

REPRESENTATION LETTER FOR ACCREDITED INVESTORS

TO:

In connection with the purchase by the undersigned (the “**Subscriber**”) of securities of the Corporation as set out in the attached Subscription Agreement (the “**Securities**”), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. The Subscriber is (check one):

- (a) purchasing the Securities as principal for its own account and not for the benefit of any other person, or
- (b) deemed to be purchasing the Securities as principal by virtue of being a trust company or trust corporation described in paragraph (p) or a person described in paragraph (q) of National Instrument 45-106 - *Prospectus and Registration Exemptions*, in each case acting on behalf of accounts fully managed by it, or
- (c) purchasing the Securities as agent on behalf of one or more beneficial purchasers (“**Beneficial Purchaser**”) identified under “Name of Beneficial Purchaser” on the face page of the Subscription Agreement and each such Beneficial Purchaser is purchasing the Securities as principal for its own account and not for the benefit of any other person.

2. The Subscriber (or if the subscriber is purchasing the Securities on behalf of one or more Beneficial Purchasers then each Beneficial Purchaser) is an “accredited investor” as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions* by virtue of satisfying the criteria identified in Schedule A attached to and forming a part of this Representation Letter.

3. The Subscriber has read and understands the identified criterion of an accredited investor as set out in Schedule “A” attached to and forming a part of this Representation Letter.

4. Upon execution of this Exhibit “1” by the Subscriber, this Exhibit “1” shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____

Name of Subscriber - Please Print (if Subscriber is a corporation, trust or partnership, please use the name of the corporation, trust or partnership)

Signature of Authorized Signatory

Name and Title of Authorized Signatory if different from that of Subscriber - Please Print

IMPORTANT: PLEASE COMPLETE SCHEDULE “A” ATTACHED HERETO

SCHEDULE A

ACCREDITED INVESTOR QUESTIONNAIRE

The Subscriber certifies that the Subscriber qualifies as an “accredited investor” within the meaning of National Instrument 45-106 - Prospectus and Registration Exemptions or Section 73.3 of the *Securities Act* (Ontario), as applicable, because the Subscriber is (initial appropriate space(s)):

- (a) _____ except in Ontario, a Canadian financial institution, or a Schedule III bank;
- (a.1) _____ in Ontario, a bank listed in Schedule I, II or III of the *Bank Act* (Canada), as an association to which the *Cooperative Credit Associations Act* (Canada) applies or a contract cooperative credit society for which an order has been made under subsection 473(1) of the Act, or a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
- (b) _____ the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) _____ a subsidiary of any person or company referred to in paragraph (a), (a.1) 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;
- (d) _____ except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- (d.1) _____ in Ontario, a person or company registered under the securities legislation of a jurisdiction of Canada as an advisor or dealer;
- (e) _____ an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- (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);
- (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;
- (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;
- (h) _____ any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

- (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;
- (j) _____ an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities, exceeds \$1,000,000;
- (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;
- (k) _____ an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- (l) _____ an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
- (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;
- (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,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in 2.10 [*Minimum amount investment*] of NI 45-106, and 2.19 [*Additional investment in investment funds*] of NI 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106,
- (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;
- (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;
- (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;

- (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;
- (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;
- (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;
- (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;
- (v) _____ a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as 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: The Subscriber must initial beside the portion(s) of the above definition applicable to it and execute and date this Schedule "C".

For the purposes hereof:

- (x) **"bank"** means a bank named in Schedule I or II of the *Bank Act* (Canada);
- (y) **"Canadian financial institution"** means (a) 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 (b) 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;
- (z) **"company"** means any corporation, incorporated association, incorporated syndicate or other incorporated organization;
- (aa) **"control person"** has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons

that holds (a) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or (b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

- (bb) “**director**” means (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;
- (cc) “**eligibility adviser**” means (a) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and (b) 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
 - (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (ii) 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;
- (dd) “**entity**” means a company, syndicate, partnership, trust or unincorporated organization;
- (ee) “**executive officer**” means, for an issuer, an individual who is (a) a chair, vice-chair or president, (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or (c) performing a policy-making function in respect of the issuer;
- (ff) “**financial assets**” means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (gg) “**founder**” means, in respect of an issuer, a person who, (a) 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 (b) at the time of the trade is actively involved in the business of the issuer;
- (hh) “**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;
- (ii) “**individual**” means a natural person, but does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, or a natural

person in his or her capacity as trustee, executor, administrator or other legal personal representative;

- (jj) “**investment fund**” means a mutual fund or non-redeemable investment fund, and for greater certainty in British Columbia, includes (a) an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments and (b) a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia) whose business objective is making multiple investments;
- (kk) “**non-redeemable investment fund**” means an issuer (a) whose primary purpose is to invest money provided by its securityholders; (b) that does not invest, (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or non-redeemable investment fund; and (c) that is not a mutual fund;
- (ll) “**person**” includes (a) an individual, (b) a corporation, (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;
- (mm) “**related liabilities**” means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets;
- (nn) “**spouse**” means, an individual who, (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);
- (oo) “**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

Affiliated Entities and Control

1. An issuer is an Affiliate of another issuer if (a) one of them is a subsidiary of the other, or (b) each of them is controlled by the same person.
2. A person (first person) is considered to control another person (second person) if
 - (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,

- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

All monetary references are in Canadian Dollars.

Signature of Subscriber

The Subscriber acknowledges that it has read and understood the meaning of accredited investor and the Subscriber covenants that it has accurately indicated which category(ies) of accredited investor the Subscriber falls within.

Dated _____.

Name of Investor

By: Signature

Name and Title of Authorized Officer
(please print)