

**SHANE RESOURCES LTD.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON OCTOBER 19, 2021**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**SEPTEMBER 15, 2021**

*This management information circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult your financial, legal, tax or other professional advisor.*

**SHANE RESOURCES LTD.**

**804 - 750 West Pender Street  
Vancouver, BC V6C 2T7**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the annual general and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of Shane Resources Ltd. (the “**Corporation**”) will be held at 207 - 120 Sonnenschein Way, Saskatoon, Saskatchewan S7M 0W2 on October 19, 2021 at 10:00 a.m. (Saskatoon time), as it may be postponed or adjourned.

Accompanying this Notice are materials delivered in connection with the Meeting including:

1. the management information circular of the Corporation, dated September 15, 2021 (the “**Circular**”); and
2. a form of proxy.

The Corporation has entered into a non-binding letter of intent dated March 26, 2021 (the “**Letter of Intent**”) with Empatho Corp. (“**Empatho**”) in respect of a proposed business combination with Empatho (the “**Transaction**”). Certain matters to be considered at the Meeting are necessary in order to prepare the Corporation to complete the Transaction. All references herein to the “**Resulting Issuer**” refer to the Corporation after completion of the Transaction.

The Meeting will be for the following purposes:

1. to receive the financial statements for the Corporation as at and for the financial years ended December 31, 2020 and 2019, and the auditor’s reports thereon;
2. to nominate and elect the directors of the Corporation as more particularly described in the Circular;
3. to re-appoint Stern & Lovrics LLP as the auditor of the Corporation until the earlier of the close of the next annual meeting of shareholders of the Corporation or their earlier resignation or replacement, and to authorize the board of directors of the Corporation (the “**Board**”) to fix the auditor’s remuneration;
4. to consider, and, if deemed advisable, to pass, with or without variation, a special resolution approving the continuance of the Corporation from the *Business Corporations Act* (Saskatchewan) to the *Business Corporations Act* (British Columbia) and the adoption of the articles for the Corporation;
5. to consider and, if thought fit, to pass, with or without variation, a special resolution authorizing the Corporation to amend its articles of incorporation to change the name of the Corporation to a name determined by the Board in its sole discretion, as more particularly described in the accompanying Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The full text of resolutions in respect of special business can be found in the Circular.

If you are a Shareholder of record of the Corporation at the close of business on September 15, 2021, you are entitled to receive notice of, participate in, and vote at the Meeting. We encourage you to vote your Common Shares and participate in the Meeting.

**Due to the ongoing concerns related to the spread of the coronavirus (COVID-19) and in order to protect the health and safety of Shareholders, employees, other stakeholders and the community, Shareholders are strongly encouraged to listen to the Meeting via teleconference instead of attending the Meeting in person and to vote on the matters before the Meeting by proxy.**

**We ask that Shareholders also review and follow the instructions of any local, provincial and/or federal health authorities of any place you must travel through to attend the Meeting. Please do not attend the Meeting in**

person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to or from outside of Canada within the fourteen (14) days immediately prior to the Meeting or any adjournment thereof. All Shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Circular.

The Corporation reserves the right to take any additional precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 pandemic and in order to ensure compliance with federal, provincial and local laws and orders including, without limitation: (i) changing the Meeting date and/or changing the means of holding the Meeting; (ii) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to or from outside of Canada within the fourteen (14) days immediately prior to the Meeting or any adjournment thereof; and (iii) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). We strongly recommend that you review the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 pandemic, the Corporation will not prepare or mail amended materials in respect of the Meeting.

The Board has approved the contents of the Circular. Please review the Circular, as it contains important information about the Meeting, the items of business, and explains who can vote and how to vote.

DATED September 15, 2021.

**BY ORDER OF THE BOARD**

*/s/ "Binyomin Posen"*

**Binyomin Posen**  
Chief Executive Officer, Chief Financial Officer and Director

**SHANE RESOURCES LTD.**

**804 - 750 West Pender Street  
Vancouver, BC V6C 2T7**

**MANAGEMENT INFORMATION CIRCULAR**

**September 15, 2021**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of Shane Resources Ltd. (the “**Corporation**” or “**we**” or “**our**”) to be voted at the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation to be held to at 207 - 120 Sonnenschein Way, Saskatoon, Saskatchewan, S7M 0W2 on October 19, 2021 at 10:00 a.m. (Saskatoon time) for the purposes set forth in the accompanying notice of the Meeting (the “**Notice**”).

In this Circular, all information provided is current as of September 15, 2021, unless otherwise indicated. All references to “\$” are to Canadian currency.

This Circular is furnished in connection with the solicitation, by or on behalf of Management, of proxies to be used at the Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers and employees of the Corporation without special compensation, or by the Corporation’s registrar and transfer agent, Capital Transfer Agency (the “**Transfer Agent**”), at nominal cost. The cost of any such solicitation will be borne by the Corporation. Arrangements have been made with brokerage houses and other Intermediaries (as defined herein), clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial Shareholders of record as of the Record Date (as defined herein).

**COVID-19**

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of COVID-19, and to mitigate the risks to the health and safety of our communities, Shareholders, employees and other stakeholders, although we plan to hold an in-person meeting, **we strongly recommend that you DO NOT attend the Meeting in person, particularly if you are experiencing any of the described COVID-19 symptoms or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the fourteen (14) days prior to the Meeting.** We intend to quickly deal with the business at hand, and there will be no refreshments or additional presentations at the Meeting. COVID-19 is causing unprecedented social and economic upheaval and we want to ensure that no one is unnecessarily exposed to any risks.

The Corporation reserves the right to take any additional precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 pandemic and in order to ensure compliance with federal, provincial and local laws and orders including, without limitation: (i) changing the Meeting date and/or changing the means of holding the Meeting; (ii) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to or from outside of Canada within the fourteen (14) days immediately prior to the Meeting or any adjournment thereof; and (iii) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). We strongly recommend that you review the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 pandemic, the Corporation will not prepare or mail amended materials in respect of the Meeting.

**If you are a registered Shareholder or appointed proxyholder and are planning to attend the Meeting, please notify the Corporation within a minimum of five (5) business days’ in advance of the Meeting by either (i) the email address [sigelman@garfinkle.com](mailto:sigelman@garfinkle.com) or (ii) the phone number 1-416 869-7664.**

**Public health restrictions and recommendations in place at the time of the Meeting may require the**

**Corporation to restrict the number of people in attendance at the Meeting and therefore physical attendance by a Shareholder or appointed proxyholder may not be possible.**

## **REGISTERED SHAREHOLDERS**

A Shareholder is a registered Shareholder (a “**Registered Shareholder**”) if shown on the register of holders of Common Shares at the close of business on September 15, 2021 (the “**Record Date**”). All references to Shareholders in this Circular and the Form of Proxy and Notice are to Registered Shareholders of record on the Record Date, unless specifically stated otherwise.

### **Appointment of Proxy**

Whether or not you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted by proxy may still attend the Meeting. Please complete and return the Form of Proxy in the envelope provided. The Form of Proxy must be dated and executed by the Registered Shareholder or the attorney of such Shareholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Transfer Agent in the envelope provided or otherwise to the Transfer Agent at 390 Bay Street, Suite 920, Toronto, ON M5H 2Y2, not later than 10:00 a.m. (Toronto time), at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment(s) or postponement(s) thereof. Alternatively, Registered Shareholders may choose to vote using the Internet in accordance with the instructions set out in the Form of Proxy. Voting by mail or by Internet are the only methods by which a Registered Shareholder may appoint a person as proxyholder other than the management nominees named on the Form of Proxy.

The persons named in the Form of Proxy are directors and officers of the Corporation. A Shareholder may appoint as proxyholder a person or company (who need not be a Shareholder), other than those persons named in the Form of Proxy, to attend and act on such Shareholder’s behalf at the Meeting or at any adjournment(s) or postponement(s) thereof. Such right may be exercised by either inserting such other desired proxyholder’s name in the blank space provided on the Form of Proxy or by completing another proper form of proxy.

### **Revocation of Proxy**

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by the Shareholder or by the attorney of such Shareholder authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the Transfer Agent, on or before the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the Form of Proxy is to be used or with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof, or in any other manner permitted by law.

## **NON-REGISTERED SHAREHOLDERS**

Only Registered Shareholders or their duly appointed proxy holders are permitted to vote at the Meeting. Most Shareholders are “**non-registered**” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares or a clearing agency or other Intermediary. More particularly, a person is not a Registered Shareholder if shares are held on behalf of that person (the “**Non-Registered Shareholder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as the Canadian Depository for Securities Limited (“**CDS**”) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the proxy-related materials to the Transfer Agent for onward distribution to Non-Registered Shareholders.

Intermediaries are required to forward the proxy-related materials to Non-Registered Shareholders unless a Non-

Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the proxy-related materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive proxy-related materials will either:

1. be given a Form of Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the Form of Proxy, this Form of Proxy is not required to be signed by the Non-Registered Shareholder when submitting the Form of Proxy. In this case, the Non-Registered Shareholder who wishes to submit an instrument of proxy should otherwise properly complete the Form of Proxy and deposit it with the Corporation as provided above; or
2. more typically, be given a voting instruction form (“**VIF**”) which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, the VIF will consist of a one-page, pre-printed form. Sometimes, instead of the one-page, pre-printed form, the VIF will consist of a regular printed Form of Proxy accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the Form of Proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the Form of Proxy, properly complete and sign the Form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of Management’s representatives named in the Form of Proxy and insert the Non-Registered Shareholder’s name in the blank space provided.

The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the VIFs or Forms of Proxy to the Non-Registered Shareholders and asks the Non-Registered Shareholders to return the VIFs or Forms of Proxy to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions with respect to the voting of Common Shares to be represented at the Meeting by such Intermediary. A Non-Registered Shareholder receiving a VIF from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. If you have any questions with respect to the voting of Common Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Non-Registered Shareholders should carefully follow the instructions on the Form of Proxy or VIF that they receive from their Intermediary in order to vote the Common Shares that are held through that Intermediary.

### **Revocation of Voting Instructions**

A Non-Registered Shareholder giving voting instructions may revoke such voting instructions by contacting his or her Intermediary in respect of such voting instructions and complying with any applicable requirements imposed by such Intermediary. An Intermediary that has submitted a Form of Proxy based on voting instructions received from a Non-Registered Shareholder may not be able to revoke a Form of Proxy if it receives insufficient notice of revocation.

## **VOTING OF PROXIES**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by Management in the Form of Proxy will be voted or withheld from voting in accordance with the instructions given on the Form of Proxy and, if the Shareholder specifies a choice with respect to any matter

to be acted upon, the Common Shares will be voted accordingly. **In the absence of such instructions, such Common Shares will be voted FOR the approval of all resolutions in this Circular.**

The Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, Management is not aware of any such amendments or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice or any other matters which are not now known to Management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by Management in the Form of Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

## VOTING OF COMMON SHARES AND PRINCIPAL SHAREHOLDERS THEREOF

### Record Date

The Record Date for the purpose of determining the Shareholders entitled to receive notice of and vote at the Meeting has been fixed as September 15, 2021. All Shareholders of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such Shareholder's name at that date on each matter to be acted upon at the Meeting.

### Description of Voting Securities

The authorized capital of the Corporation consists of an unlimited number Common Shares of no par value. On the Record Date, the issued and outstanding voting securities of the Corporation consisted of 27,461,318 Common Shares. Each Common Share carries the right to one vote per Common Share at the Meeting. The Corporation is also authorized to issue an unlimited number of preferred shares, of which none are outstanding. No other voting securities are issued and outstanding as of the Record Date.

### Quorum

The quorum for the Meeting is two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

### Principal Shareholders

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person, firm or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all issued and outstanding Common Shares except as outlined below:

Shareholder Name	No. of Common Shares Held	Percentage of Common Shares Held
KW Capital Partners Ltd.	9,750,277	35.505%

## VOTES NECESSARY TO PASS RESOLUTIONS

To approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a "**special resolution**" in which case a majority of 2/3 of the votes cast will be required.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Circular contains certain statements or disclosures that may constitute forward-looking information within the meaning of applicable Canadian securities legislation ("**forward-looking information**"). All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Management anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "anticipate",

“believe”, “can”, “could”, “expect”, “intend”, “may”, “potential”, “shall”, “should”, “will”, “would”, or other comparable terminology.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Corporation, including information obtained from third-party industry analysts and other third-party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Circular in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

- receipt of required Shareholder and regulatory approvals in a timely manner or at all;
- receipt and/or maintenance of required licenses and third-party consents in a timely manner or at all; and
- the success of the operations of the Resulting Issuer.

In particular, this Circular contains forward-looking information and statements, including forward-looking information and statements pertaining to the following:

- the Meeting;
- proxy solicitation;
- voting procedures;
- the Transaction (as defined herein);
- the Resulting Issuer (as defined herein);
- the Listing Statement (as defined herein);
- the director nominees of the Resulting Issuer;
- the business of the Meeting;
- the auditor of the Resulting Issuer; and
- the Continuance (as defined herein).

The forward-looking information in statements or disclosures in this Circular is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Corporation to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Corporation including information obtained from third-party industry analysts and other third-party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Corporation does not know what impact any of those differences may have, the Corporation’s business, results of operations and financial condition may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- the availability of sources of income to generate cash flow and revenue;
- the dependence on Management and directors;
- risks relating to additional funding requirements;
- due diligence risks;
- exchange rate risks;
- potential transaction and legal risks;
- other factors beyond the Corporation’s control as more particularly described in the Corporation’s management’s discussion and analysis and other documents filed with Canadian securities regulators and available under the Corporation’s profile at [www.sedar.com](http://www.sedar.com).

The forward-looking statements contained in this Circular are made as of the date hereof. The Corporation is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The reader is further cautioned that the preparation of financial statements in accordance with International Financial



Reporting Standards (“IFRS”) requires Management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change and such changes may be material, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Shareholders are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, Shareholders are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. The Corporation cautions you that the above list of factors is not exhaustive. Consequently, there is no representation by the Corporation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Other factors which could cause actual results, performance or achievements of the Corporation to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information will be disclosed in the Listing Statement.

### **BUSINESS COMBINATION WITH EMPATHO CORP.**

The Corporation has entered into a non-binding letter of intent dated March 26, 2021 (the “**Letter of Intent**”) with Empatho Corp. (“**Empatho**”) in respect of a proposed business combination with Empatho (the “**Transaction**”). The Transaction will proceed by way of a “three-cornered” amalgamation, plan of arrangement, or other structure to be mutually agreed upon by the Corporation and Empatho, pursuant to which:

1. the Corporation will acquire all of the issued and outstanding securities of Empatho; and
2. the Corporation will issue post-Consolidation Common Shares in exchange for outstanding common shares of Empatho on a one-for-one basis.

All references herein to the “**Resulting Issuer**” refer to the Corporation after completion of the Transaction.

Empatho was incorporated pursuant to the provisions of the *Business Corporations Act* (Ontario) on November 20, 2020.

On June 29, 2021, Empatho completed a non-brokered private placement of 12,552,000 subscription receipts (each a “**Subscription Receipt**”) at a price of \$0.25 per subscription receipt, for aggregate gross proceeds of \$3,138,000 (the “**Concurrent Offering**”). Pursuant to the terms of a subscription receipt agreement, on the completion of certain escrow conditions each Subscription Receipt will be automatically converted, without payment of additional consideration, into a unit (a “**Subscription Unit**”), with each Subscription Unit being comprised of a common share (a “**Subscription Share**”) and a common share purchase warrant (a “**Subscription Warrant**”) of Empatho. On completion of the Transaction, each Subscription Share and Subscription Warrant are to be immediately exchanged, for no additional consideration, for one common share of the Resulting Issuer and one common share purchase warrant of the Resulting Issuer. In connection with the closing of the Concurrent Offering, Empatho paid certain eligible persons cash commission of \$251,040.00 and granted 1,004,160 finders and compensation warrants (each, a “**Warrant**”) with each Warrant entitling the holder to acquire a units (each a “**Unit**”) of the Resulting Issuer, with each Unit being comprised of one common share of the Resulting Issuer and one common share purchase warrant of the Resulting Issuer. The Warrants are exercisable at a price of \$0.25 per Unit for a period of twenty-four (24) months following the date of issuance.

Upon the completion of the Transaction, it is anticipated that the executive officers of the Resulting Issuer will be:

1. Chief Executive Officer, Corporate Secretary – Yan Namer;
2. Chief Scientific Officer – Dr. Josh Granek;
3. Chief Financial Officer – John Ross; and
4. Chief Technical Officer– Hamid Boland,

Subject to Shareholder approval, it is anticipated that the directors of the Resulting Issuer will be the nominees set out under “*Particulars of Matters to be Acted Upon – Election of Directors*”.

Please see the press release issued by the Corporation on April 9, 2021, which has been posted on SEDAR at [www.sedar.com](http://www.sedar.com). Full details regarding Empatho and the Transaction will be disclosed by the Resulting Issuer in a listing statement (the “**Listing Statement**”) to be prepared and filed in accordance with the policies of the Canadian Securities Exchange (“CSE”). The Listing Statement will be posted on SEDAR at [www.sedar.com](http://www.sedar.com) in connection with the completion of the Transaction.

The Transaction is very important to the Corporation and certain matters to be considered at the Meeting are necessary in order to prepare the Corporation to complete the Transaction. Failure to approve the corresponding resolutions could impede or prevent the completion of the Transaction.

Completion of the Transaction will be subject to the closing conditions set forth in the Letter of Intent, which include:

1. the completion of the Concurrent Offering;
2. the receipt of all necessary regulatory, corporate and third-party approvals, including the approval of the CSE for the Transaction, the requisite approval of the Shareholders and Empatho and compliance with all applicable regulatory requirements and conditions in connection with the Transaction;
3. the delivery of letters of resignation from such directors and officers of the Corporation as determined by Empatho conditional upon the completion of the Transaction and reciprocal releases of such individuals in connection therewith;
4. the conditional acceptance of the CSE for listing of the Common Shares of the Resulting Issuer for trading on the CSE; and
5. other conditions precedent customary for a transaction such as the Transaction, including there being no material adverse change in the business of the Corporation or Empatho prior to completion of the Transaction.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the board of directors of the Corporation (the “**Board**”), the members of which are elected by and are accountable to the Shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### Board

The Board facilitates its exercise of independent supervision over Management through frequent meetings of the Board.

The Board is currently composed of three (3) directors: Binyomin Posen, Sindy Shorser, and Ross Mitgang. It is proposed that all three of the current directors (the “**Shane Nominees**”) will be nominated at the Meeting to hold office until the earlier of (i) completion of the Transaction; or (ii) the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the by-laws of the Corporation, unless their offices are earlier vacated in accordance with the provisions of the *Business Corporations Act* (Saskatchewan) (the “**SBCA**”) or the Corporation’s by-laws. In connection with the Transaction, it is also proposed that Andre Peschong, Carl Castro, Todd Heinzl, Hugh Colin MacKay, Henricus (Eric) Vermetten and Rakesh Jetly (the “**Empatho Nominees**”), will be nominated at the Meeting to hold office, subject to completion of the Transaction, from completion of the Transaction

until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the by-laws of the Resulting Issuer, unless their offices are earlier vacated in accordance with the provisions of the SBCA or the Corporation's by-laws. In the event that the Transaction is not completed, the Empatho Nominees will not become directors of the Corporation.

NI 58-201 suggests that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors, within the meaning set out under National Instrument 52-110 *Audit Committees* ("NI 52-110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "**Material relationship**" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the current directors and proposed nominees, Binyomin Posen is a current executive officer and is therefore not considered to be "**independent**". In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. The remaining directors, Sendy Shorser and Ross Mitgang, are considered to be independent directors since they are independent of management and free from any material relationship with the Corporation.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his or her fiduciary obligations as a director of the Corporation, disclose the nature and extent of his or her interest to the meeting and abstain from voting on or against the approval of such participation.

### **Directorships**

Other than outlined below, none of the nominees presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction.

Empatho Nominees:

<b>Director</b>	<b>Reporting Issuer</b>
Todd Heinzl	Vinza Capital Management Inc.

Shane Nominees:

<b>Director</b>	<b>Reporting Issuer</b>
Binyomin Posen	Agau Resources, Inc., Sniper Resources, Prominex Resources Corp., Jiminex Inc., i3 Interactive Inc., Red Light Holland Corp., Titus Energy Corp., The Hash Corporation, Nuran Wireless Inc., Pacific Iron Ore Corporation, RYAH Group Inc., Rio Verde Industries Inc., Newfoundland Goldbar Resources Inc., Waraba Gold Limited

### **Orientation and Continuing Education**

The Board has not developed a formal orientation and training program for new members of the Board. New directors are briefed on strategic plans, short, medium- and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. New members of the Board are provided with full access to or copies of relevant financial, corporate and other information in connection with its business operations. Board members have full access to the Corporation's records at all times. Board members are encouraged to communicate with the Corporation's auditors and Management to keep themselves familiar and current with industry trends and developments and to attend related industry seminars. If the growth of the Corporation's operations warrants it, it is likely that a formal orientation process will be implemented.

The Corporation expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board.

## **Ethical Business Conduct**

The Board promotes ethical business conduct through the nomination of board members it considers ethical. The Board has also established a “whistleblower” policy which details complaint procedure for financial concern. In addition, as the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the SBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

## **Nomination of Directors**

The Board does not have a nominating committee and the functions associated with such committee are currently performed by the Board as a whole. New candidates for Board membership are identified by current Board members or may be identified by Shareholders. Prior to recommending new nominees to the Board, a background search of a potential candidate is conducted to determine regulatory acceptability and interviews are carried out as to suitability.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation’s size, its stage of development and the number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board evaluates its own effectiveness on an ad hoc basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors.

Management is continually in contact with individuals involved in the mineral exploration industry and public sector resource issuers. From these sources the Corporation has made numerous contacts and in the event that the Corporation were in a position to nominate any new directors, such individuals would be brought to the attention of the Board. The Corporation conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.

## **Compensation**

The Board has the responsibility for determining the compensation of the Chief Executive Officer and does so with reference to industry standards and the Corporation’s financial situation. The Board has the responsibility for determining the compensation of the directors who currently are not compensated in their capacity as directors but do receive stock options.

## **Other Board Committees**

Other than the Audit Committee, the Board has no other committees. The directors are regularly informed of or are actively involved in the operations of the Corporation. The scope and size of the Corporation’s operations and development does not currently warrant an increase in the size of the Board or the formation of additional committees, however, the Board periodically examines its size and constitution and may from time to time establish ad hoc committees to deal with specific situations.

## **Assessments**

Individual director and Board effectiveness assessments are done on an informal basis and are determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

## AUDIT COMMITTEE

The overall purpose of the audit committee (the “**Audit Committee**”) of the Corporation is to assist the Board in its oversight of the integrity of the Corporation’s financial statements and other relevant public disclosure, the Corporation’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and independence and the performance of the internal audit function and the external auditors.

Pursuant to the provisions of Section 165 of the SBCA and further pursuant to the provisions of NI 52-110, the Corporation is required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Corporation.

### **Audit Committee Charter**

The Corporation must also, pursuant to the provisions of 52-110, have a written charter which sets out the duties and responsibilities of its audit committee. A copy of the Corporation’s Audit Committee Charter is attached as Schedule “A” (the “**Audit Committee Charter**”).

### **Composition of the Audit Committee**

The Audit Committee is comprised of three members, being:

<b>Name</b>	<b>Independence<sup>(1)</sup></b>	<b>Financial Literacy<sup>(2)</sup></b>
Binyomin Posen	Not Independent	Financially literate
Ross Mitgang	Independent	Financially literate
Sendy Shorser	Independent	Financially literate

Notes:

1. Within the meaning of subsection 6.1.1(3) of NI 52-110, which requires a majority of the members of an audit committee of a venture issuer not to be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer.
2. Within the meaning of subsection 1.6 of NI 52-110.

It is anticipated that should the Corporation complete the Transaction, the Audit Committee of the Resulting Issuer will be comprised of Andre Peschong, Todd Heinzl and Rakesh Jetly. It is anticipated that a majority of the members of the Audit Committee of the Resulting Issuer will not be executive officers, employees or control persons of the Corporation or an affiliate thereof, and that all will be financially literate within the meaning of NI 52-110.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee, among other responsibilities, reviews the financial reports and other financial information provided by the Corporation to regulatory authorities and its Shareholders and reviews the Corporation’s system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

In addition, the Audit Committee is responsible for directing the auditors’ examination of specific areas, for the selection of the Corporation’s independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

### **Relevant Education and Experience**

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

1. Binyomin Posen – Mr. Posen is Vice President at Plaza Capital Limited, where he focuses on corporate finance, capital markets and helping companies to go public.
2. Sendy Shorser – Mr. Shorser is President of Auxilium Financial Services.

3. Ross Mitgang – Mr. Mitgang is the controller at Plaza Capital Limited.

The relevant education and experience of the proposed members of the Audit Committee are described in “*Election of Directors*”.

### **Reliance on Certain Exemptions**

The Corporation, as a venture issuer, is relying on the exemption provided in section 6.1 of NI 52-110, which provides that a venture issuer is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of the Corporation’s auditors to provide non-audit services, as and when required.

### **External Auditor Fees**

The following table summarizes the fees billed to the Corporation for services provided by its external auditors, during the fiscal years ended December 31, 2020 and 2019:

<b>Fiscal Year</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>Other Fees<sup>(4)</sup></b>	<b>Total Fees</b>
2020	\$6,000	Nil	Nil	Nil	\$6,000
2019	\$6,500	Nil	Nil	Nil	\$6,500

Notes:

1. Aggregate fees billed for the Corporation’s annual financial statements and services normally provided by the external auditor in connection with the Corporation’s statutory and regulatory filings.
2. Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported as “**Audit fees**”, including fees with respect to review of the Corporation’s prospectus.
3. Aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer’s external auditor for tax compliance, tax advice, tax planning and assistance with tax for specific transactions.
4. All other fees.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation and Discussion Analysis**

For the purposes of this Circular, “**Named Executive Officer**” or “**NEO**” of the Corporation means the following individuals: (i) a chief executive officer (“**CEO**”); (ii) a chief financial officer (“**CFO**”); (iii) each of the Corporation’s next most highly compensated executive officer, or the next most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and (iv) each individual who would be a NEO under (iii) except that the individual was neither an executive officer of the Corporation nor acting in a similar capacity at the end of the most recently completed financial year.

For the year ended December 31, 2020, the Corporation’s NEOs consisted of Binyomin Posen, Director, Chief Executive Officer and Chief Financial Officer.

### *Objectives of the Compensation Program*

The Board is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation's executive compensation program. The Board approves the appointment and remuneration of the Corporation's executive officers, including the Named Executive Officers identified in the Summary Compensation Table. The Board is also responsible for reviewing the Corporation's compensation policies and guidelines generally.

The objective of the executive compensation program is to engage senior management by motivating and rewarding corporate, individual or Shareholder success. It is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. The Corporation believes that a competitive, goal-oriented compensation policy is critically important to the creation of value for stockholders.

To that end, the Corporation has created a compensation program intended to reward performance. The goals of the compensation program are to align compensation with the successful accomplishment of business objectives and performance to enable us to attract and retain high quality executive officers and other key employees, reward them for the Corporation's progress and motivate them to enhance long-term stockholder value. The compensation program is intended to implement the following principles:

1. Compensation should be related to the value created for Shareholders.
2. The compensation program should be tied to short-term and long-term strategic goals and the Corporation's corporate objectives.
3. The compensation program should reflect and promote the Corporation's values and reward individuals for contributions to the Corporation's success.
4. The Corporation's compensation program should be designed to attract and retain well-qualified executives.

In evaluating performance, the Board gives consideration to the Corporation's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements. In addition, the Board will receive and review recommendations of the CEO relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the executive officers.

#### *Compensation Committee*

The Corporation does not have a formal compensation committee. Accordingly, responsibility for matters relating to the overall compensation philosophy and guidelines for the directors and officers of the Corporation lies with the Board as a whole. The Board seeks to ensure that, at all times, its compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director or officer of the Corporation.

#### *Risk Considerations*

The Board monitors the most significant risks facing the Corporation, including strategic, operational and reputational risks, which build upon management's risk assessment and mitigation processes. Specifically, the Board monitors the risks associated with the Corporation's compensation programs and practices, including the retention of key senior management personnel. The Board reviews from time to time the risk implications of the Corporation's compensation programs, including specifically compensation risks as they relate to the Corporation's strategic plans, desired performance measures, overall corporate performance and risk management principles generally. The Board believes that the Corporation's compensation policies do not create an environment where an executive or any individual is encouraged to take excessive risk, and that the compensation offered by the Corporation rewards prudent business judgment and appropriate risk taking over the short and long term, without creating risk that is reasonably likely to have a material adverse impact on the Corporation.

#### *Anti-Hedging*

The Corporation's policies prohibit directors and officers of the Corporation from purchasing any financial instrument that is designed to hedge or offset any decrease in the market value of the Common Shares.

#### *Elements of Compensation*

The executive compensation program is comprised of two principal components: base salaries and a stock option plan which are designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the corporate goals and objectives. Each component of the executive compensation program is described below.

#### *Base Salaries*

The base compensation of the NEOs was previously established at the time the Corporation offered employment to the said NEOs. The Board reviews on a regular basis the base compensation of the NEOs. NEOs are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The Corporation's approach to base salary compensation is to offer salaries which are targeted at the competitive median for similar Canadian focused junior mining exploration companies to attract and retain high quality individuals. In recent years, due to the Corporation's cash position the NEOs have received lower than average compensation.

For the purpose of establishing these levels, the Board reviews competitive market data, including salaries for comparable positions in other public Canadian junior mining exploration companies. Salaries of the NEOs are not determined based on benchmarks or a specific formula. The Board determines the salary of the CEO. The Board then considers the salaries recommended by the CEO for the other executive officers of the Corporation. Based upon its reviews of industry data and the state of the Corporation, the Board determined that the base salaries of the NEOs were appropriate. The Board reviews the salaries of the CEO and other executive officers annually. Salaries may be increased based upon the individual's performance and contribution or increases in median competitive pay levels.

#### *Option Plan*

The Corporation has adopted a stock option plan (the "**Option Plan**") pursuant to which options to purchase Common Shares ("**Options**") may be granted to directors, officers, employees and consultants of the Corporation. The Option Plan is designed, through the grant of Options, to reward key individuals in relation to the share price of the Corporation. The Option Plan is an integral component of the Corporation's total compensation program in terms of attracting and retaining key employees and enhances shareholder value by aligning the interests of executives and employees with the growth and profitability of the Corporation. The longer-term focus of the Option Plan complements and balances the short-term elements of the compensation program of the Corporation.

Pursuant to the Option Plan, the Board may grant, from time to time, to directors, officers, employees and consultants of the Corporation, Options. In determining the number of Options to be granted to the executive officers, the Board considers the amount, terms and vesting levels of existing Options held by the officers and also the number of Options remaining available for grant by the Corporation in the future to attract and retain qualified technical and administrative staff. Generally, the number of Options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Corporation, the number of Options that have already been granted to the optionee and such other factors as the Board may consider relevant.

The Shareholders re-approved the Option Plan on January 31, 2014. Under the Option Plan, the Board may, from time to time, grant Options to certain directors, officers, employees and consultants of the Corporation. The Option Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the board of directors (the "**Committee**"). The aggregate number of Common Shares which may be reserved for issuance under the Option Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares from time to time. The number of Common Shares subject to an Option to a participant shall be determined by the Committee, but no participant shall be granted an Option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each Option shall be determined by the Board or Committee, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The maximum length of any option shall be ten (10) years from the date the Option is granted, provided that such participant's Options shall expire on date that is the later of ninety (90) days after a participant ceases to act for the Corporation, subject to extension at the discretion of the board of directors, except upon the death of a participant, in which case the participant's estate shall have twelve



(12) months in which to exercise the outstanding Options.

### *Compensation Governance*

The Corporation's compensation policies are designed to attract and retain key members of Management team. The Corporation is committed to a compensation policy that rewards and retains individuals of exceptional skill while encouraging those individuals to put forth maximum effort for the success of the Corporation. The compensation policy further attempts to focus Management on operating and financial performance and long-term Shareholder return.

### **Director and Named Executive Officer Compensation**

The following table sets forth the compensation paid by the Corporation to each NEO and director for the two most recently completed financial years of the Corporation, excluding options and compensation securities (see "Statement of Executive Compensation – Options and Other Compensation Securities" below).

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Binyomin Posen <sup>(1)</sup> Ontario, Canada <i>Director, Chief Executive Officer, Chief Financial Officer</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Ross Mitgang <sup>(2)</sup> Ontario, Canada <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Sandy Shorser <sup>(3)</sup> Ontario, Canada <i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Mr. Posen was appointed as a Director, CEO and CFO of the Corporation on December 12, 2019.
2. Mr. Mitgang was appointed a Director of the Corporation on December 12, 2019.
3. Mr. Shorser resigned as a Director of the Corporation on December 12, 2019.

### **Options and Other Compensation Securities**

The only incentive award plan of the Corporation during the fiscal year ended December 31, 2020 was the Option Plan. There were no option-based awards that vested during the year ended December 31, 2020 for NEOs.

### **Director Outstanding Option-Based Awards and Share-Based Awards**

There were no outstanding option-based awards for any directors of the Corporation as at December 31, 2020 (including option-based awards granted to a director before such fiscal year). The Corporation does not have any equity incentive plans other than the Option Plan, and did not have any share-based awards outstanding as at December 31, 2020.

### **Pension Plan Benefits**

The Corporation does not have and does not intend to implement a pension plan for its directors or executive officers.

### **Termination of Employment, Change in Responsibilities and Employment Contracts**

The Corporation has not entered into any employment, consulting or management agreements with any of the

Corporation's NEOs or Directors. There are no contracts, agreements, plans or arrangements that provide for payments to a director at, following or in connection with respect to change of control of the Corporation, or severance, termination or constructive dismissal of or a change in a director's responsibilities.

### **Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth details, as at December 31, 2020, of the number of securities to be issued upon exercise of Options and the remaining securities available for issuance, under equity compensation plans of the Corporation.

<b>Plan Category</b>	<b>Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)</b>	<b>Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$)</b>	<b>Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)</b>
Equity compensation plans approved by securityholders	Nil	Nil	2,460,398
Equity compensation plans not approved by securityholders	Nil	Nil	2,460,398
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>2,460,398</b>

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than as disclosed in this Circular (including in the financial statements of the Corporation for the fiscal years ended December 31, 2020 and 2019), no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other Management are indebted to the Corporation as of the date hereof or were indebted to the Corporation at any time during the fiscal year ended December 31, 2020, and no indebtedness of such individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Management is not aware of any material interest, direct or indirect, of any informed person of the Corporation, or any associate or affiliate of any such informed person, in any transaction or in any proposed transaction, that has material affected or would materially affect the Corporation or any of its subsidiaries.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

The directors and officers of the Corporation have an interest in the resolutions concerning the election of directors. Otherwise, no director or senior officer of the Corporation or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the Shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Corporation.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **1. Audited Financial Statements**

The audited financial statements of the Corporation for the financial years ended December 31, 2020 and 2019 and the report of the auditors thereon, will be submitted to the Meeting, although no vote by the Shareholders with respect thereto is required or proposed to be taken.

## **2. Election of Directors**

At the Meeting, Shareholders will be asked to elect:

1. the three (3) Shane Nominees as directors of the Corporation to hold office until the earlier (i) the completion of the Transaction; or (ii) the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the by-laws of the Corporation, unless their offices are earlier vacated in accordance with the provisions of the SBCA or the Corporation's by-laws; and
2. the six (6) Empatho Nominees as directors of the Corporation, hold office from completion of the Transaction until the close of the next annual meeting of Shareholders or until their successors are duly elected or appointed pursuant to the by-laws of the Corporation, unless their offices are earlier vacated in accordance with the provisions of the SBCA or the Corporation's by-laws.

In the event that the Transaction is not completed, the Empatho Nominees will not become directors of the Corporation. See "*Statement of Corporate Governance*"

**Unless otherwise directed, it is the intention of the persons named in the enclosed form of proxy to vote proxies IN FAVOUR of the election of the Shane Nominees and Empatho Nominees as directors of the Corporation as set out above.**

### **Shane Nominees**

The following table sets forth a brief background regarding the Shane Nominees. The information contained herein is based upon information furnished by the respective Shane Nominees.

<b>Name and Municipality of Residence, Position With the Corporation</b>	<b>Present Principal Occupation If Different From Office Held &amp; Principal Occupation For The Past 5 Years</b>	<b>Date Elected / Appointed Director</b>	<b>Common Shares Owned or Over Which Control or Direction is Exercised</b>
Binyomin Posen <sup>(1)</sup> Toronto, Ontario, Canada <i>Director, Chief Executive Officer, Chief Financial Officer</i>	Mr. Posen is the Vice President at Plaza Capital Limited, where he focuses on corporate finance, capital markets and helping companies to go public. After three and a half years of studies overseas, he returned to complete his baccalaureate degree in Toronto. Upon graduating (on the Dean's List) he began his career as an analyst at a Toronto boutique investment bank where his role consisted of raising funds for IPOs and RTOs, business development for portfolio companies and client relations.	December 12, 2019	Nil
Ross Mitgang <sup>(1)</sup> Toronto, Ontario, Canada <i>Director</i>	Mr. Mitgang is an accounting student at York University currently holding a BA from CUNY, Queens College in History. In his young career thus far, Mr. Mitgang has worked as an operations manager for a non-profit company, as an admin in the fintech world and has held several junior accounting positions. He is currently working at Plaza Capital heading up the accounting and operations departments. He is also on the board of directors of Psychedelitech Inc., a private corporation.	December 12, 2019	Nil
Sendy Shorser <sup>(1)</sup> Toronto, Ontario, Canada <i>Director</i>	Mr. Shorser is CA, CPA and a founder and principal at Auxilium Financial Services, a boutique outsourced accounting and finance department firm. Auxilium works with entrepreneurs, private equity firms and investor groups with a focus on financial reporting and compliance. After completing a Masters of	December 12, 2019	Nil

	Management and Professional Accounting, Sendy worked at KPMG and a small public accounting firm gaining important and relevant accounting experience. Sendy currently holds a board position on a number of not-for-profit organizations in Canada.		
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Note:

1. Member of Audit Committee.

### **Empatho Nominees**

The following table sets forth a brief background regarding the Empatho Nominees, none of whom are currently directors of the Corporation, followed by additional biographical information. The information contained herein is based upon information furnished by the respective Empatho Nominees.

<b>Name and Municipality of Residence, Position with the Corporation</b>	<b>Present Principal Occupation If Different from Office Held &amp; Principal Occupation for The Past 5 Years</b>	<b>Date Elected /Appointed Director<sup>(1)</sup></b>	<b>Common Shares Owned or Over Which Control or Direction is Exercised<sup>(2)</sup></b>
Andre Peschong Newport Beach, California <i>Nominee</i>	Partner at Bridgewater Capital Corporation, Strategic Advisor and Director of several private technology companies.	N/A	Nil
Carl Castro San Gabriel, California <i>Nominee</i>	Professor at USC School of Social Work, chair of a NATO research group on military mental health training and serves as an advisor for several Department of Defense research panels focused on psychological health. He has authored more than 150 scientific articles and reports in numerous research areas.	N/A	Nil
Todd Heinzl <sup>(3)</sup> Manotick, Ontario <i>Nominee</i>	CEO and Managing Partner of The Governance Box and uplisting.com	N/A	Nil
Hugh Colin MacKay Toronto, Ontario <i>Nominee</i>	Surgeon General, Commander Canadian Forces Health Services Group, and Head of the Royal Canadian Medical Service in 2015 and retired in July 2017.	N/A	Nil
Henricus Vermetten Kinrooi, Limburg, Belgium <i>Nominee</i>	Strategic advisor, Dutch military mental health sector and professor at University of Leiden and the NRQ National Psycho-trauma Center.	N/A	Nil
Rakesh Jetly Ottawa, Ontario <i>Nominee</i>	Author, associate professor of psychiatry at Dalhousie University (Halifax); Queen's University (Kingston), and the University of Ottawa.	N/A	Nil

Note:

1. In the event that the Transaction is not completed, the Empatho Nominees will not become directors of the Corporation.

The following are brief biographies of the Empatho Nominees:

#### *Andre Peschong*

Andre Preschong has had a 30+ year career in the Investment Banking, M&A and fund management industry. He has also served as CEO, CSO and other C-level and board member engagements throughout his career. Currently, Mr. Peschong serves as the managing partner of Bridgewater Capital, a firm he co-founded in 1994. His activities with Bridgewater consist of traditional Investment Banking, mergers and acquisitions and other capital advisory engagements. Mr. Peschong formerly sat on the Board of Directors of ConversionPoint Technologies, an e-Commerce technology company where he previously served as the Chief Strategy Officer and helped co-found. He is currently on the Board of Directors for SVI a leading company in patented LIDAR based technologies used primarily for biometric identification, autonomous vehicles, object recognition systems and other military and commercial applications. Mr. Peschong has had many previous Advisory Board engagements, on both public and private

companies, where he added strategic value from a capital markets perspective.

*Carl Castro*

Colonel (Retired) Dr. Carl Castro, BA, MA, PhD. Mr. Castro is an associate professor at USC School of Social Work, chair of a NATO research group on military mental health training and serves as an advisor for several Department of Defense research panels focused on psychological health. Castro joined the faculty in 2013 after serving 33 years in the U.S. Army, where he obtained the rank of Colonel. He has authored more than 150 scientific articles and reports in numerous research areas.

*Todd Heinzl*

Todd Heinzl, CIM, FCSI. CEO/Managing Partner of The Governance Box (GBX). Mr. Heinzl holds over 30 years of experience in the investment and financial services industry. With a focus on assisting globally minded micro and small cap companies achieve governance & uplisting results for their market shares, GBX and UpListing Ltd. offers structure and disciplined financial growth plans for each client company through the development and implementation of effective business strategy and policy. As a consulting professional managing the process of listing on an Internationally recognized stock exchange such as NASDAQ or NYSE, Mr. Heinzl works with companies from a variety of industries to facilitate maturity within their stock listings in an orderly, compliant transition. International recognized exchanges such as NASDAQ Capital Market, NASDAQ Global Select, NYSE, NYSE American, including TSX.V, NEO, TEX and Hong Kong just to name a few, are increasingly demanding on the listing requirements of the issuer.

*Hugh Colin MacKay*

Hugh Colin MacKay, MD. Mr. MacKay served 34 years with the Canadian Armed Forces, providing health leadership across a broad range of health services, both at home and abroad. Initially working within primary health care, he then broadened his perspective through post graduate training and positions in Public Health and Occupational Medicine. He has extensive international experience, having worked with multinational vaccine development projects, as chair of a multinational medical intelligence committee, as chair of a NATO medical research group, as well as commanding the NATO multinational hospital in Kandahar. As Surgeon General and Commander of the Canadian Forces Health Services Group he set the course for the modernization of the Canadian Forces Health Services, creating a patient-partnered health system that optimizes technology to achieve the quadruple aim of enhanced patient experience, improved health of the population, operational excellence and resource stewardship. In retirement he continues to volunteer with several health focused organizations.

*Dr. Eric Vermetten, MD, PhD*

Eric Vermetten, MD, PhD, is Strategic Advisor of Research, Military Mental Health Research, at the Ministry of Defense, Utrecht, the Netherlands. He is also Professor of Psychotrauma at Leiden University Medical Center, Leiden, the Netherlands; and Professor, ARQ National Psychotrauma Center, Diemen, the Netherlands. His areas of focus are medical and psychiatric approaches to PTSD and innovations in clinical care.

*Rakesh Jetly, MD, FRCPC*

Rakesh Jetly, MD, FRCPC, is Senior Psychiatrist and Mental Health Advisor, Canadian Armed Forces, Ottawa. He is an Associate Professor of Psychiatry at Dalhousie University and at the University of Ottawa. He is also the Chair for Military Mental Health with the Royal's Institute of Mental Health Research in Ottawa. He is committed to evolving mental health research by investigating the biological underpinnings of mental health disease, by incorporating technology to modernize treatment and diagnostic modalities, and by finding strategies to advance precision medicine.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

### **Cease Trade Orders**

As at the date of this Circular, no nominee of the Corporation is, or was within ten (10) years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

1. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued while the director, executive officer or promoter was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
2. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the director, executive officer or promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### **Penalties or Sanctions**

As at the date of this Circular, no nominee of the Corporation, is or has been, within ten (10) years prior to the date of this Circular, subject to:

1. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
2. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a nominee.

### **Bankruptcies**

As of the date of this Circular, no nominee of the Corporation:

1. is, at the date of this Circular, or has been within ten (10) years prior to the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or
2. has, within ten (10) years prior to the date of this Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

### **3. Appointment of Auditor**

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass, with or without variation, the resolution re-appointing Stern & Lovrics LLP as auditors of the Corporation as an ordinary resolution, subject to such amendments, variations or additions as may be approved at the Meeting.

**The Board recommends that Shareholders vote FOR the re-appointment of Stern & Lovrics LLP as auditors of the Corporation. To be effective, the resolution requires the affirmative vote of at least a majority of the votes cast by the Shareholders present in person, or represented by proxy, and entitled to vote at the Meeting. Unless the Shareholder directs that his or her Common Shares are to be voted against the resolution, the persons named in the Form of Proxy intend to vote FOR the re-appointment of Stern & Lovrics LLP as auditors of the Corporation.**

#### **4. Continuation Resolution**

The Corporation presently exists under the SBCA. At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, to approve a special resolution (the “**Continuation Resolution**”) authorizing the Board to apply for continuation of the Corporation (the “**Continuation**”) to British Columbia under the *Business Corporations Act* (British Columbia) (“**BCBCA**”). In addition to Shareholder approval, the Continuation is subject to the approval of the Saskatchewan Registrar of Corporations (on being satisfied that the Continuation will not adversely affect creditors or Shareholders of the Corporation).

Management has determined and believes that the Continuation is in the best interest of the Corporation as the Corporation’s head office is located in British Columbia. As such, the Continuation is expected to be more efficient and cost effective for the Corporation.

If the Continuation is approved, Shareholders will also be approving a continuation application (the “**Continuation Application**”), including the following forms of constating documents that are attached as Schedule “C” hereto and will be available for review at the Meeting: (1) a Notice of Articles (the “**Notice of Articles**”), which will provide that the Corporation’s authorized capital be comprised of an unlimited number of Common Shares without par value; and (2) new articles (the “**New Articles**”), under the BCBCA, which set rules for the Corporation’s conduct and are generally similar in nature to its existing by-laws under the SBCA with changes to ensure compliance with the requirements of the BCBCA.

Upon completion of the Continuation, the SBCA and the existing articles and by-laws of the Corporation will cease to apply to the Corporation and the corporate affairs of the Corporation will thereafter be governed by the BCBCA and the proposed Notice of Articles and New Articles, as if it had been originally incorporated as a British Columbia company. The Continuation will result in certain changes in the corporate laws applicable to the Corporation and the provisions of its constating documents. See “*Comparison of the BCBCA and the SBCA and Constating Documents*”.

Notwithstanding the alteration of Shareholders’ rights and obligations resulting from the Continuation and adoption of the New Articles, the Corporation will still be bound by the rules and policies of the securities commissions of British Columbia, Alberta, and Saskatchewan, as well as other applicable securities legislation. Nothing that follows should be construed as legal advice to any particular Shareholder, each of whom is advised to consult their own legal advisor with respect to the implications of the Continuation.

The Continuation will not result in any change in the business of the Corporation or its assets, liabilities, net worth, management or share capital. The Continuation is not a reorganization, amalgamation or merger. The number and class of Common Shares held by Shareholders will not be altered by the Continuation (other than with respect to Shareholders who dissent to the Continuation Resolution as described below).

#### **The Continuation Resolution**

Subject to such changes as may be required by regulatory authorities or as may be recommended by counsel, Shareholders will be asked at the Meeting to consider, and if deemed advisable, to approve the Continuation Resolution, the proposed text of which is set forth below.

#### **“NOW THEREFORE BE IT RESOLVED THAT:**

1. the Corporation be authorized to prepare a Continuation Application and Notice of Articles respecting the continuation of the Corporation from Saskatchewan to British Columbia;
2. the Corporation apply to the Registrar of Corporations (Saskatchewan) (the “**Saskatchewan Registrar**”) to permit such continuation in accordance with section 182 of the *Business Corporations Act* (Saskatchewan) (the “**SBCA**”);
3. the Corporation apply to the Registrar of Companies (British Columbia) (the “**BC Registrar**”) to permit such continuation in accordance with section 302 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”);
4. effective upon the filing of the Continuation Application with the BC Registrar, the Corporation will adopt the draft Notice of Articles and the draft Articles substantially in the form set out in the attached Notice of

Articles and Articles attached to the management information circular of the Corporation dated September 15, 2021, subject to such additions, deletions, omission, variations or amendments as may be approved by the directors of the Corporation, in substitution for the existing articles and by-laws of the Corporation;

5. notwithstanding the passage of this special resolution by the Shareholders, the directors of the Corporation, in their sole discretion and without further notice to or approval of the Shareholders, may decide not to proceed with the continuance or otherwise give effect to this special resolution, at any time prior to the continuance becoming effective; and
6. any one officer or director of the Corporation is authorized, for and on behalf of the Corporation, to approve, execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, without limitation, the execution and filing of the Continuance Application and any forms prescribed by or contemplated under the BCBCA.”

In order to be effective, the Continuance Resolution must be approved by at least two-thirds ( $\frac{2}{3}$ ) of votes cast by the Shareholders, in person or by proxy, at the Meeting.

**The Board recommends that Shareholders vote FOR the Continuance Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Continuance, the persons named in the proxy or voting information form will vote FOR the Continuance Resolution.**

The Board may determine not to implement the Continuance Resolution at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of continuance, without further approval from the Shareholders. If the Continuance is abandoned, the Corporation will continue to be governed by the SBCA and the existing articles and by-laws of the Corporation.

#### *Comparison of the BCBCA and the SBCA and Constating Documents*

The following is a summary of certain differences between the BCBCA and Notice of Articles and the New Articles, on the one hand, and the SBCA and the existing articles and by-laws of the Corporation, on the other hand. The following summary is not an exhaustive list of these differences, and is qualified in its entirety by reference to the BCBCA, the SBCA, the existing by-laws and articles and the new Notice of Articles and the New Articles.

The proposed Notice of Articles and the New Articles, as well as the existing articles and by-laws of the Corporation, will be: (i) available for viewing up to the date of the Meeting at the registered office of the Corporation at 804-750 West Pender Street, Vancouver, BC V6C 2T7; (ii) mailed to any Shareholder free of charge, upon request to the CEO of the Corporation at the address for the Corporation set forth on the first page of this Circular; and (iii) available for review at the Meeting. A draft of the proposed Notice of Articles and the New Articles is also attached as Schedule “C” to this Circular.

#### Constating Documents

Under the BCBCA, the constating documents of a company consist of a “notice of articles”, which sets forth the name of the corporation and the amount and type of authorized capital, among other things, and “articles”, which govern the management of a company. The notice of articles is filed with the British Columbia Registrar of Companies and the articles are filed with the company’s registered and records office. Under the SBCA, a company has “articles”, which set forth the name of the company and the amount and type of authorized capital, the restrictions on share transfers (if any), the number of directors, and any restrictions on business. Under the SBCA, companies also have “by-laws” which govern the management of the company. The articles are filed with the Director of Corporations pursuant to the SBCA and the by-laws are filed with the company’s registered and records office. Therefore, the current articles and by-laws of the Corporation, which are suitable for a company governed by the SBCA and not for a company governed by the BCBCA, will have to be changed to constating documents that are suitable for a British Columbia company. Upon the Continuance becoming effective, the former articles and by-laws of the Corporation will be repealed and replaced with the Notice of Articles and the New Articles.

If Shareholders approve the Continuance, the Notice of Articles and the New Articles under the BCBCA will provide



for authorized capital consisting of an unlimited number of Common Shares without par value and an unlimited number of preferred shares which is the same as the Corporation's current authorized capital under the SBCA.

#### Ability to Set Necessary Levels of Shareholder Consent

Under the BCBCA, a company, in its articles, can establish levels for various shareholder approvals (other than those prescribed by the BCBCA). The percentage of votes required for a "special resolution" can be specified in the articles and may be no less than 2/3 and no more than 3/4 of the votes cast. The SBCA does not provide for flexibility on shareholder approvals, which are either ordinary resolutions passed by a majority of the votes cast or, where specified in the SBCA, special resolutions, which must be passed by 2/3 of the votes cast. Notwithstanding the foregoing, the New Articles that will be adopted by the Corporation if the Continuance is completed will provide that the percentage of votes required for a special resolution is no less than 2/3 of the votes cast.

#### Amendments to Constatng Documents

The SBCA requires a special resolution passed by a majority of not less than two-thirds of the votes of shareholders cast on the resolution to make fundamental changes to a company's articles, while changes to a company's by-laws require only a resolution of the directors.

Under the BCBCA, if a company's articles do not specify the type of resolution, any substantive change to the corporate charter of a company, such as an alteration of the restrictions, if any, on the business carried on by a corporation, or certain changes to the authorized capital of a company, requires a special resolution passed by the majority of votes that the articles of the company specify is required or, if the articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Other fundamental changes such as a proposed amalgamation or continuance of a company out of the jurisdiction require a similar special resolution passed by holders of each class entitled to vote at a general meeting of the company and the holders of all classes of shares adversely affected by an alteration of special rights and restrictions.

The New Articles that will be adopted if the Continuance is completed will allow the Board to make certain alterations to the Corporation's authorized share structure by way of directors' resolution as opposed to the Corporation having to incur the additional costs of obtaining Shareholder approval. In particular, as allowed under the BCBCA, management and the Board are proposing that the Articles provide for the following matters (which currently require a Special Resolution of the shareholders) to require a directors' resolution only, and not require a shareholders' resolution (recognizing that regulatory authorities may require shareholder approval in certain cases in any event): (a) a subdivision of all or any of the unissued, or fully paid issued, shares; (b) a consolidation of all or any of the unissued, or fully paid issued, shares; and (c) a change of name of the Corporation.

#### Directors

The SBCA and the BCBCA both provide that a company that is a public company, such as the Corporation, must have a minimum of three directors. Under the SBCA, at least two of such directors must not be officers or employees of the company or its affiliates, and at least 25% of the directors must be resident Canadians, but if a company has fewer than four directors, at least one director must be a resident Canadian. By contrast, there are no residency requirements for directors of a company governed by the BCBCA.

#### Shareholder Proposals

A shareholder of a company incorporated under the SBCA who is entitled to vote at an annual meeting of shareholders may submit notice of any matter related to the business or affairs of the company that such person proposes to raise at a meeting of shareholders (referred to as a "**proposal**"). Any such proposal must be submitted to the company at least ninety (90) days before the anniversary date of the previous annual meeting of shareholders and comply with the other applicable provisions of the SBCA.

Under the BCBCA, a person submitting a proposal under the BCBCA must own at least one voting share and must have held at least one voting share for an uninterrupted period of at least two years before the date of signing the

proposal. In addition, the proposal requires the signature of shareholders who, together with the submitting shareholder, are registered or beneficial owners of shares that, in the aggregate: (a) constitute at least 1% of the issued shares of the company that carry the right to vote at general meetings; or (b) have a fair market value exceeding \$2,000. Any such proposal must be received at the registered office of the company at least three months before the anniversary of the previous year's annual reference date and comply with the other applicable provisions of the BCBCA.

#### Sale of Company's Undertaking or Property

Under the BCBCA, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the company only if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution. The BCBCA does not specify whether holders of shares that do not otherwise carry a right to vote may vote on any proposed sale, lease or disposition of all or substantially all of the undertaking of a company.

Under the SBCA, a company may sell, lease or exchange all or substantially all of the property of the company other than in the ordinary course of business only if it has been authorized by a special resolution. Each share of the company carries the right to vote in respect of the sale, lease or exchange, whether or not such share otherwise carries the right to vote and, where a class or series of shares is affected by the sale, lease or exchange in a manner different from another class or series, the holders of shares of that affected class or series are entitled to vote separately on the transaction.

#### Rights of Dissent and Appraisal

The SBCA provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholders at the fair value of such shares. This dissent right is available where a company proposes to: (a) amend its articles to add, change or remove any provision restricting or constraining the issue or transfer of any class of shares; (b) amend its articles to add, change or remove any restrictions on business or businesses that the company may carry on; (c) enter into certain statutory amalgamations; (d) continue out of the jurisdiction; or (e) sell, lease or exchange all or substantially all of its property.

The BCBCA provides a similar dissent remedy, although the procedure for exercising this remedy differs from that set forth in the SBCA and some of the circumstances in which the right to dissent arises are different.

#### Oppression Remedies

Pursuant to Section 227 of the BCBCA, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application under Section 227) of a company has the right to apply to the court for an order under Section 227 on the grounds that the affairs of the company are being or have been conducted, or that the powers of the directors are being exercised, in a manner oppressive to one or more of the shareholders, or that some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more shareholders. In response to such an application, the court may make such order as it considers appropriate, including an order to direct or prohibit any act proposed by the company.

Under the SBCA, a shareholder, former shareholder, director, former director, officer or former officer or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court for an order the court thinks fit to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission effects a result, or the business or affairs are or have been carried on or conducted in a manner, or the powers of the directors are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any securityholder, creditor, director or officer.

#### Shareholder Derivative Actions

Pursuant to Section 232 of the BCBCA, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application under Section 232 of the BCBCA) or director of a company may, with leave of the court, and after having made reasonable efforts to cause the directors of the company to prosecute a

legal proceeding, prosecute such proceeding in the name of and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such right, duty or obligation.

There is a similar right of a shareholder or director, with leave of the court, and in the name and on behalf of the company, to defend a legal proceeding brought against the company.

The SBCA contains similar provisions for derivative actions but the list of persons having the right to bring such an action explicitly also includes former shareholders, former directors, officers, former officers and any person who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action. Also, the SBCA permits a complainant to commence an action in the name of a subsidiary of the company.

#### Place of Shareholder Meetings

The SBCA provides that meetings of shareholders must be held in Saskatchewan, unless all the shareholders entitled to vote at that meeting agree otherwise or unless the articles provide that meetings of shareholders may be held outside Saskatchewan. Under the BCBCA, meetings may be held outside British Columbia if: (i) the location is provided for in the articles; (ii) the articles do not restrict the company from approving a location outside British Columbia and the location is approved by the resolution required by the articles for that purpose, if any, or otherwise by ordinary resolution; or (iii) the location of the meeting is approved in writing by the British Columbia Registrar of Companies before the meeting is held.

#### Quorum for Shareholders' Meetings

Under the current by-laws, a quorum is two persons present in person, or represented by proxy, and holding not less than five percent (5%) of the Common Shares. The proposed New Articles will provide that quorum will consist of one or more persons present and being, or representing by proxy, two or more Shareholders entitled to attend and vote at the meeting.

#### Right to Dissent

Under the terms of the SBCA, registered Shareholders will be entitled to exercise dissent rights (the “**Dissent Rights**”) with respect to the Continuance Resolution in accordance with the Dissent Rights in Section 184 of the SBCA. The Corporation is of the view that Shareholders registered as such on the Record Date may exercise Dissent Rights pursuant to and in the manner set forth in Section 184 of the SBCA. If the Continuance becomes effective, Shareholders who validly exercise any of their Dissent Rights and do not withdraw their dissent (“**Dissenting Shareholders**”) will be entitled to receive the “fair value” of their Common Shares determined in accordance with Section 184 of the SBCA determined as at the day before the Continuance Resolution is adopted by Shareholders. If you are a Beneficial Shareholder, you can only exercise a right of dissent by contacting your broker or other financial intermediary or the registered shareholder and having them take the necessary steps to exercise dissent on your behalf.

**The following summary of the Dissent Rights is not a comprehensive description of the procedures to be followed in connection with the exercise of these Dissent Rights. The summary is qualified in its entirety by reference to the full text of Section 184 of the SBCA, which is set out in Schedule “B” to this Circular. Shareholders who are considering or intend to exercise Dissent Rights should seek legal and tax advice and carefully consider and comply with the provisions of the Dissent Rights. Failure to comply with the applicable Dissent Rights provisions and to adhere to the procedures established therein may result in the loss of the Dissent Rights in respect of the Continuance Resolution. Dissenting Shareholders must send their written notice of dissent in respect of the Continuance Resolution pursuant to the Corporation, at its offices at 804-750 West Pender Street, Vancouver, BC V6C 2T7 prior to the commencement of the Meeting. Shareholders should be aware that simply voting against the Continuance Resolution at the Meeting does not constitute the exercise of the applicable Dissent Right and that a vote in favour of the Continuance Resolution will result in the Shareholder losing its right to dissent.**

The method of sending the notice of dissent in compliance with the SBCA is at the option and risk of the Shareholder

sending such notice. The Corporation recommends that the notice of dissent be delivered by facsimile. If the notice of dissent is mailed, the Corporation recommends that registered mail with return receipt or acknowledgement of receipt be used. It is suggested that any such mailing be made at least forty-eight (48) hours in advance of the Meeting.

A Shareholder intending to dissent in respect of the Continuance Resolution must send written notice of dissent to the Corporation prior to the commencement of the Meeting at which the applicable resolution is to be voted upon and such written notice of dissent must otherwise strictly comply with the requirements of section 184 of the SBCA, including setting forth details of the ownership of shares of the Corporation. A Dissenting Shareholder may only dissent with respect to all of the Common Shares of which such Dissenting Shareholder is the registered and beneficial owner. Under the SBCA there is no right of partial dissent.

The delivery of a notice of dissent does not deprive a Dissenting Shareholder of its right to vote at the Meeting on the Continuance Resolution. However, a vote against the Continuance Resolution does not constitute notice of dissent under the SBCA and a Shareholder who votes in favour of the Continuance Resolution will not be considered a Dissenting Shareholder.

Within ten (10) days after the approval of the Continuance Resolution, the Corporation must send notice of such fact to each Dissenting Shareholder who has not withdrawn a valid notice of dissent and who has not voted in favour of the Continuance Resolution. Within twenty (20) days of the date of such notice given by the Corporation, the Dissenting Shareholder must send to the Corporation or its transfer agent a written demand setting out such holder's name, address, the number of Common Shares that are subject to the objection and a demand for payment of the fair value of such Common Shares. The Dissenting Shareholder must within thirty (30) days of sending such demand for payment send to the Corporation or its transfer agent any certificates representing the Common Shares subject to the demand for payment.

Upon the sending of such notice to the Corporation containing the demand for payment, the Dissenting Shareholder is deemed to have sold the Common Shares to the Corporation and the Corporation is deemed to have purchased such Common Shares. Accordingly, after the sending of such notice, the Dissenting Shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his Common Shares as determined under section 184 of the SBCA except where: (a) the Dissenting Shareholder withdraws his notice before the Corporation makes an offer under Section 184(12) of the SBCA; (b) the Corporation fails to make an offer in accordance with Section 184(12) of the SBCA and the Dissenting Shareholder withdraws his notice; or (c) the Board revokes the Continuance Resolution, in which case his rights as a shareholder are reinstated as of the date he sent the demand for payment.

The Corporation shall, within seven (7) days after the effective date of the Continuance or the day the Corporation received the demand for payment from the Dissenting Shareholder, send to each such Dissenting Shareholder (a) a written offer to pay for his Common Shares in an amount considered by the Board to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or (b) if applicable, a notification that the Corporation is unable lawfully to pay Dissenting Shareholders for their Common Shares due to the Corporation having reasonable grounds to believe that the Corporation is or would after the payment be unable to pay its liabilities as they become due; or that the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities.

The Corporation must make such payment within ten (10) days after the offer has been accepted but any such offer lapses if the Corporation does not receive an acceptance thereof within thirty (30) days after the offer has been made. In the event that the Corporation fails to make an offer to a Dissenting Shareholder, or in the event that such offer is not accepted, the Corporation or the Dissenting Shareholder may apply to court to fix a fair value for the Common Shares of the Dissenting Shareholder. The SBCA contains provisions governing such court application. Section 184 of the SBCA outlines certain events when Dissent Rights will cease to apply where such events occur before payment is made to the Dissenting Shareholder of the fair value of the shares, (including if the applicable resolution does not pass or is otherwise not proceeded with). In such events, the Dissenting Shareholder will be entitled to the return of the applicable share certificate(s), if any, and rights as a shareholder of the Corporation in respect of the applicable Common Shares will be regained.

The discussion above is only a summary of the Dissent Rights which are technical and complex. A Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of the SBCA, including

Section 184. Persons who are non-registered holders of Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent.

**It is suggested that any shareholder considering availing himself or herself of the Dissent Rights seek his or her own legal and tax advice as failure to comply strictly with the applicable provisions of the SBCA may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.**

### **5. Approval of a Name Change**

In connection with a proposed repositioning of the Corporation, the Board anticipates that it may be in the best interest of the Corporation to change the name of the Corporation. To provide the Board with maximum flexibility in connection with the proposed repositioning of the Corporation, the Board is seeking approval from Shareholders to authorize the Board to amend the Corporation's Articles to change the name of the Corporation to such name as the Board may determine in its sole discretion (the "**Name Change**"). At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass, with or without variation, a special resolution in the form set out below (the "**Name Change Resolution**") authorizing the Board, in its sole discretion, to change the name of the Corporation to such name as the Board may determine, without further approval of the Shareholders.

Notwithstanding approval of the Name Change Resolution by Shareholders, the Board may, in its sole discretion, abandon the Name Change at any time, without the approval or further approval or action by, or prior notice to the Shareholders. If the Board does not implement the Name Change within twenty-four months of the approval of the Name Change Resolution, the authority granted by the Name Change Resolution will lapse and be of no further force or effect.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass, with or without variation, the Name Change resolution as a special resolution, subject to such amendments, variations or additions as may be approved at the Meeting.

**The Board recommends that Shareholders vote FOR the Name Change Resolution. To be effective, the Name Change resolution must be approved by not less than two-thirds of the votes cast by the Shareholders present in person, or represented by proxy, and entitled to vote at the Meeting. Unless the Shareholder directs that his or her Common Shares are to be voted against the Name Change resolution, the persons named in the Form of Proxy intend to vote FOR the Name Change resolution.**

The text of the Name Change resolution to be submitted to Shareholders at the Meeting is set forth below:

#### **“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The Corporation's Articles be amended to change the name of the Corporation from "Shane Resources Ltd." to such name as may be approved by the board of directors of the Corporation (including the changing of the Corporation's stock symbol to reflect its new name) in its sole discretion, without further approval of the shareholders of the Corporation;
2. The effective date of such name change shall be the date shown in the certificate of amendment or such other date indicated in the articles of amendment provided that, in any event, such date shall be prior to twenty-four (24) months from the date hereof and if not implemented within such period, the authority granted by this resolution to effect a name change on the foregoing terms will lapse and be of no further force or effect;
3. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the board of directors of the Corporation be and are hereby authorized and empowered to revoke this resolution at any time prior to receipt of a certificate of amendment of the Articles of the Corporation giving effect to the name change, without further approval of the shareholders of the Corporation; and

4. Any director or officer of the Corporation be and such director or officer of the Corporation is hereby authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to fulfil the intent of this resolution.”

In the event that the Corporation proceeds with a Name Change, letters of transmittal will be made available to Shareholders for use in depositing their certificates representing their Common Shares to the Transfer Agent in exchange for new certificates representing the new name of the Corporation. Shareholders are not required to take any action at this time. Non-Registered Shareholders holding their Common Shares through an Intermediary should note that Intermediaries may have different procedures for processing a name change than those that will be put in place by the Corporation for Registered Shareholders. If you hold your Common Shares with an Intermediary and you have questions in this regard, you are encouraged to contact your intermediary. Shareholders should not destroy any share certificates and should not submit any certificates until requested to do so, if required.

#### **6. Other Matters**

Management knows of no matters to come before the Meeting other than those referred to in the Notice and this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

#### **INDICATION OF OFFICER AND DIRECTORS**

All of the directors and executive officers of the Corporation have indicated that they intend to vote their Common Shares in favour of each of the above resolutions. In addition, unless authority to do so is indicated otherwise, the persons named in the enclosed form of proxy intend to vote the Common Shares represented by such proxies in favour of each of the above resolutions.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may also contact Binyomin Posen, Chief Executive Officer of the Corporation at 416-869-1234.

Financial information is provided in the Corporation’s comparative financial statements and management discussion and analysis for the fiscal years ended December 31, 2020 and 2019 and subsequent interim periods, which are filed on SEDAR.

#### **OTHER MATTERS**

Management is not aware of any other matter to come before the Meeting other than as set forth in the Notice. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

**DATED** September 15, 2021.

**BY ORDER OF THE BOARD**

*/s/ “Binyomin Posen”*

**Binyomin Posen**  
**Chief Executive Officer, Chief Financial Officer and Director**

**SCHEDULE “A”  
AUDIT COMMITTEE CHARTER**

*Mandate*

The company is relying on the exemption contained in Part 6.1 of National Instrument 52-110. The primary function of the audit committee (the “**Audit Committee**”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Audit Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

*Composition*

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting.

*Meetings*

The Audit Committee shall meet at least four times annually, or more frequently if circumstances dictate. The Committee also discusses items by telephone and signs resolutions in lieu of meetings, as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CEO and the external auditors in separate sessions.

*Responsibilities and Duties*

To fulfil its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually
- (b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental

body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

- (c) Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - a. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - b. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - c. such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee



### Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### Other

Review any related-party transactions.

## **ADDENDUM "A" TO THE AUDIT COMMITTEE CHARTER WHISTLE BLOWER POLICY**

### **Introduction**

Shane Resources Ltd. ("**Shane Resources**" or the "**Company**") is committed to the highest standards of openness, honesty and accountability. In line with that commitment, we expect employees and others that we deal with who have serious concerns about any aspect of the Company's activities and operations to come forward and voice those concerns.

Employees are often the first to realize that there may be something seriously wrong within a Company. However, they may decide not to express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Company. They may also fear recrimination, harassment or victimization. In these circumstances, they may feel it would be easier to ignore the concern rather than report what may just be a suspicion of wrong-doing.

This policy document makes it clear that employees can report wrong-doings or suspected wrong-doings without fear of victimization, subsequent discrimination or disadvantage. This Whistle Blowing Policy is intended to encourage and enable employees to raise serious concerns within the Company rather than overlooking a problem or seeking a resolution of the problem outside the Company.

This Policy applies to all employees and those contractors working for Shane Resources. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding the Company's business conduct.

The Policy is also intended as a clear statement that if any wrongdoing by the Company or any of its employees or by any of its contractors or suppliers is identified and reported to the Company, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine and implement the means of ensuring that such wrongdoing can be prevented in future.

A whistleblowing or reporting mechanism invites all employees and other stakeholders to act responsibly to uphold the reputation of their organization and maintain public confidence. Encouraging a culture of openness within the organization will also help this process. This Policy aims to ensure that serious concerns are properly raised and addressed within the Company.

## **Background**

### **1. What is Whistleblowing?**

Employees are usually the first to know when something is going seriously wrong. A culture of turning a "blind eye" to such problems means that the alarm is not sounded and those in charge do not get the chance to take action before real damage is done. Whistleblowing can therefore be described as giving information about potentially illegal and/or underhanded practices i.e. wrong doing.

### **2. What is wrong doing?**

Wrong doing involves any unlawful, illegal or otherwise improper behavior and can include:

- An unlawful act whether civil or criminal;
- Breach of or failure to implement or comply with any approved policy of Shane Resources, including the internal financial controls approved by Shane Resources;
- Knowingly breaching federal or provincial laws or regulations;
- Unprofessional conduct or conduct that is not consistent with recognized, established standards of practice;
- Questionable accounting or auditing practices;
- Dangerous practice likely to cause physical harm/damage to any person/property;
- Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to the Company;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination in the course of employment or provision of services.

This list is not definitive, but is intended to give an indication of the kind of conduct which might be considered as "wrong doing".

### **3. Who is protected?**

This Policy is set in the context of the regulatory provisions of National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”). Any employee who makes a disclosure or raises a concern under this Policy will be protected if the employee:

- Discloses the information in good faith;
- Believes it to be substantially true;
- Does not act maliciously or make knowingly false allegations; and
- Does not seek any personal or financial gain.

### **4. Who should you contact?**

Anyone with a complaint or concern about the Company should try to contact the Chief Executive Officer or Chief Financial Officer at 416-481-2222 (Ext. 246).

### **5. How the Company will respond?**

The Company will respond positively to your concerns. Where appropriate, the matters raised may:

- (a) be investigated by management, the Board of Directors, internal audit (when implemented), or through the disciplinary process;
- (b) be referred to the police;
- (c) be referred to the external auditor or external legal counsel;
- (d) form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

Within ten working days of a concern being raised, the responsible officer will write to you:

- (a) acknowledging that the concern has been received;
- (b) indicating how he/she proposes to deal with the matter;
- (c) giving an estimate of how long it will take to provide a response;
- (d) telling you whether any initial enquiries have been made; and
- (e) telling you whether further investigations will take place and if not, why not.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Company will seek further information from you.

The Company will take steps to minimize any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Company will arrange for you to receive advice about the procedure.

The Company accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

## **6. Time Frames**

Concerns will be investigated as quickly as possible. It should be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be borne in mind that the seriousness and complexity of any complaint may have an impact on the time taken to investigate a matter. A designated person will indicate at the outset the anticipated time frame for investigating the complaint.

## **7. Prevention of Recriminations, Victimization or Harassment**

The Company will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to the Company a serious and genuine concern that they may have about an apparent wrongdoing.

## **8. Confidentiality and Anonymity**

The Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality. However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his or her name.

## **9. False and Malicious Allegations**

The Company is proud of its reputation with the highest standards of honesty. It will therefore ensure that substantial and adequate resources are put into investigating any complaint which it receives. However, the Company will regard the making of any deliberately false or malicious allegations by any employee of the Company as a serious disciplinary offence which may result in disciplinary action, up to and including dismissal for cause.

**SCHEDULE “B”  
PROCEDURE FOR DISSENT UNDER THE SBCA**

**Right to dissent**

**184(1)** Subject to sections 185 and 234, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under clause 186.1(4)(d) that affects the holder or if the corporation resolves to:

- (a) amend its articles under section 167 or 168 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles pursuant to section 167 to add, change or remove any restriction on:
  - (i) the business or businesses that the corporation may carry on; or
  - (ii) the powers that the corporation may exercise;
- (c) amalgamate with another corporation, otherwise than under section 178;
- (d) be continued under the laws of another jurisdiction under section 182; or
- (e) sell, lease or exchange all or substantially all its property under subsection (2) of section 183.

**Further right**

(2) The articles of a corporation may provide that a holder of any class or series of shares of a corporation, except a holder of shares of a distributing corporation, who is entitled to vote under section 170 may dissent if the corporation resolves to amend its articles in a manner described in that section.

**Payment for shares**

(3) In addition to any other right he may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which he dissents or an order made under subsection 186.1(4) becomes effective, to be paid by the corporation the fair value of the shares held by him in respect of which he dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by him on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of his right to dissent.

**Notice of resolution**

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn his objection.

### **Demand for payment**

(7) A dissenting shareholder shall, within twenty days after he receives a notice under subsection (6) or, if he does not receive such notice, within twenty days after he learns that the resolution has been adopted, send to the corporation a written notice containing:

- (a) his name and address;
- (b) the number and class of shares in respect of which he dissents; and
- (c) a demand for payment of the fair value of such shares.

### **Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which he dissents to the corporation or its transfer agent.

### **Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

### **Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

### **Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his shares as determined under this section except where:

- (a) the dissenting shareholder withdraws his notice before the corporation makes an offer under subsection (12);
- (b) the corporation fails to make an offer in accordance with subsection (12) and the dissenting shareholder withdraws his notice; or
- (c) the directors revoke a resolution to amend the articles under subsection (2) of section 167 or subsection (4) of section 168, terminate an amalgamation agreement under subsection (6) of section 177 or an application for continuance under subsection (6) of section 182, or abandon a sale, lease or exchange under subsection (8) of section 183; in which case his rights as a shareholder are reinstated as of the date he sent the notice mentioned in subsection (7).

### **Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice:

- (a) a written offer to pay for his shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

### **Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

### **Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

### **Corporation application to court**

(15) Where a corporation fails to make an offer under subsection (12), or where a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

### **Shareholder application to court**

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within any further period of time that the court may allow.

### **Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

### **No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

### **Parties**

(19) Upon an application to a court under subsection (15) or (16):

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the

court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.

### **Powers of court**

(20) Upon an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

### **Appraisers**

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

### **Final order**

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of his shares as fixed by the court.

### **Interest**

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

### **Notice that subsection (26) applies**

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

### **Effect where subsection (26) applies**

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may:

- (a) withdraw his notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to his full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

### **Limitation**

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that:

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.



**SCHEDULE "C"**  
**CONTINUANCE APPLICATION**

*(See attached.)*



Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W9V3

Courier Address: 200 - 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the Business Corporations Act requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

If you are continuing a company into BC and want the BC incorporation number as its name, you will need to file this form on paper. Complete this form and mail to the Corporate Registry, along with a letter from the corporation's home jurisdiction authorizing the continuation in. For information on the content of the authorization letter, see the Corporate Online Help Centre at www.corporateonline.gov.bc.ca for "Continuation Application" and "Authorization for Continuation In."

A NAME OF COMPANY - Choose one of the following:

[X] The name Shane Resources Ltd. is the name reserved

for the foreign corporation to be continued in. The name reservation number is: \_\_\_\_\_, OR

[ ] The foreign company is to be continued in with a name created by adding "B.C. Ltd." after the incorporation number of the company

B FOREIGN CORPORATION'S CURRENT JURISDICTION

1. Corporate number assigned by the foreign corporation's jurisdiction 002171530

2. Corporation's name in the foreign corporation's jurisdiction Shane Resources Ltd.

3. Foreign corporation's date of incorporation or the most recent date of amalgamation or continuation 1981/06/06

4. Foreign corporation's jurisdiction of incorporation, amalgamation or continuation

Saskatchewan

C ALTERATION EFFECTIVE DATE - Choose one of the following:

[X] The alteration is to take effect at the time that this notice is filed with the registrar.

YYYY / MM / DD

[ ] The alteration is to take effect at 12:01a.m. Pacific Time on \_\_\_\_\_ being a date that is not more than ten days after the date of the filing of this notice

YYYY / MM / DD

[ ] The alteration is to take effect at \_\_\_\_\_ [ ] a.m. or [ ] p.m. Pacific Time on being a date and time that is not more than ten days after the date of filing this notice. \_\_\_\_\_

D AUTHORIZATION FOR CONTINUATION

Authorization for the continuation from the foreign corporation's jurisdiction is:

[ ] ATTACHED [X] ALREADY FILED



Telephone: 1 877 526-1526 Mailing Address: PO Box 9431 Stn Prov Govt Courier Address: 200 - 940 Blanshard Street
www.bcreg.ca Victoria BC V8W9V3 Victoria BC V8W 3E6

E REGISTRATION AS AN EXTRAPROVINCIAL COMPANY

Is the foreign corporation currently registered in BC as an extraprovincial company? Not Applicable

F CERTIFIED CORRECT - I have read this form and found it to be correct.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

DATE SIGNED YYYY / MM / DD

X



LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

**D REGISTERED OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

804-750 West Pender Street Vancouver	PROVINCE <b>BC</b>	POSTAL CODE V6C 2T7
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MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

804-750 West Pender Street Vancouver	PROVINCE <b>BC</b>	POSTAL CODE V6C 2T7
--------------------------------------	-----------------------	------------------------

**E RECORDS OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

804-750 West Pender Street Vancouver	PROVINCE <b>BC</b>	POSTAL CODE V6C 2T7
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MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

804-750 West Pender Street Vancouver	PROVINCE <b>BC</b>	POSTAL CODE V6C 2T7
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**F AUTHORIZED SHARE STRUCTURE**

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	TYPE OF CURRENCY	YES (✓)	NO (✓)
Common Shares	X		X		n/a	X	
Preferred Shares	X		X		n/a	X	



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Courier Address: 200 - 940 Blanshard Street

www.bcreg.ca

Victoria BC V8W 9V3

Victoria BC V8W 3E6

INSTRUCTIONS:

Please type or print clearly in block letters.

The Province of British Columbia has entered into a partnership with the Canada Revenue Agency (CRA) to use the national Business Number (BN) as a convenient way for corporations to identify themselves when communicating with federal and provincial governments.

The Corporate registry, under the authority of the Business Number Act, is therefore collecting the BN from both corporations applying for registration in British Columbia and corporations currently registered in British Columbia. This will allow corporations to use their BN as an identifier the next time they communicate with the Corporate Registry.

You will already have a BN if you have been incorporated federally or if you are incorporated in another Canadian jurisdiction.

You may have also received a BN from CRA if you:

- collect GST/HST;
• have employees;
• import or export goods to or from Canada;
• operate a taxi or limo service;
• are registered with WorkSafeBC, and/or;
• are registered to do business in another Canadian jurisdiction

Freedom of Information and Protection of Privacy Act (FOIPPA):

Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Number Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

COMPLETE ITEM A OR B

A BUSINESS NUMBER

Your Business Number (e.g., GST/HST account) would be displayed as a 15-character identifier, for example: 82123 5679 RT 0001. The first nine numbers uniquely identify your business - it's those numbers we need.

Please enter the first 9 digits here:

[Empty input box for first 9 digits of Business Number]

B DIRECTOR NAME

if you do not have a Business Number please enter the name of a director of your corporation (as per CRA requirements) so that we can request one for you. The director's name is confidential information and is collected under the authority of the Business Number Act.

LAST NAME

FIRST NAME

**SHANE RESOURCES LTD.**  
(the “Company”)

Incorporation Number:

The Company has as its articles the following articles.

Full name and signature of a Director	Date of signing
_____	_____, 2021

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## **1. INTERPRETATION**

### **1.1 Definitions**

In these Articles, unless the context otherwise requires:

- (1) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (2) “**Business Corporations Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “**legal personal representative**” means the personal or other legal representative of a shareholder;
- (4) “**public company**” has the meaning ascribed to it in the *Business Corporations Act*;
- (5) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register; and
- (6) “**seal**” means the seal of the Company, if any.

### **1.2 Business Corporations Act and Interpretation Act Definitions Applicable**

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the Interpretation Act, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## **2. SHARES AND SHARE CERTIFICATES**

### **2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders’ duly authorized agents will be sufficient delivery to all.

### **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder’s right to obtain a share certificate may be sent to the shareholder by mail at the shareholder’s registered address and neither the Company

nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgment is lost in the mail or stolen.

## **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

## **2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

## **2.7 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.8 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

## **2.9 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## **3. ISSUE OF SHARES**

### **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

### **3.2 Commissions and Discounts**

The Company may, at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

### **3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **3.4 Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (a) past services performed for the Company;
  - (b) property;
  - (c) money; and
- (2) the directors in their discretion have determined that the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **4. SHARE REGISTERS**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

### **4.2 Closing Register**

The Company must not at any time close its central securities register.

## **5. SHARE TRANSFERS**

### **5.1 Registering Transfers**

A transfer of a share of the Company must not be registered unless:

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;

- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

For the purpose of this Article, delivery or surrender to the agent that maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

## **5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

## **5.3 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

## **5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

## **5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

## **5.6 Transfer Fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **6. TRANSMISSION OF SHARES**

### **6.1 Legal Personal Representative Recognized on Death**

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

## **6.2 Rights of Legal Personal Representative**

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

## **7. PURCHASE OF SHARES**

### **7.1 Company Authorized to Purchase Shares**

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

### **7.2 Purchase When Insolvent**

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

### **7.3 Sale and Voting of Purchased Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

## **8. BORROWING POWERS**

### **8.1 Power to Borrow and Issue Debt Obligations**

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## **8.2 Features of Debt Obligations**

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

## **9. ALTERATIONS**

### **9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (d) if the Company is authorized to issue shares of a class of shares with par value:
    - A. decrease the par value of those shares; or
    - B. if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
  - (f) alter the identifying name of any of its shares; or
- (2) by ordinary resolution otherwise alter its shares or authorized share structure.

### **9.2 Special Rights or Restrictions**

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above, if any of the shares of the class or series of shares have been issued.

### **9.3 Change of Name**

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

#### **9.4 Other Alterations**

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

### **10. MEETINGS OF SHAREHOLDERS**

#### **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

#### **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

#### **10.3 Calling of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders.

#### **10.4 Place of Meetings of Shareholders**

General meetings of shareholders may be held at a location outside of British Columbia to be determined and approved by a directors' resolution.

#### **10.5 Meetings by Telephone or Other Electronic Means**

A meeting of the Company's shareholders may be held entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors' resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.

#### **10.6 Notice for Meetings of Shareholders**

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

### **10.7 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

### **10.8 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

### **10.9 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

### **10.10 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document:
  - (a) will be available for inspection by shareholders at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and
  - (b) may be available by request from the Company or may be accessible electronically or on a website, as determined by the directors.

### **10.11 Advance Notice for Nomination of Directors.**

- (1) If and for so long as the Company is a public company, subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors as set forth in the Company's notice of such special meeting, may be made (i) by or at the direction of the board of directors, including pursuant to a notice of meeting, (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with



the provisions of the *Business Corporations Act* or, (iii) by any shareholder of the Company (a “**Nominating Shareholder**”) who, at the close of business on the date of the giving of the notice provided for below in this Article 10.11 and on the record date for notice of such meeting, is entered in the securities register 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 who complies with the notice procedures set forth in this Article 10.11.

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the secretary at the principal executive offices of the Company in accordance with this Article 10.11.
- (b) To be timely, a Nominating Shareholder's notice must be received by the secretary of the Company (i) in the case of an annual meeting, not less than 30 days or 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 on which the first public announcement of the date of the annual meeting was made (the "**Meeting Notice Date**"), the Nominating Shareholder's notice must be so received not later than the close of business on the 10th day following the Meeting Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which public announcement of the date of the special meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting or special meeting commence a new time period for the giving of a Nominating Shareholder's notice as described in this Article 10.11.
- (c) To be in proper written form, a Nominating Shareholder's notice must set forth: (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of the Company that are owned beneficially or of record by the person and (D) 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 election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and (ii) 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 shares of the Company 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 **Business Corporations Act** and Applicable Securities Laws. The Company may require any proposed nominee 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 Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. The Nominating Shareholder's notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.
- (d) No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Article 10.11; provided, however, that nothing in this Article 10.11 shall be deemed to preclude a shareholder from discussing (as distinct from nominating directors) at a meeting of shareholders any matter in respect of which the shareholder would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations 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 defective nomination shall be disregarded.
- (e) For purposes of this Article 10.11, (i) "**public announcement**" shall mean disclosure in a press release disseminated by a nationally recognized news service in Canada, or in a document publicly

filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (ii) "**Applicable Securities Laws**" means the applicable securities legislation in each relevant province and territory of Canada, as amended from time to time, 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 province and territory of Canada.

- (f) Notice given to the secretary of the Company pursuant to this Article 10.11 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address aforesaid) or sent by facsimile transmission (provided the receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company; 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. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been on the subsequent day that is a business day.
- (g) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 10.11.

## **11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
  - (a) business relating to the conduct of or voting at the meeting;
  - (b) consideration of any financial statements of the Company presented to the meeting;
  - (c) consideration of any reports of the directors or auditor;
  - (d) the setting or changing of the number of directors;
  - (e) the election or appointment of directors;
  - (f) the appointment of an auditor;
  - (g) the setting of the remuneration of an auditor;
  - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
  - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

### **11.3 Quorum**

Subject to the special rights or restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting.

### **11.4 One Shareholder May Constitute Quorum**

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

### **11.5 Other Persons May Attend**

The directors, the president (if any), the corporate secretary (if any), the assistant corporate secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

### **11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

### **11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

### **11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

### **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the corporate secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be

chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

#### **11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

#### **11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

#### **11.13 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

#### **11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

#### **11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

#### **11.16 Casting Vote**

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

#### **11.17 Manner of Taking Poll**

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
  - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

### **11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

### **11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

### **11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

### **11.21 Demand for Poll**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

### **11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

### **11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three-month period, the Company may destroy such ballots and proxies.

## **12. VOTES OF SHAREHOLDERS**

### **12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

### **12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

### **12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

- (2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

#### **12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

#### **12.5 Representative of a Corporate Shareholder**

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must:
  - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
  - (b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (2) if a representative is appointed under this Article 12.5:
  - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

#### **12.6 Proxy Provisions Do Not Apply to All Companies**

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

#### **12.7 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

#### **12.8 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

#### **12.9 Proxy Holder Need Not Be Shareholder**

- (1) A person who is not a shareholder may be appointed as a proxy holder.

### 12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

### 12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) by the chair of the meeting, before the vote is taken.

### 12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

*[Name of Company]*  
(the “**Company**”)

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder):

\_\_\_\_\_

Signed *[month, day, year]*

\_\_\_\_\_  
*[Signature of shareholder]*

\_\_\_\_\_  
*[Name of shareholder – printed]*

### 12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) provided, at the meeting, to the chair of the meeting.

#### **12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

#### **12.15 Production of Evidence of Authority to Vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

### **13. DIRECTORS**

#### **13.1 Number of Directors**

The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
  - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
  - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (b) the number of directors set under Article 14.4.

#### **13.2 Change in Number of Directors**

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.



### **13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

### **13.4 Qualifications of Directors**

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

### **13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

### **13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### **13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## **14. ELECTION AND REMOVAL OF DIRECTORS**

### **14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1) but are eligible for re-election or re-appointment.

### **14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

- (2) that individual is elected or appointed at a meeting at which the individual is present, and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

#### **14.3 Failure to Elect or Appoint Directors**

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

#### **14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

#### **14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

#### **14.6 Remaining Directors Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

#### **14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

#### **14.9 Ceasing to be a Director**

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

#### **14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

#### **14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

### **15. ALTERNATE DIRECTORS**

#### **15.1 Appointment of Alternate Director**

Any director (an “**appointor**”) may by notice in writing received by the Company appoint any person (an “**appointee**”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

#### **15.2 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

#### **15.3 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

- (2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

#### **15.4 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

#### **15.5 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

#### **15.6 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

#### **15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

#### **15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

### **16. POWERS AND DUTIES OF DIRECTORS**

#### **16.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

## **16.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **17. DISCLOSURE OF INTEREST OF DIRECTORS**

### **17.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

### **17.2 Restrictions on Voting by Reason of Interest**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **17.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### **17.4 Disclosure of Conflict of Interest or Property**

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

### **17.5 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

### **17.6 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

### **17.7 Professional Services by Director or Officer**

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

### **17.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## **18. PROCEEDINGS OF DIRECTORS**

### **18.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

### **18.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **18.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
  - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
  - (c) the chair of the board and the president, if a director, have advised the corporate secretary, if any, or any other director, that they will not be present at the meeting.

### **18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **18.5 Calling of Meetings**

A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

### **18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

### **18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

### **18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

### **18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

### **18.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of directors then in office or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

### **18.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **18.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or

of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **19. EXECUTIVE AND OTHER COMMITTEES**

### **19.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
  - (a) the power to fill vacancies in the board of directors;
  - (b) the power to remove a director;
  - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **19.3 Obligations of Committees**

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

### **19.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and



- (3) fill vacancies in the committee.

### **19.5 Committee Meetings**

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **20. OFFICERS**

### **20.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

### **20.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

### **20.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

### **20.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors thinks fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## **21. INDEMNIFICATION**

### **21.1 Definitions**

In this Article 21:

- (1) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
  - (a) is or may be joined as a party; or
  - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “**expenses**” has the meaning set out in the *Business Corporations Act*.

## **21.2 Mandatory Indemnification of Directors and Former Directors**

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

## **21.3 Indemnification of Other Persons**

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

## **21.4 Non-Compliance with *Business Corporations Act***

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

## **21.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## **22. DIVIDENDS**

### **22.1 Payment of Dividends Subject to Special Rights**

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

## **22.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

## **22.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 22.2.

## **22.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

## **22.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

## **22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

## **22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

## **22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

## **22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

## **22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

### **22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **22.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

### **22.13 Capitalization of Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

## **23. DOCUMENTS, RECORDS AND REPORTS**

### **23.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

### **23.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

### **23.1 Remuneration of Auditor**

The directors may set the remuneration of the auditor of the Company.

## **24. NOTICES**

### **24.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
  - (a) for a record mailed to a shareholder, the shareholder's registered address;
  - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:

- (a) for a record delivered to a shareholder, the shareholder's registered address;
  - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
  - (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
  - (5) physical delivery to the intended recipient.

#### **24.2 Deemed Receipt of Mailing**

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

#### **24.3 Certificate of Sending**

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

#### **24.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

#### **24.5 Notice to Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
  - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

### **25. SEAL**

#### **25.1 Who May Attest Seal**

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

## 25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer.

## 25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the corporate secretary, treasurer, corporate secretary-treasurer, an assistant corporate secretary, an assistant treasurer or an assistant corporate secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## 26. PROHIBITIONS

### 26.1 Definitions

In this Article 26:

- (1) “**designated security**” means:
  - (a) a voting security of the Company;
  - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
  - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) “**security**” has the meaning assigned in the *Securities Act* (British Columbia);
- (3) “**voting security**” means a security of the Company that:
  - (a) is not a debt security, and
  - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

**26.2 Application**

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

**26.3 Consent Required for Transfer of Shares or Designated Securities**

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.