA of the person,
 - (iv) a spouse of the person,
 - (v) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of the person,
 - (vi) a holding entity of the spouse of the person,

- (vii) a RRSP, RRIP or TFSA of the spouse of the person;
- (q) **“person”** includes
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (r) **“registrant”** means a person registered or required to be registered under the applicable securities laws;
- (s) **“regulator”** means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;
- (t) **“related entity”** means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer;
- (u) **“related liabilities”** means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets.
- (v) **“Schedule III bank”** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (w) **“spouse”** means, an individual who,
 - (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
 - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (x) **“subsidiary”** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

Affiliated Entities, Control and Subsidiaries

1. A person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other, or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.
2. A person or company is considered to be controlled by a person or company if

- (a) in the case of a person or company,
 - (i) voting securities of the first mentioned person or company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of, the other person or company, and
 - (ii) the votes carried by the securities are entitled, if exercise, to elect a majority of the directors of the first mentioned person or company.
 - (b) in the case of a partnership that does not have directors, other than a limited partnership, the second mentioned person or company holds more than 50% of the interests in the partnership; or
 - (c) in the case of a limited partnership, the general partner is the second mentioned person or company.
3. A person or company is considered to be a subsidiary entity of another person or company if
- (a) it is controlled by,
 - (iii) that other; or
 - (iv) that other and one or more persons or companies, each of which is controlled by that other; or
 - (v) two or more persons or companies, each of which is controlled by that other; or
 - (vi) it is a subsidiary entity of a person or company that is the other's subsidiary entity.

All monetary references are in Canadian dollars

APPENDIX "B" TO EXHIBIT 1

RISK ACKNOWLEDGEMENT FORM FOR CERTAIN INDIVIDUAL ACCREDITED INVESTORS

To be completed by individuals investing under categories (j), (k) or (l) of the definition of "accredited investor" in National Instrument 45-106 – Prospectus Exemptions or Section 73.3 of the Securities Act (Ontario), which are reproduced in Appendix "A" to Exhibit 1 as paragraphs (j), (k) or (l), as applicable. Note that individuals investing under category (j.1) of the definition of "accredited investor" in National Instrument 45-106 – Prospectus Exemptions or Section 73.3 of the Securities Act (Ontario) do not need to complete this form.

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Units, each comprised of one Common Share and one Common Share purchase Warrant	Issuer: Target Capital Inc.
Purchased from: Target Capital Inc. (the Issuer)	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____. [<i>Instruction: Insert the total dollar amount of the investment.</i>]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials

<ul style="list-style-type: none"> Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) 	
<ul style="list-style-type: none"> Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	
Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	Dealer Rep. Code:
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
For more information about this investment	
c/o McCarthy Tétrault LLP 4000, 421 - 7 th Avenue S.W. Calgary, Alberta T2P 4K9 Contact: Sonny Mottahed Phone Number: 403.351.1779 Email Address: sonny@bcmc.ca	
For more information about prospectus exemptions, contact your local contact information at www.securities-administrators.ca.	

Form instructions:

- The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.

- 2. The purchaser must sign this form. Each of the purchaser and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.*

EXHIBIT 2

CLOSE PERSONAL FRIEND/CLOSE BUSINESS ASSOCIATE QUESTIONNAIRE

To be completed by Subscribers to whom section 9(e)(iii)(IV), (V), (VI), (VIII) or (IX) of the Subscription Agreement applies.

Name of director, executive officer, control person or founder of whom Subscriber is a close personal friend/close business associate

Length of relationship

Details of relationship or prior business dealings

The undersigned understands that the Corporation is relying on this information in determining to sell securities to the undersigned in a manner exempt from the registration and prospectus requirements of applicable securities laws.

Date: _____.

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from Subscriber)

Title

MEANING OF "CLOSE PERSONAL FRIEND" AND "CLOSE BUSINESS ASSOCIATE"
AS DESCRIBED IN COMPANION POLICY 45-106CP TO NATIONAL INSTRUMENT 45-106
PROSPECTUS EXEMPTIONS

Meaning of "close personal friend"

A "close personal friend" of a director, executive officer, founder or control person of an issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment. The term "close personal friend" can include a family member who is not already specifically identified in the exemptions if the family member satisfies the criteria described above.

The following factors are relevant in determining whether a relationship is that of a close personal friend:

- (a) the length of time the individual has known the director, executive officer, founder or control person,
- (b) the nature of the relationship between the individual and the director, executive officer, founder or control person including such matters as the frequency of contacts between them and the level of trust and reliance in the other circumstances, and
- (c) the number of "close personal friends" of the director, executive officer, found or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close personal friend solely because the individual is:

- (a) a relative,
- (b) a member of the same organization, association or religious group,
- (c) a co-worker, colleague or associate at the same workplace,
- (d) a client, customer, former client or former customer,
- (e) a mere acquaintance, or
- (f) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the individual and the director, executive officer, founder or control person must be direct. For example the exemption is not available to a close personal friend of a close personal friend of a director of the issuer.

A relationship that is primarily founded on participation in an Internet forum is not considered to be a relationship of a close personal friend.

Meaning of "close business associate"

A "close business associate" is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the issuer to be in a position to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment.

The following factors are relevant in determining whether a relationship is that of a close business associate:

- (a) the length of time the individual has known the director, executive officer, founder or control person,
- (b) the nature of any specific business relationships between the individual and the director, executive officer, founder or control person, including, for each relationship, when it began, the frequency of contact between them and when it terminated if it is not ongoing, and the level of trust and reliance in the other circumstances,
- (c) the nature and number of any business dealings between the individual and the director, executive officer, founder or control person, the length of the period during which they occurred, and the nature and date of the most recent business dealing, and
- (d) the number of "close business associates" of the director, executive officer, founder or control person to whom securities have been distributed in reliance on the private issuer exemption or the family, friends and business associates exemption.

An individual is not a close business associate solely because the individual is:

- (a) a member of the same club, organization, association or religious group,
- (b) a co-worker, colleague or associate at the same workplace,
- (c) a client, customer, former client or former customer,
- (d) a mere acquaintance, or
- (e) connected through some form of social media, such as Facebook, Twitter or LinkedIn.

The relationship between the individual and the director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close business associate of a close business associate of a director of the issuer.

A relationship that is primarily founded on participation in an Internet forum is not considered to be a relationship of a close business associate.

EXHIBIT 3

RISK ACKNOWLEDGEMENT FORM

(Saskatchewan Close Friends and Close Business Associates Only)

**Risk Acknowledgement
Saskatchewan Close Personal Friends and Close Business Associates**

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I could lose all the money I invest.
- I do not have a 2-day right to cancel my purchase of these securities or the statutory rights of action for misrepresentation I would have if I were purchasing the securities under a prospectus.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future.

I am a **close** personal friend or **close** business associate of _____ [state name], who is a _____ [state title - founder, director, executive officer or control person] of _____ [state name of issuer or its affiliate – if an affiliate state “an affiliate of the issuer” and give the issuer’s name].

I acknowledge that I am purchasing based on my close relationship with _____ [state name of founder, director, executive officer or control person] whom I know well enough and for a sufficient period of time to be able to assess her/his capabilities and trustworthiness.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

**W
A
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G**

EXHIBIT 4

Certain Ontario Investors Only

**RISK ACKNOWLEDGEMENT FORM FOR ONTARIO FAMILY,
FRIENDS AND BUSINESS ASSOCIATES**

WARNING!
**This investment is risky. Don't invest unless you can afford to lose all the money
you pay for this investment**

SECTION 1 TO BE COMPLETED BY THE ISSUER	
2. About your investment	
Type of securities: Units, each comprised of one Common Share and one Common Share purchase Warrant	Issuer: Target Capital Inc.
Purchased from: Target Capital Inc. (the Issuer)	
SECTION 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
3. Risk acknowledgement [Instruction: initial all boxes in Section 2]	
This investment is risky. <i>Initial that you understand that:</i>	Your initials
Risk of loss – You could lose your entire investment of \$_____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
4. Family, friend or business associate status [Instruction: initial one or more boxes that apply]	
You must meet at least one of the following criteria to be able to make this investment. <i>Initial the statement that applies to you.</i>	Your initials

<p>A. You are:</p> <p>1. <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p>	
<p>2. <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
<p>B. You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position affiliate of the issuer: _____.</p> <p>You are the _____ of that person or that person's spouse.</p> <p><i>[Instruction: To qualify for this investment, the person listed above must be (a) your spouse or (b) your or your spouse's parent, grandparent, brother, sister, child or grandchild.]</i></p>	
<p>C. You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p>D. You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
<p>5. Your name and signature</p>	
<p><i>By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. You also confirm that you are eligible to make this investment because you are a family member, close personal friend or close business associate of the person identified in section 5 of this form.</i></p>	
<p>First and last name (please print):</p>	
<p>Signature:</p>	<p>Date:</p>

SECTION 5 TO BE COMPLETED BY PERSON WHO CLAIMS THE CLOSE PERSONAL RELATIONSHIP, IF APPLICABLE	
6. Contact person at the issuer or an affiliate of the issuer	
<i>[Instruction: To be completed by the director, executive officer, control person or founder with whom the purchaser has a close personal relationship indicated under sections 3B, C or D of this form.]</i>	
<i>By signing this form, you confirm that you have, or your spouse has, the following relationship with the purchaser: [check the box that applies]</i>	
<input type="checkbox"/> family relationship as set out in section 3B of this form	
<input type="checkbox"/> close personal friendship as set out in section 3C of this form	
<input type="checkbox"/> close business associate relationship as set out in section 3D of this form	
First and last name of contact person (please print):	
Position with the issuer or affiliate of the issuer (director, executive officer, control person or founder):	
Telephone:	Email:
Signature:	Date:
SECTION 6 TO BE COMPLETED BY THE ISSUER	
7. For more information about this investment	
c/o McCarthy Tétrault LLP 4000, 421 - 7 th Avenue S.W. Calgary, Alberta T2P 4K9	
Contact: Sonny Mottahed Phone Number: 403.351.1779 Email Address: sonny@bcmc.ca	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.	
Signature of executive officer of the issuer (other than the purchaser):	Date:

Form instructions:

1. The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.
2. The purchaser, an executive officer who is not the purchaser and, if applicable, the person who claims the close personal relationship to the purchaser must sign this form. Each of the

purchaser, contact person at the issuer and the issuer must receive a copy of this form signed by the purchaser. The issuer is required to keep a copy of this form for 8 years after the distribution.

3. *The detailed relationships required to purchase securities under this exemption are set out in section 2.5 of National Instrument 45-106 Prospectus Exemptions. For guidance on the meaning of "close personal friend" and "close business associate", please refer to sections 2.7 and 2.8, respectively, of Companion Policy 45-106CP Prospectus Exemptions.*

For the purposes of a Subscriber resident in or otherwise subject to applicable securities laws of Ontario relying on paragraph 9(e)(iii) of the Subscription Agreement to which this Exhibit 4 is attached, then this Exhibit must be signed by all of the following:

- (i) the Subscriber; and
- (ii) an executive officer of the Corporation other than the Subscriber; and
- (iii) if the Subscriber is a person referred to under paragraph 9(e)(iii)(II), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who has the specified relationship with the Subscriber; or
- (iv) if the Subscriber is a person referred to under paragraph 9(e)(iii)(III), the director, executive officer or control person of the Corporation or an affiliate of the Corporation whose spouse has the specified relationship with the Subscriber; or
- (v) if the Subscriber is a person referred to under paragraph 9(e)(iii)(IV) or 9(e)(iii)(V), the director, executive officer or control person of the Corporation or an affiliate of the Corporation who is a close personal friend or a close business associate of the Subscriber; or
- (vi) the founder of the Corporation, if the Subscriber is a person referred to in paragraph 9(e)(iii)(VI) or 9(e)(iii)(VII) other than the founder of the Corporation

EXHIBIT 5

TSX venture
EXCHANGE



FORM 4C
CORPORATE PLACEE REGISTRATION FORM

This Form will remain on file with the Exchange and must be completed if required under section 4(b) of Part II of Form 4B. The corporation, trust, portfolio manager or other entity (the "Placee") need only file it on one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed Issuers. If as a result of the Private Placement, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a Personal Information Form (2A) or, if applicable, Declarations, with the Exchange.

Placee Information:

- (a) Name: _____
- (b) Complete Address: _____
- (c) Jurisdiction of Incorporation or Creation: _____
- (a) Is the Placee purchasing securities as a portfolio manager: (Yes/No)? _____
- (b) Is the Placee carrying on business as a portfolio manager outside of Canada: (Yes/No)? _____

If the answer to 2(b) above was "Yes", the undersigned certifies that:

- (d) it is purchasing securities of an Issuer on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client's express consent to a transaction;
- (e) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a "portfolio manager" business) in _____ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;
- (f) it was not created solely or primarily for the purpose of purchasing securities of the Issuer;
- (g) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and
- (h) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Issuer, and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing.

If the answer to 2(a). above was "No", please provide the names and addresses of Control Persons of the Placee:

Name *	City	Province or State	Country

* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

5. Acknowledgement - Personal Information and Securities Laws

(a) "Personal Information" means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
 - (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.
- (b) The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

Dated and certified (if applicable), acknowledged and agreed, at _____

on _____.

(Name of Purchaser - please print)

(Authorized Signature)

(Official Capacity - please print)

(Please print name of individual whose signature appears above)

THIS IS NOT A PUBLIC DOCUMENT

EXHIBIT 6
AGREEMENT AND DIRECTION WITH RESPECT
TO RIGHTS OFFERING

_____, 2017

To the Undersigned Subscriber for units, each unit consisting of one common share ("**Common Share**") and one half of one Common Share purchase warrant ("**Warrant**") of Target Capital Inc. (the "**Corporation**")

Dear Sir/Madame:

Re: Waiver of Right to Participate in Rights Offering and Prohibition of Transfer

The Corporation has reached an agreement (the "**Reorganization Agreement**") with an investor group comprised of Sonny Mottahed, Bill Macdonald and David Cheadle (the "**Initial Investor Group**") to complete a proposed recapitalization of the Corporation consisting of: (i) an up to \$5 million recapitalization of the Corporation through a private placement (the "**Private Placement**"); (ii) the appointment of a new management team led by Mr. Sonny Mottahed (the "**New Management Team**"); (iii) the appointment of a new board of directors that will include Sonny Mottahed, Bill Macdonald, Gregory Turnbull, Matteo Volpi and Chad Oakes (the "**New Board**"); and (iv) a rights offering to the shareholders of the Corporation (the "**Rights Offering**"). Completion of the Private Placement, the appointment of the New Management Team, and the Rights Offering, are subject to standard closing conditions, including the approval of the TSX Venture Exchange (the "**TSXV**") and the Canadian Securities Exchange (the "**CSE**") and, in some cases, disinterested shareholder approval by way of written consent or a resolution at a shareholders' meeting.

In exchange for being offered the opportunity to participate in the Private Placement and other good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned subscriber for Common Shares and Warrants (the "**Subscriber**") agrees that it will waive its right to participate in the Rights Offering in respect of securities issued under the Private Placement or issued on exercise of securities issued pursuant to the Private Placement (collectively, the "**Securities**") even if the record date for the Rights Offering (the "**Record Date**") is after the closing of the Private Placement.

In furtherance of ensuring that no holder of the Securities is issued rights ("**Rights**") pursuant to the Rights Offering, the Subscriber agrees with the Corporation that:

- (a) it is intended that holders of the Securities shall waive their rights to participate in the Rights Offering in respect of the Securities, regardless of the Record Date, and regardless of who the holder is, and therefore the Subscriber undertakes not to exercise, sell, transfer or convey any interest in any of the Rights issued under the Rights Offering in respect of the Securities in the event that the Record Date occurs after the closing date of the Private Placement;
- (b) he, she or it will not sell, convey or otherwise dispose of his, her or its Securities until after the Record Date;
- (c) the Rights issued in respect of the Securities shall not be delivered to the Subscriber but shall be held by the Corporation or its transfer agent until the expiry thereof;
- (d) the Corporation may hold certificates representing the Securities (other than the Securities which are registered at the time of issuance in the name of a registered plan or a broker or other nominee provided such party provides written acknowledgment and acceptance of the terms and conditions of paragraph (b), above) in escrow pending the Record Date; and

- (e) the adjustment provisions as set forth in Sections 4(b) and 4(c) of the certificate representing the Warrants will not apply in respect of the Rights Offering.

The Subscriber represents and warrants to the Corporation, and acknowledges that the Corporation is relying upon such representations and warranties in entering into this agreement, that:

- (a) the Subscriber has good and sufficient power, authority and right to enter into this agreement;
- (b) this agreement constitutes a legal, valid and binding obligation of the Subscriber enforceable against the Subscriber in accordance with its terms, and that neither the execution of this agreement by the Subscriber nor the holding or performance consummation by the Subscriber of the rights and obligations contemplated hereby will constitute a violation of or default under, or conflict with, any contract, commitment, agreement, arrangement, understanding or restriction of any kind to which the Subscriber is a party or by which the Subscriber is bound; and
- (c) no consent, order, approval or authorization, including without limitation any regulatory approval or order or the consent of any lender to the Subscriber, is required in connection with the Subscriber's entering into of this agreement and the Subscriber's holding or performance of the rights and obligations contemplated hereby.

Assignment

No party to this agreement may assign any of its rights or obligations hereunder without the prior written consent of the other party. Subject to the foregoing, this agreement shall be binding upon and shall enure to the benefit of and be enforceable by the Subscriber and the Corporation and their respective heirs, executors, administrators, personal representatives, successors at law and permitted assigns.

Governing Law

This agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the parties irrevocably attorn to the jurisdiction of the courts of the Province of Alberta with respect to claims arising hereunder.

[Remainder of the page intentionally left blank]

If you are in agreement with the foregoing, please indicate your acceptance thereof by signing and returning a copy of this letter to the Corporation.

Yours truly,

TARGET CAPITAL INC.

By: _____
President and Chief Executive Officer

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Subscriber hereby irrevocably accepts the foregoing as of the _____ day of _____, 2017.

Subscriber Signature

Witness Signature

Name of Subscriber (please print)

Name of Witness (please print)

Address

City/Province

Postal Code

**SCHEDULE D
INITIAL INVESTOR GROUP**

Initial Investor Group

1. Sonny Mottahed
2. Bill Macdonald
3. David Cheadle
4. Gregory Turnbull
5. Matteo Volpi
6. Chad Oakes
7. Sony Gill