

BY-LAW NO. 3

BEING a by-law relating generally to the transaction of the business and affairs of
STARREX MINING CORPORATION LTD.

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BY-LAW NO. 3

BE IT ENACTED and it is hereby enacted as a by-law of **STARREX MINING CORPORATION LTD.** (hereinafter called the "**Corporation**") as follows:

1. Definitions. In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

- (a) "**Act**" means the *Canada Business Corporations Act*, R.S.C. 1985, chap. C-44, as amended from time to time or any act or statute that may hereafter be substituted therefor, and shall include the regulations made pursuant to the Act and any amendments or substitutions thereto;
- (b) "**Articles**" means the articles attached to the certificate of the Corporation as from time to time amended or restated, and any articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival, and any amendments thereto;
- (c) "**Board**" means the board of directors of the Corporation;
- (d) "**by-laws**" means any by-law of the Corporation from time to time in force and effect;
- (e) all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act;
- (f) words importing the singular number only shall include the plural and *vice versa*; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include individuals, sole proprietorships, partnerships, unincorporated associations, syndicates or organizations, trusts, bodies corporate and natural persons in their capacity as trustees, executors, administrators or other legal representatives; and
- (g) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

GENERAL BUSINESS

2. Registered Office. The Board may, from time to time by resolution, fix the location of the registered office of the Corporation within the municipality or geographic location in Canada specified in its Articles to be the place where the registered office of the Corporation is to be located. Such municipality or geographic location may be changed to another place in Canada by resolution and, if so changed, the Secretary of the Corporation shall file a notice of such change with Corporations Canada within fifteen days as required by the Act.

3. Seal. The Corporation may have a corporate seal if the Board so determines and, in that event, the seal shall be adopted by the Board and may be changed by resolution of the Board.

4. Fiscal Year. The fiscal year of the Corporation shall terminate on December 31 in each year until same is changed by resolution of the Board, subject to the Corporation obtaining any requisite governmental approvals.

5. Banking Arrangements. The banking business of the Corporation or any part thereof shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the Board may designate, appoint or authorize from time to time by resolution. All such banking business or any part thereof shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the Board may designate, direct or authorize from time to time by resolution and to the extent therein provided, including, but without restricting the generality of the foregoing:

- (a) the operation of the Corporation's accounts;
- (b) the making, signing, drawing, accepting, endorsing, negotiating, allotting, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;
- (c) the giving of receipts for and orders relating to any property of the Corporation;
- (d) the execution of any agreement relating to any banking business and defining the rights and powers of the parties thereto; and
- (e) the authorizing of any officer of such banker to do any act or thing on the Corporation's behalf to facilitate such banking business.

6. Execution of Instruments. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by the President and the Secretary of the Corporation, and the corporate seal of the Corporation may, when required, be affixed thereto. In addition, the Board may from time to time by resolution direct the manner in which and the person or persons by whom any contracts, documents or instruments in writing are to be executed. All contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality.

The signature or signatures of any person or persons appointed as aforesaid by resolution of the Board may, if specifically authorized by such or another resolution, be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing executed on behalf of the Corporation. All contracts, documents or instruments in writing on which the signature or signatures of any of the foregoing persons shall be so reproduced shall be deemed to have been manually signed by such persons whose signature or signatures is or are so reproduced, and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any officer or director whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing.

The term "contracts, documents or instruments in writing" as used herein shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property (real or

personal, movable or immovable), agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities, and all other paper writings.

7. Submission of Contracts or Transactions to Shareholders for Approval. The Board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same. Any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's Articles or by-laws) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

8. Voting Securities in Other Bodies Corporate. All securities of any other body corporate carrying voting rights which are held from time to time by the Corporation may be voted at all meetings of shareholders, bondholders, debenture holders or holders of such securities, as the case may be, of such other body corporate in such manner and by such person or persons as the Board shall from time to time determine by resolution. Notwithstanding the foregoing, the duly authorized signing officers of the Corporation may from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Board.

9. Custody of Securities. All securities (including warrants) owned by the Corporation shall be lodged in a safety deposit box in the name of the Corporation with a chartered bank or trust company or with such other depositories or in such other manner as may be determined from time to time by the Board. All securities (including warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation and, if issued or held in the names of more than one nominee, shall be held in the names of the nominees jointly with right of survivorship. Such securities and/or warrants shall be endorsed in blank (with endorsements guaranteed, if required) in order to enable transfer thereof to be completed and registration thereof to be effected.

10. Financial Assistance. The Board may from time to time approve the giving of financial assistance by means of a loan, guarantee or otherwise:

- (a) to any person on account of expenditures incurred or to be incurred on behalf of the Corporation;
- (b) to a subsidiary body corporate of the Corporation;
- (c) to employees of the Corporation or of any of its affiliates, whether or not they are shareholders or directors:
 - (i) to enable or assist them to purchase or erect living accommodations for their own occupation; or
 - (ii) in accordance with a plan for the purchase of shares of the Corporation or any of its affiliates to be held by a trustee; and

- (d) in any other case;

unless there are reasonable grounds for believing that:

- (i) the Corporation is or would, after giving such financial assistance, be unable to pay its liabilities as they become due; or
- (ii) the realizable value of the Corporation's assets, excluding the amount of any financial assistance in the form of a loan and in the form of any secured guarantee, would, after giving the financial assistance, be less than the aggregate of the Corporation's liabilities and the stated capital of all classes.

11. Purchase of Business as of Past Date. Where any business is bought by the Corporation as from a past date (whether such date be before or after the incorporation of the Corporation) upon terms that the Corporation shall, as from that date, take the profits and bear the losses of the business, such profits or losses (as the case may be) shall, at the discretion of the Board, be credited or debited wholly or in part to revenue account. In that case, the amount so credited or debited shall, for the purpose of ascertaining the funds available for dividends, be treated as a profit or loss arising from the business of the Corporation.

DIRECTORS

12. Power of Directors. The directors of the Corporation shall manage or supervise the management of the business and affairs of the Corporation.

Any one or more of the directors of the Corporation shall be authorized to execute, take and renew on the Corporation's behalf all bills of sale, chattel mortgages, assignments of book debts and conditional sale contracts necessary or expedient to be executed, taken and/or renewed from time to time and to make such affidavits as may be required for the registration or filing thereof. For the purposes aforesaid, such directors are hereby given full power and authority to perform and execute all acts, deeds, matters and things necessary or expedient in connection therewith.

13. Number of Directors. Subject to the Act and the Articles of the Corporation, the number of directors of the Corporation shall be that number of directors determined by the shareholders or, where applicable, determined by the Board from time to time within the minimum and maximum as permitted by the Articles of the Corporation. If and as long as the Corporation is a distributing corporation, the Board shall consist of not fewer than three individuals and at least two of the directors shall be individuals who are not officers or employees of the Corporation or any of its affiliates.

14. Quorum. A majority of the number of directors as so determined (or of the minimum number of directors required by the Articles, should the number of directors not be so determined) shall constitute a quorum at any meeting of the directors, however:

- (a) if there are only one or two directors, that one or both directors must be present at any meeting to constitute a quorum; and
- (b) a quorum determined as aforesaid shall not be less than two/fifths of the number of directors.

Notwithstanding vacancies, the remaining directors may exercise all the powers of the Board so long as a quorum of the Board remains in office.

15. Qualifications. Each director shall be 18 or more years of age and shall be an individual as defined by the Act. No person who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director. If a director acquires the status of a bankrupt or becomes of unsound mind and is so found, he shall thereupon cease to be a director. A director need not be a shareholder.

16. Resident Canadians. At least 25 per cent of the directors of the Corporation shall be resident Canadians. Where the Corporation has fewer than four directors, at least one director shall be a resident Canadian. No business shall be transacted by the Board at any meeting unless 25 per cent of the directors present are resident Canadians or unless one or more resident Canadian directors who were unable to be present (and who would have constituted such a majority had they been present) approve in writing or by telephone or other communications facilities the business transacted at the meeting. The provisions of this paragraph do not apply if the meeting is being held for the purpose of filling a vacancy on the Board.

17. Election and Term. Subject to the provisions, if any, of the Corporation's Articles, directors shall be elected by the shareholders of the Corporation to hold office until the next annual meeting of the shareholders and/or until their successors shall have been duly elected or appointed. The whole Board shall be elected at each annual meeting and all the directors then in office shall retire, but, if qualified, are eligible for re-election. The election may be by a show of hands or by a resolution of the shareholders, unless a ballot be demanded by any shareholder.

18. Advance Notice of Nomination of Directors. Subject to the Act and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which such special meeting was called was the election of directors: (a) by or at the direction or with the approval of the Board, including pursuant to a notice of meeting or management information circular approved by the Board; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the Nominating Shareholder giving the Notice provided for below in this paragraph 18 and on the record date for the notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting, or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice and other procedures set forth below in this paragraph 18.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such Nominating Shareholder must have given timely notice thereof in proper written form (the "**Notice**") to the Secretary of the Corporation at the registered office of the Corporation in accordance with this paragraph 18.

To be timely, a Nominating Shareholder's Notice to the Secretary of the Corporation must be given: (a) in the case of an annual meeting of shareholders, not less than 30, nor more than 65, days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the

date (the “**Annual Meeting Notice Date**”) on which the first public announcement of the date of the annual meeting was made, Notice by the Nominating Shareholder may not be made later than the close of business on the tenth (10th) day following the Annual Meeting Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s Notice as described above.

To be in proper written form, a Nominating Shareholder’s Notice to the Secretary of the Corporation must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person, (ii) the principal occupation, business or employment of the person for the most recent five years including, without limitation, the name and principal business of any company in which any such employment is carried on, (iii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such Notice, and (iv) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for the election of directors pursuant to the Act and Applicable Securities Laws; and (b) as to the Nominating Shareholder giving the Notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any securities of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

To be eligible for election as a director of the Corporation, the Corporation may require any proposed nominee (i) to deliver a written consent, in form and substance acceptable to the Corporation, to act as a director of the Corporation; and (ii) to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an “independent” director of the Corporation within the meaning of such term under Applicable Securities Laws, or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this paragraph 18; provided, however that nothing in this paragraph 18 shall be deemed to preclude discussions by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that properly comes before such meeting and in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act.

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such non-compliant nomination shall be disregarded.

For purposes of this paragraph 18:

- (i) “**Applicable Securities Laws**” means the *Securities Act* (Ontario) and the equivalent securities legislation of each of the other provinces and territories of Canada which are applicable to and govern the Corporation, as such statutes are amended from time to time, and the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each of provinces and territories of Canada which are applicable to and govern the Corporation;
- (ii) “**business day**” means any day other than a Saturday, Sunday or statutory holiday in the Provinces of Ontario; and
- (iii) “**public announcement**” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

Notwithstanding anything to the contrary in the by-laws, Notice given to the Secretary of the Corporation pursuant to this paragraph 18 may only be given by personal delivery, facsimile transmission or electronic mail (at such email address as stipulated from time to time by the Secretary of the Corporation for the purposes of such notices), and shall be deemed to have been given and made only at the time it is served by personal delivery, sent by electronic mail (provided such email is received) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary of the Corporation at the address of the registered office of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (local time at the registered office of the Corporation) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next subsequent day that is a business day.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph 18.

19. Removal of Directors. The shareholders may, by ordinary resolution passed at an annual or special meeting of the shareholders of the Corporation, remove any director from office. Notice of intention to pass any such resolution shall be given in the notice calling the meeting. The shareholders may, by a majority of votes cast at that meeting, elect a qualified person to fill the vacancy created by the removal of such director, failing which such vacancy may be filled by the remaining directors should a quorum be in office.

20. Vacancies on the Board. Vacancies are created on the Board when:

- (a) a director dies;
- (b) he is removed from office by the shareholders;
- (c) he ceases to be qualified for election as a director;
- (d) his written resignation is sent or delivered to the Corporation, which is effective immediately on receipt or in accordance with its terms, whichever is later;

- (e) the number of directors or the minimum number of directors is increased by the shareholders; or
- (f) the shareholders fail to elect the number of directors or the minimum number of directors.

Subject to the Act, a quorum of the Board may fill a vacancy on the Board, except a vacancy resulting from either (e) or (f) above. In the absence of a quorum of the Board or in the case of such exceptions, the Board shall call a special meeting of the shareholders to fill the vacancy. If the Board fails to call such meeting or there are no directors then in office, any shareholder may call the meeting.

21. Consent of Directors. No director shall be elected or appointed to office unless such person is present at the meeting when he is elected or appointed and does not refuse at the meeting to act as a director or, where he is not present at the meeting when he is elected or appointed, he has consented to act as a director in writing before his election or appointment or within ten days thereafter.

22. Remuneration of Directors. The directors shall be paid such remuneration as may be determined from time to time by the Board. Any remuneration so payable to a director who is also an officer or employee of the Corporation, counsel or solicitor to the Corporation or otherwise serves it in a professional capacity shall be in addition to his salary as such officer or to his professional fees, as the case may be. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred in attending Board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the Board may from time to time determine. The Board may also by resolution (which does not require confirmation by the shareholders) award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director of the Corporation.

23. Interest of Directors in Contracts. Provided that the provisions of the immediately following paragraph shall have been complied with, no director shall be disqualified by his office from contracting with the Corporation, nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or in which any director is in any way interested be liable to be voided, nor shall any director so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.

24. Declaration of Interest. It shall be the duty of every director of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, to comply with section 120 of the Act and disclose the nature and extent of such interest in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his interest. Such disclosure shall be made:

- (a) at the meeting at which a proposed contract or transaction is first considered;
- (b) if the director was not then interested in a proposed contract or transaction, at the first meeting after he becomes so interested;

- (c) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he becomes so interested; or
- (d) if a person who is interested in a contract or transaction later becomes a director, at the first meeting after he becomes a director.

Except as permitted by the Act, the director shall absent himself from that part of the meeting during which the subject contract or arrangements is discussed and shall refrain from voting in respect of the contract or transaction or proposed contract or transaction during which time the quorum will remain unaffected.

25. Standard of Care. Every director and officer of the Corporation, in exercising his powers and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the Corporation shall comply with the Act and the Corporation's Articles and by-laws.

26. Committee of Directors. The Board may appoint from its members a committee of directors, however designated, and delegate to such committee any of the powers of the Board, except those which a committee of directors has no authority to exercise under the Act. At least 25% of the members of such committee, or such other amount mandated by the Act, shall be resident Canadians. The business of the committee shall be transacted in the same manner as that set out herein for the Board. However, the committee shall have the power to fix its quorum, elect its chairman and regulate its procedure, unless otherwise determined by the Board.

DIRECTORS' MEETINGS

27. Calling of Meetings. Meetings of the Board shall be held from time to time at such place, at such time and on such day as the Chairman of the Board, if any, the President, a Vice-President who is a director or any two directors may determine, and the Secretary shall call meetings when directed or authorized by such person or persons. Notice of every meeting so called shall be given to each director in accordance with the provisions of paragraph 93 of this by-law not less than 48 hours before the time when the meeting is to be held, and such notice shall specify the general nature of any business to be transacted. No notice of a meeting shall be necessary if all of the directors are present or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting.

28. Waiver of Notice. Notice of any meeting of the Board or any irregularity in any meeting or in the notice thereof may be waived by any director in any manner, and such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at a meeting is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

29. Regular Meetings. The Board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of regular meetings of the Board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting unless the Act requires the purpose thereof or the business to be transacted thereat to be specified.

30. First Meeting of New Board. Each newly-elected Board may without notice hold its first meeting (for the purpose of organization and the election and appointment of officers) immediately following the meeting of shareholders at which such Board was elected, provided that a quorum of directors is present.

31. Adjourned Meetings. Notice of an adjourned meeting of the Board is not required if the date, time and place of the adjourned meeting is announced at the original meeting. If any of the date, time or place is not so announced but a process for giving notice thereof is so announced, notice in accordance with such process constitutes adequate notice notwithstanding such process may not comply with paragraph 27 or 93 hereof.

32. Place of Meetings. Meetings of the Board may be held at the registered office of the Corporation or at any other place within or outside of Canada. In any fiscal year of the Corporation, a majority of the meetings of the Board need not be held within Canada.

33. Participation by Telephone. With the unanimous consent of all of the directors of the Corporation present at or participating in a meeting (such consent given either before or after the meeting), a meeting of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at that meeting. If a majority of the directors participating at a meeting held as herein provided are then in Canada, the meeting shall be deemed to have been held in Canada.

34. Chairman. The Chairman at any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the Chairman of the Board, the Managing Director, the Chief Executive Officer, the President or a Vice-President. If no such officer is present, the directors present shall choose one of their number to be Chairman.

35. Votes to Govern. At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question, unless otherwise provided in the Act. In case of an equality of votes, the Chairman of the meeting shall **not** be entitled to a second or casting vote.

36. Transaction of Business by Signature. A resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors is as valid as if it had been passed at a meeting of directors duly called, constituted and held for that purpose.

OFFICERS

37. Elected or Appointed Officers. The Board may from time to time designate the offices of the Corporation, appoint officers, specify their duties and, subject to the Act, delegate to them powers to manage the business and affairs of the Corporation. At the first meeting of the new Board after the election of directors at each annual meeting of the shareholders, the Board shall appoint or elect a President and a Secretary and may appoint or elect a Chairman of the Board, a Chief Executive Officer, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a General Manager, a Chief Financial Officer, a Treasurer and such other officers, employees and agents as the Board may determine, including one or more assistants to any of the officers so appointed or elected. The persons so appointed or elected to any of the offices of the Corporation, other than the office of Chairman of the Board, may but

need not be members of the Board. One person may hold more than one office and, if the same person holds both the office of Secretary and the office of Treasurer, he may be known as the Secretary–Treasurer. Unless otherwise from time to time specified by the Board, the offices of the Corporation, if so designated, and the officers so appointed shall have the duties and powers hereinafter set forth.

38. Chairman of the Board. The Board may from time to time appoint or elect from its members a Chairman of the Board. If appointed, the Board may assign to him any of the powers and duties that are by this by–law assigned to the President and such other powers and duties as the Board may determine, subject to the Act or the Articles. The Chairman of the Board shall, when present, preside at all meetings of the Board and the shareholders of the Corporation. If so appointed by the Board, he may be the Chief Executive Officer of the Corporation and, if so appointed, shall exercise general supervision over the business and affairs of the Corporation.

39. President. The President shall be the chief operating officer of the Corporation and, in the absence of an appointed Chief Executive Officer, shall also be the chief executive officer of the Corporation and, as such, shall exercise general supervision over the day–to–day business and affairs of the Corporation. In the absence or disability of the Chairman of the Board and if the President is also a director of the Corporation, the President shall, when present, preside at all meetings of the Board, any committee of directors and the shareholders. He shall sign such contracts, documents or instruments in writing as require his signature, and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by the Board or as are incidental to his office.

40. Vice-President. During the absence or inability to act of the President, his duties may be performed and his powers may be exercised by the Vice–President or, if there are more than one, by the Vice–Presidents in order of seniority (as determined by the Board), except that no Vice–President shall preside at a meeting of the Board or at a meeting of shareholders if he is not a director. If a Vice–President exercises any such duty or power, the absence or inability to act of the President shall be presumed with reference thereto. A Vice–President shall also perform such duties and exercise such powers as the President may from time to time delegate to him or as the Board may prescribe.

41. General Manager. The General Manager, if one be appointed, shall have the general management and direction, subject to the authority of the Board and the supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Corporation not elected or appointed directly by the Board and to settle the terms of their employment and remuneration. If and so long as the General Manager is a director, he may but need not be known as the Managing Director.

42. Secretary. The Secretary shall give or cause to be given all notices required to be given to the shareholders, directors, auditors and members of committees. He shall attend all meetings of the directors and of the shareholders (at the invitation of the meeting, if he is not a director) and act as Secretary thereat, and shall enter or cause to be entered, in books kept for that purpose, minutes of all proceedings at such meetings. He shall be the custodian of the minute book, registers and corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation (except when some other officer or agent has been appointed for that purpose). The Secretary shall sign such contracts, documents or instruments in writing as require his signature, and shall perform such other duties as may from time to time be prescribed by the Board.

43. Treasurer. The Treasurer shall keep full and accurate books of account in compliance with the Act in which shall be recorded all receipts and disbursements of the Corporation and, under the direction of the Board, shall control the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. He shall render to the Board at the meetings thereof or whenever required of him an account of all his transactions as Treasurer and of the financial position of the Corporation, and shall perform such other duties as may from time to time be prescribed by the Board.

44. Other Officers. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.

45. Variation of Duties. From time to time, the Board may vary, add to or limit the powers and duties of any officer or officers.

46. Term of Office and Remuneration. In the absence of any written agreement to the contrary, the Board may remove at its pleasure any officer of the Corporation. Each officer shall continue to hold office until removed or his successor is appointed by the Board. The terms of employment and remuneration of the officers of the Corporation elected or appointed by the Board shall be settled from time to time by it.

47. Vacancies. If any office created by the Board shall be or become vacant by reason of death or resignation or in any other manner, the Board shall, in the case of the office of the President or the Secretary, appoint someone to fill the vacancy, and may but need not, in the case of all other offices, fill any vacancy.

48. Duties of Officers May Be Delegated. In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the Board may deem sufficient, the Board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

49. Agents and Attorneys. The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or out of Ontario with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

50. Fidelity Bonds. The Board may require any officer, employee or agent of the Corporation to furnish a bond for the faithful discharge of his duties in such form and with such surety as the Board may from time to time prescribe.

DIRECTORS' AND OFFICERS' LIABILITY

51. Protection of Directors and Officers. No director or officer of the Corporation shall be liable for:

- (a) the acts, receipts, neglects or defaults of any other director or officer or for joining in any receipts or other act for conformity;
- (b) any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the Board

for or on behalf of the Corporation, or through the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested;

- (c) any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited;
- (d) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation;
- (e) any loss occasioned by any error of judgment or oversight on his part; or
- (f) any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto;

unless in or as a result of any action, suit or proceeding he is adjudged to be in breach of any duty or responsibility imposed upon him under the Act or under any other statute.

52. Indemnity of Directors and Officers. Every director or officer of the Corporation (which includes any person who is a former director or officer or who acts or acted, at the Corporation's request, as a director or officer of a subsidiary body corporate of the Corporation or other corporation or entity) and his heirs, executors and administrators and his estate and effects, respectively, shall from time to time and at all times be indemnified and saved harmless, subject to the provisions of the Act, out of the funds of the Corporation from and against any liability and all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation (including a subsidiary), provided that:

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation may enter into indemnification agreements with any or all of its officers and directors providing indemnification on such terms as may be set out therein, subject to the foregoing provisions.

53. Insurance for Directors and Officers. Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers against any liability incurred by them in their respective capacities as directors and officers, as the Board may from time to time determine.

SHARES

54. Issuance. Subject to the Act and the Articles of the Corporation, the whole or any part of the authorized and unissued shares of the Corporation may be issued at such time and to such persons and for such consideration as the Board may determine. Options to purchase such shares may be granted by the Board to any person or persons at its discretion. No share shall be issued until it is fully paid, as prescribed by the Act. A decision of the Board, as evidenced by resolution, to issue shares to any person subscribing therefor (called a "subscriber") shall be deemed to constitute an allotment of such shares pursuant to the subscription therefor, and notice of such allotment need not be given to the subscriber.

55. Payment of Commissions. The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

56. Security Certificates. Unless the Board elects to use a book-based electronic share registration system, every shareholder of the Corporation shall be entitled, at his option and without payment, to a security certificate (also referred to as a "share certificate") or to a non-transferable written acknowledgement of his right to obtain a share certificate stating the number and class or series of shares held by him as shown on the securities register of the Corporation. Share certificates and acknowledgements as aforesaid shall be in such form or forms as the Board shall from time to time approve. Unless otherwise ordered by the Board, they shall be signed by the President or a Vice-President and by the Secretary or an Assistant-Secretary and need not be under the corporate seal, provided that certificates representing shares in respect of which a transfer agent and registrar (which term shall include a branch transfer agent and registrar) have been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and registrar. A share certificate shall be signed manually by at least one of such officers or by or on behalf of the transfer agent and registrar. Any additional signatures required may be printed, engraved, lithographed or otherwise mechanically reproduced in facsimile upon share certificates. Every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be valid, notwithstanding that one or both of the officers whose signature (whether manual or facsimile) appears thereon no longer holds office at the date of issue or delivery of the certificate.

57. Dealings with Registered Holder. The Corporation and any trustee appointed in respect of a security of the Corporation may, subject to the Act, treat the registered holder of a security of the Corporation as a person exclusively entitled to vote, to receive notices and any interest, dividend or other payments in respect of the security, and otherwise to exercise all of the rights and powers of a holder of the security, and is not required to inquire into the existence of or see to the performance or observance of any duty owed to a third person by such registered holder or by anyone whom it treats, as permitted or required by the Act, as the owner or registered holder thereof.

58. Replacement of Security Certificates. The Board or any officer or agent designated by the Board may, in its or his discretion, direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

59. Central and Branch Registers. The Corporation shall maintain a central securities register and a central register of transfers at its registered office or at any other place in Canada designated by the Board. It may also establish and maintain one or more branch securities registers and registers of transfers at such offices of the Corporation or other places either within or outside Canada as designated by the Board.

60. Transfer Agent and Registrar. The Board may from time to time appoint a registrar to keep the central securities register and a transfer agent to keep the central register of transfers. It may also designate from time to time branch registrars to keep the branch registers of security holders and branch transfer agents to keep the branch registers of transfers. A registrar or transfer agent may but need not be the same individual, person or corporation. The Board may at any time terminate any such appointment.

61. Transfer of Shares. Transfers of shares of the Corporation shall be registerable, upon surrender of the certificate (if any) representing such shares properly endorsed together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe (upon payment of all applicable taxes and any fees prescribed by the Board), on the register of transfers or on one of the branch registers of transfers (if any) kept by or for the Corporation in respect thereof, subject to the provisions of the Act and compliance with such restrictions on transfer (if any) as are set forth in the Articles of the Corporation.

62. Closing Register. The Board may by resolution close the register of transfers and the branch register or registers of transfers, if any, for a period of time not exceeding 48 hours, exclusive of Saturdays and holidays (as defined in the *Interpretation Act* of Canada for the time being in force), immediately preceding any meeting of the shareholders.

63. Joint Shareholders. If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof and for any dividend, bonus, return of capital, redemption price or other money payable or warrant issuable in respect of such share.

64. Deceased Shareholders. In the event of the death of a shareholder or of one of the joint shareholders, the Corporation shall not be required to make any entry in its securities register in respect thereof, any transfer of the shares or payment of any dividends thereon until production of all such documents as may be required by law and compliance with the Corporation's reasonable requirements.

SHAREHOLDERS' MEETINGS

65. Annual Meeting. The annual meeting of the shareholders of the Corporation shall be held, subject to the Act and the Articles, at such place within Canada, at such time and on such day in each year as the Board or the Chairman of the Board, the Chief Executive Officer, the President or a Vice-President who is a director may from time to time determine for the purpose of hearing and receiving the auditors' reports and financial statements required by the Act to be read and laid before the shareholders at an annual meeting, electing directors, appointing the auditors and fixing or authorizing the Board to fix auditors' remuneration and terms of

engagement, and for the transaction of such other business as may properly be brought before the meeting.

66. Special Meetings. The Board or the Chairman of the Board, the Chief Executive Officer, the President or a Vice-President who is a director shall have power at any time to call a special meeting of the shareholders of the Corporation to be held at such time and at such place within Canada as may be determined by the Board. The phrase "meeting of shareholders" wherever it occurs in this by-law shall mean and include an annual meeting of shareholders and a special meeting of shareholders, and shall also include a meeting of any class or classes of shareholders.

67. Place of Meetings. Subject to the Act or the Articles, meetings of shareholders shall be held at the registered office of the Corporation or at any other place within Canada as the Board determines.

68. Notices of Meetings of Shareholders. No public notice or advertisement of any meeting of shareholders shall be required, but notice of the time and place of each such meeting shall be given in accordance with the provisions of paragraph 93 of this by-law and the Act to:

- (a) the auditors, of the Corporation;
- (b) each director of the Corporation; and
- (c) each shareholder of record as at the close of business on the day prior to the day on which such notice is given and who is entitled to receive notice of and/or attend and vote at the meeting.

Any notice of a special meeting of shareholders shall state:

- (a) the nature of the business of the meeting in sufficient detail to permit a shareholder to form a reasoned judgment thereon; and
- (b) the text of any special resolution to be submitted to the meeting.

If the Corporation is a distributing corporation, the management shall, concurrently with or prior to sending notice of a meeting of shareholders, send a form of proxy to each shareholder who is entitled to receive notice of the meeting.

69. Omission of Notice. The accidental omission to give notice of any meeting of shareholders to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.

70. Waiver of Notice. Notice of any meeting of shareholders or any irregularity in any such meeting or in the notice thereof may be waived by any shareholder or the duly appointed proxy of any shareholder, any director or the auditor (if any) of the Corporation in any manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance at a meeting of shareholders of any person entitled to vote thereat is a waiver of notice of the meeting, except where a shareholder attends thereat for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

71. Reports to Shareholders. Subject to the provisions of the Act, if and so long as the Corporation is an distributing corporation, the Corporation shall send, not less than 21 days before each annual meeting of shareholders, a copy of the financial statements and the auditors' report and any further information required by the Act to all shareholders with the notice of the annual meeting at which such statements and report are to be approved, except to the shareholders who have informed in writing that they do not want a copy of those documents.

72. List of Shareholders Entitled to Notice. For every meeting of shareholders, the Corporation shall prepare a list of the shareholders entitled to receive notice of the meeting (arranged alphabetically and showing the number of shares held by each shareholder), which list shall be prepared:

- (a) if a record date is fixed, not later than ten days after such record date; or
- (b) if no record date is fixed:
 - (i) at the close of business on the day immediately preceding the day on which notice is given; or
 - (ii) where no notice is given, on the day on which the meeting is held.

A shareholder may examine the list of shareholders during usual business hours at the registered office of the Corporation or at the place where the Corporation's registers are kept, and at the meeting of shareholders for which the list was prepared.

73. Record Date for Notice. The Board may fix in advance a record date for the determination of the shareholders entitled to notice of a meeting of shareholders in accordance with the Act. Unless notice of the record date is waived in writing as provided in the Act, notice must be given of such determination of record date by newspaper advertisement and in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given or, where no notice is given, on the day on which the meeting is held. The record date for the determination of shareholders for any purpose other than to establish a shareholder's right to receive notice of a meeting or to vote shall be at the close of business on the day on which the directors pass the resolution relating thereto.

74. Persons Entitled to be Present. The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor, if any, of the Corporation, as well as any others who, although not entitled to vote, are entitled or required under any provision of the Act, the Articles or the by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

75. Quorum. If the Corporation is not a distributing corporation, two persons present in person holding or representing the holders of a majority of the shares entitled to vote thereat shall constitute a quorum for the transaction of business at any meeting of shareholders; otherwise, subject to paragraph 76, any two persons present in person holding or representing a holder of shares entitled to vote thereat shall constitute a quorum for the transaction of business at a meeting of shareholders. If the Corporation has only one shareholder holding all of the issued shares of the Corporation or of the class or series of shares for which a meeting of shareholders is

to be held, that shareholder present in person or by proxy may constitute a meeting. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

76. Enhanced Quorum. At any annual meeting of shareholders, or at any special meeting of shareholders, if one of the purposes for which the meeting was called was the election of directors and if nominations by any Nominating Shareholder of persons for election to the Board given in proper written form in accordance with paragraph 18 above may result in persons who were members of the Board immediately prior to any such meeting ceasing to constitute a majority of the Board following any such meeting, other than pursuant to a Change of Control of the Corporation, a quorum shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled, and holding or representing, in the aggregate, at least a majority of the votes attaching to all the shares of the Corporation entitled to be voted at the meeting (an **“Enhanced Quorum”**). In the absence of an Enhanced Quorum for the transaction of business at any such meeting, those present and entitled to vote thereat shall constitute a quorum for the purpose only of adjourning such meeting but may not transact any other business; provided, however, that any such meeting may be adjourned by no more than two adjournments for an aggregate of no more than 65 days. If an Enhanced Quorum is not present at the opening of the second adjourned meeting, if any, those present and entitled to vote at any such adjourned meeting shall constitute a quorum for the transaction of business at such adjourned meeting.

For purposes of this paragraph 76:

- (a) **“Change of Control”** shall mean:
 - (i) the acceptance of any offer and sale by the shareholders of the Corporation to any purchaser of issued and outstanding Shares of the Corporation carrying more than 50% of the voting rights attached to all of the issued and outstanding Shares of the Corporation, whether by way of a takeover bid for all or any of the Shares or otherwise; or
 - (ii) the acquisition, by whatever means (including, without limitation, amalgamation, arrangement, consolidation, take-over bid or merger), by a person (or two or more persons who in such acquisition have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of the beneficial ownership of such number of Shares or rights to Shares, which together with such person’s then owned Shares and rights to acquire Shares, if any, represent (assuming the full exercise of such rights to acquire Shares) more than 50 per cent of the voting rights of the Shares together with the Shares that would be outstanding on the full exercise of such person’s rights to acquire Shares; or
 - (iii) the closing of a transaction whereby either the Corporation merges, consolidates, amalgamates, is arranged or absorbed by or into another person and, as a result of such transaction, the shareholders of the Corporation prior to the transaction own directly or indirectly less than 50 per cent of the equity of the entity resulting from the transaction; or

- (iv) the passing of a resolution by the board or the shareholders of the Corporation to substantially liquidate its assets or wind-up its business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such rearrangement is part of a *bona fide* reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the rearrangement as existed prior to the re-arrangement); or
- (v) the sale by the Corporation of all or substantially all of its assets; or
- (vi) any other event which, in the opinion of the Board, reasonably constitutes a change of control of the Corporation;

provided however, that a Change of Control shall be deemed not to have occurred if the Board, in good faith, determines that a Change of Control was not intended to occur in the particular circumstances in question; and

- (b) “**Shares**” means the common shares in the capital of the Corporation and any other shares in the capital of the Corporation carrying the right to vote generally for the election of directors at shareholders’ meetings

77. Right to Vote. At each meeting of shareholders, every shareholder shall be entitled to vote who is entered on the list of shareholders prepared pursuant to this by-law as a holder of one or more shares carrying the right to vote at such meeting. Where a share or shares have been mortgaged or hypothecated, the person who mortgaged or hypothecated such share or shares (or his proxy) may nevertheless represent the shares at meetings of shareholders and vote in respect thereof unless, in the instrument creating the mortgage or hypothec, he has expressly empowered the holder of such mortgage or hypothec to vote thereon, in which case such holder (or his proxy) may attend meetings to vote in respect of such shares upon filing with the Secretary of the meeting sufficient proof of the terms of such instrument in accordance with paragraph 62 hereof. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

78. Representatives. Upon filing with the Secretary of the meeting in accordance with paragraph 62 hereof sufficient proof of his appointment, an executor, administrator, committee of a mentally incompetent person, guardian or trustee and any person duly appointed a proxy for a corporation appointed as such executor, administrator, committee, guardian or trustee shall represent the shares in his or its hands at all meetings of shareholders of the Corporation, and may vote accordingly as a shareholder in the same manner and to the same extent as the shareholder of record. If there be more than one executor, administrator, committee, guardian or trustee, the provisions of paragraph 80 respecting joint shareholders shall apply.

79. Proxies. Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder and one or more alternate proxyholders, who need not be shareholders, as his nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy. The instrument appointing a proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate,

by an officer or attorney thereof duly authorized. If the Corporation is a distributing corporation, a proxy shall cease to be valid after the expiration of one year from the date thereof or on such earlier date specified therein. The form of proxy shall comply with the provisions of the Act and regulations thereto, and shall be in such form as the Board may from time to time prescribe or as the Chairman of the meeting may accept as sufficient. A proxy shall be deposited with the Secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the Board may prescribe in accordance with the Act.

80. Joint Shareholders. If shares are held jointly by two or more persons, any one of them present or represented by proxy at a meeting of shareholders may vote thereon in the absence of the other or others, but, if more than one of them are present or represented by proxy, they shall vote as one shareholder.

81. Chairman. The Chairman at any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the Chairman of the Board, the Managing Director, the Chief Executive Officer, the President or a Vice-President. If no such officer is present within 15 minutes after the time appointed for the holding of the meeting, the shareholders present shall choose a person from their number to be Chairman.

82. Scrutineers. At each meeting of shareholders, one or more scrutineers may be appointed to serve at the meeting by a resolution of the meeting or by the Chairman of the meeting with the consent of the meeting. Such scrutineers need not be shareholders of the Corporation.

83. Votes to Govern. At all meetings of shareholders, every motion, resolution or question shall, unless otherwise required by the Articles or by-laws of the Corporation or by the Act, be decided by a majority of the votes duly cast on the motion, resolution or question.

84. Show of Hands. At all meetings of shareholders, every motion, resolution or question shall be decided by a show of hands, unless a ballot thereon be required by the Chairman or be demanded by any shareholder present in person or represented by proxy and entitled to vote. Upon a show of hands, every person present and entitled to vote shall have one vote. After a show of hands has been taken upon any motion, resolution or question, the Chairman may require or any shareholder present in person or represented by proxy and entitled to vote may demand a ballot thereon. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot. Whenever a vote by show of hands shall be taken upon a motion, resolution or question, unless a ballot thereon be so required or demanded, a declaration by the Chairman of the meeting that the vote upon the motion, resolution or question has been carried, carried by a particular majority or not carried and an entry to that effect in the minutes of the proceedings at the meeting shall be *prima facie* evidence of the fact without proof of the number or proportions of the votes recorded in favour of or against any resolution or other proceeding in respect of the said motion, resolution or question. The result of the vote so taken shall be the decision of the Corporation in annual or special meeting, as the case may be, upon the motion, resolution or question.

85. Ballots. If a ballot be required by the Chairman of the meeting or be duly demanded by any shareholder and the demand be not withdrawn, a ballot upon the motion, resolution or question shall be taken in such manner as the Chairman of the meeting shall direct. Upon a ballot, each shareholder who is present in person or represented by proxy shall be entitled to one

vote for each share in respect of which he is entitled to vote at the meeting. The result of the ballot shall be the decision of the Corporation in annual or special meeting, as the case may be, upon the motion, resolution or question.

86. Casting Vote. In case of an equality of votes at any meeting of shareholders, either upon a show of hands or upon a poll, the Chairman of the meeting shall **not** be entitled to a second or casting vote.

87. Adjournment. The Chairman of the meeting may, with the consent of the meeting, adjourn any meeting of shareholders from time to time to a fixed time and place. If the meeting is adjourned for less than 30 days, no notice of the time and place for the holding of the adjourned meeting need be given to any shareholder other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than 90 days, subsection 149(1) of the Act shall not apply. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form a quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

DIVIDENDS

88. Dividends. The Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. The Corporation may pay a dividend:

- (a) by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation; or
- (b) in money or property. The Board shall not declare and the Corporation shall not pay a dividend in money or property if there are reasonable grounds for believing that:
 - (i) the Corporation is or would, after the payment, be unable to pay its liabilities as they become due; or
 - (ii) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and the stated capital of all classes.

89. Dividend Cheques. A dividend payable in money (less the amount of any tax which the Corporation is required to withhold) shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared, and shall be mailed by ordinary mail, postage prepaid, to such registered holder at his last address appearing on the books of the Corporation. In the case of joint holders, the cheque shall (unless such joint holders otherwise direct) be made payable to the order of all such joint holders and, if more than one address appears on the books of the Corporation in

respect of such joint holding, the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid shall satisfy and discharge all liability of the Corporation for the dividend to the extent of the sum represented thereby (plus the amount of any tax which the Corporation withheld), unless such cheque be not paid at par on due presentation.

90. Non-receipt of Cheques. In the event of non-receipt of any cheques for dividends by the person to whom it is so sent as aforesaid, the Corporation, on proof of such non-receipt and upon satisfactory indemnity being given to it, shall issue to such person a replacement cheque for a like amount.

91. Unclaimed Dividends. Any dividend which remains unclaimed after a period of six years after the date on which it has been declared payable shall be forfeited and revert to the Corporation.

92. Record Date for Dividends and Rights. The Board may fix in advance a date in accordance with the Act for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, as the case may be. If the Corporation is a distributing corporation, unless notice of the record date is waived in writing as provided in the Act, notice must be given of such determination of record date by newspaper advertisement and in the manner provided in the Act. Where no record date is fixed in advance as aforesaid, the record date for the determination of Shareholders shall be as at the close of business on the day on which the Board passes the resolution relating to such dividend or right to subscribe. Only such persons as shall be shareholders of record at the close of business on the applicable record date shall be entitled to receive payment of such dividend or to exercise the right to subscribe for such securities (and to receive the warrant or other evidence in respect of such right), as the case may be, notwithstanding the transfer of any shares after any such record date.

NOTICES

93. Method of Giving Notices. Any notice, written communication or document to be given, sent, delivered or served pursuant to the Act, the Corporation's Articles and by-laws or otherwise to a shareholder, director, officer, auditor or committee member of the Corporation shall be sufficiently given to such person if:

- (a) delivered personally to him;
- (b) delivered to his last recorded address shown in the records of the Corporation;
- (c) mailed by prepaid ordinary mail or air mail in a sealed envelope addressed to him at his last address recorded on the records of the Corporation; or
- (d) sent by any means of wire or wireless or any other form of transmitted or recorded communication.

A notice delivered pursuant to clause (a) or (b) above shall be deemed to have been given when actually delivered. A notice mailed pursuant to clause (c) above shall be deemed to have been given, if deposited in a post office or letter box, on the day on which such notice is deposited in the postal delivery system. It shall be sufficient to prove that the envelope or wrapper containing

the notice or other document so mailed was properly addressed and put into the post office or letter box. A notice sent by wire pursuant to clause (d) above shall be deemed to have been given when actually dispatched or delivered to an appropriate communication company, agency or its representative for dispatch.

94. Recorded Addresses. The recorded address of a director shall be his latest address as shown in the records of the Corporation or in the most recent notice filed by such director with Corporations Canada, whichever is the more current. The Secretary of the Corporation may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or committee member in accordance with any information believed by him to be reliable.

95. Undelivered Notices. If, on three consecutive occasions, the Corporation sends a notice or document to a shareholder and the notice or document is returned because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

96. Computation of Time. In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

97. Signatures to Notices. The signature of any director or officer of the Corporation to any notice may be written, stamped, typewritten or printed.

98. Omissions and Errors. The:

- (a) accidental omission to give any notice to any shareholder, director, officer or auditor;
- (b) non-receipt of any notice by any shareholder, director, officer or auditor; or
- (c) any error in any notice not affecting the substance thereof;

shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

99. Notice to Joint Shareholders. All notices with respect to any shares registered in more than one name may, if more than one address appears on the books of the Corporation in respect of such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all of the joint shareholders.

100. Notice to Deceased Shareholder. Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased and whether or not the Corporation has notice of his demise, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with other persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof, and such service shall, for all purposes, be deemed a sufficient service of such notice or other document on his heirs, executors or administrators and all persons (if any) interested with him in such shares.

101. Persons Becoming Entitled by Operation of Law. Every person who, by operation of law, transfer, death of a shareholder or by any other means whatsoever, shall become entitled to any share or shares of the Corporation shall be bound by every notice in respect of such share or shares which shall have been duly given to the person from whom he derives his title to such share or shares previous to his name and address being entered on the books of the Corporation (whether it be before or after the happening of the event upon which he became so entitled).

102. Waiver of Notice. Where a notice or document is required by the Act, the Articles or the by-laws, the notice may be waived, or the time for sending the notice or document may be waived or abridged, at any time with the consent in writing of the person entitled thereto.

103. Proof of Service. A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing, delivery or service of any notice or other documents to any person, or publication thereof, shall be conclusive evidence thereof and shall be binding on such person.

PRIOR BY-LAWS

104. Prior By-Law No. 1 Repealed. By-Law No. 1 of the Corporation enacted prior to this date be and it is hereby repealed as of the coming into force of this By-Law No. 3. Such repeal shall not affect the previous operation of such by-law or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to such by-law prior to its repeal.

PASSED AND ENACTED as of the 17th day of April, 2014.

Signed: "*Philip Garrett Clayton*"

President

Signed: "*Ronald K. Mann*"

Secretary