

IBERIAN MINERALS LTD.

MANAGEMENT INFORMATION CIRCULAR

dated July 23, 2014

for the

Annual and Special Meeting to be held on August 27, 2014

SOLICITATION OF PROXIES

This management information circular ("**Circular**") is provided in connection with the solicitation by management of Iberian Minerals Ltd. ("**Corporation**") of proxies for use at the annual and special meeting ("**Meeting**") of the holders of common shares ("**Shareholders**") to be held on Wednesday, August 27, 2014 at the offices of CAS Corporate Governance Services, 600, 815 – 8th Avenue SW, Calgary, Alberta at 1:00 PM MDT and at any adjournment, for the purposes set forth in the notice of meeting ("**Notice**").

The record date for the purpose of determining holders of common shares is July 23, 2014 ("**Record Date**"). Shareholders of record on that date are entitled to receive notice of and attend the Meeting and vote on the basis of one vote for each common share held, except to the extent that a registered Shareholder has transferred the ownership of any shares subsequent to the Record Date and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the shares and demands, not later than 10 calendar days before the Meeting, that his name be included on the Shareholder list, in which case, the transferee will be entitled to vote his shares at the Meeting.

This solicitation is made on behalf of management. The Corporation will bear the costs incurred in the preparation and mailing of the Meeting materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by directors, officers and employees of the Corporation who will not be remunerated for their services.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and directors of the Corporation. As a Shareholder, you have the right to appoint a person, who need not be a Shareholder, to represent you at the Meeting. To exercise this right you should insert the name of your representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy. The form of proxy should be dated and executed by the Shareholder or an attorney, authorized in writing and with proof of the authorization attached. A proxy may be revoked by a registered Shareholder personally attending at the Meeting and voting his shares in person.

A form of proxy will not be valid for the Meeting or any adjournment unless it is completed and delivered to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 or faxed to 1-866-249-7775 prior to 1:00 PM (MDT), on Monday, August 25, 2014 being at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment.

The common shares represented by the Shareholder proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and that, if the Shareholder specifies a choice with respect to the any matter to be acted upon, the common shares will be voted accordingly.

A Shareholder may revoke his proxy at any time prior to a vote. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, either at the registered office of the Corporation

or with Computershare Trust Company of Canada, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting, or any adjournment.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records of the registrar and transfer agent will be recognized at the Meeting. If the common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those common shares will, in all likelihood, *not* be registered in the Shareholder's name. Without specific instructions, brokers and their nominees are prohibited from voting shares held by Beneficial Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every broker and other intermediaries have their own mailing procedures and provide their own return instructions to clients which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada ("**Broadridge**"). Broadridge mails a Voting Information Form ("**VIF**") asking the Beneficial Shareholders to return the VIF to Broadridge by mail or by way of the Internet or telephone. A Beneficial Shareholder who receives a VIF cannot use that VIF to vote 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.

All reference to Shareholders in this Circular, the form of proxy and Notice are to registered Shareholders unless specifically stated otherwise.

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") sets out the procedures, for a Shareholder to receive financial statements. If a Shareholder wishes to receive financial statements, the Shareholder may use the enclosed form or provide instructions in any other written format.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at the Record Date, there were 144,996,046 common shares issued and outstanding. There were no preferred shares issued and outstanding. Shareholders are entitled to one vote for each common share held. A quorum of shareholders is present at a meeting of shareholders if at least two holders representing not less than 5% of the outstanding shares of the Corporation are present in person or represented by proxy.

To the knowledge of the directors and management, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

BUSINESS OF THE MEETING

Financial Statements

The board of directors (“**Board**”) has approved all of the information in the audited consolidated financial statements for the year ended December 31, 2013 and the report of the auditor thereon. The financial statements have been mailed to all the registered Shareholders and to the Beneficial Shareholders who responded to the Corporation’s mail list request form pursuant to NI 51-102. The audited financial statements and MD&A are available on SEDAR, www.sedar.com, and will be tabled at the Meeting.

Fix Number of Directors

Shareholders will be asked to vote in favour of the resolution to fix the number of directors to be elected at the Meeting at five.

Election of Directors

There are currently five directors and their term of office will expire at the Meeting. The following table sets forth the nominees, positions with the Corporation, their principal occupations, periods during which they have served as directors and the number of voting shares beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction. Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that a nominee cannot stand for election for any reason prior to the Meeting, the proxy shall **not** be voted with respect to the filling of that vacancy.

Name and Residence	Director and Position held with the Corporation	Principal Occupation	Common Shares Beneficially Owned or Controlled or Directed
Rick Gliege British Columbia, Canada	Director since 2009 COO since 2009 CFO from 2010 to 2014	Executive Director, Corporate Development of the Corporation	380,000
Greg Pendura Alberta, Canada	Director since 2010 President and CEO since 2010	President and Chief Executive Officer of the Corporation	1,629,333
Venence Côté ^{1,2} Alberta, Canada	Director since November 20, 2012	Retired	100,000
Jonathan Morley-Kirk ^{1,2} St. Saviour, Jersey	Chairman of the Board Director since April 1, 2014	Corporate Director since 2003	Nil
Bill Hooley ^{1,2} Conwy, UK	Director since June 3, 2014	Chief Executive of Anglesey Mining PLC, since January 2006	Nil

¹Member of Audit Committee

²Member of the Compensation, Governance & Nominating Committee

Penalties, Sanctions, Cease Trade Orders or Bankruptcies

No proposed director, within 10 years before the date of this Circular, has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that

was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the proposed director 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.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

No proposed director has, within 10 years before 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 the proposed director.

No proposed director has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment of Auditor

The Shareholders will be asked to vote for the appointment of K.R. Margetson Ltd., Chartered Accountants, Sechelt, BC, as auditor to hold office until the next annual meeting of the Shareholders at remuneration to be fixed by the directors. K.R. Margetson Ltd. was appointed auditor effective October 14, 2010.

Stock Option Plan

The Board is proposing to replace the current fixed number stock option plan (“**Plan**”) with an amended Plan in substantially the form attached as Exhibit I. The only amendment to the Plan is an increase in the number of common shares reserved for issuance. As of Record Date, the Corporation has 144,996,046 common shares issued and outstanding. Therefore the number of shares to be reserved for the Plan would be a maximum of 28,999,209 common shares. The number of common shares subject to an option granted to a participant shall be determined by the directors, 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. The exercise price shall not be less than the price permitted by any stock exchange on which the common shares are then listed.

The text of the ordinary resolution which will be placed before the Meeting for the approval of the amended Plan is as follows:

BE IT RESOLVED as an ordinary resolution that:

1. the stock option plan of the Corporation in substantially the form attached as Exhibit I to the Circular (“**Amended Plan**”) be and is hereby approved and adopted as the stock option plan of the Corporation;
2. the form of the Amended Plan may be amended in order to satisfy the requirements or requests

- of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. all issued and outstanding stock options previously granted under the Plan are hereby continued under and governed by the Amended Plan;
 4. the Shareholders hereby expressly authorize the Board to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
 5. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.

Approval of Amendment to By-Law Number 3

The shareholders of the Corporation will be asked to ratify and confirm the amendment (“**Amendment**”) to the By-Laws of the Corporation with respect to residency requirements for directors that was approved by the Board of Directors on May 30, 2014. Prior to the Amendment, one-half of the board members were required to be residents of Alberta. The Business Corporations Act (*Alberta*) has been amended whereby only 25% of the members of the Board need to be resident in Canada plus 25% of the members present at a board meeting need to be resident in Canada. The original By-Law #3 is attached as Schedule IV.

The complete text of the ordinary resolution which management intends to place before the Meeting for ratification and confirmation in respect of the amendment to the By-Laws with respect to residency requirements for directors is as follows:

BE IT RESOLVED THAT:

1. effective as of May 30, 2014, By-Law No. 3 of the Corporation is hereby amended by deleting the last paragraph of Section 4.02 in its entirety.
2. effective as of May 30, 2014, By-Law No. 3 of the Corporation is hereby amended by deleting Section 4.10 in its entirety.
3. any director or officer be and is hereby authorized to send to the applicable regulatory authorities amended and/or restated By-Laws of the Corporation, and any one or more directors are hereby authorized to prepare, execute and file By-Laws in order to give effect to this ordinary resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this ordinary resolution; and
4. notwithstanding approval of the shareholders of the Corporation as herein provided, the directors of the Corporation may, in their sole discretion, revoke the ordinary resolution before it is acted upon without further approval of the shareholders of the Corporation.

AUDIT COMMITTEE

Audit Committee Terms of Reference

The Terms of Reference are attached as Exhibit II.

Composition and Relevant Education and Experience

The Audit Committee is composed of Jonathan Morley-Kirk, Bill Hooley, and Ven Côté who are all considered independent. All members have the ability to read, analyze and understand the complexities surrounding the preparation of financial statements pertinent to the Corporation. All members have been involved in the financing, administration and operation of managing small private and/or public companies for several years and have been, either directly or indirectly, involved in the preparation of financial

statements, dealing with the auditors or as a member of an audit committee.

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.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, it has not relied on the exemption in section 2.4 (*De Minimus Non-audit Services*) or an exemption granted under Part 8 (*Exemptions*) of NI 52-110 *Audit Committees* ("**NI 52-110**").

Pre-Approval Policies and Procedures

The Audit Committee must approve all non-audit services provided by auditors prior to any work commencing.

External Auditor Service Fees

The aggregate fees billed by the external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees¹	Audit Related Fees²	Tax Fees³	All Other Fees⁴
2013	\$25,000	Nil	\$2,000	\$10,000
2012	\$25,000	Nil	\$2,000	Nil

¹Audit Fees is the aggregate fees billed by the external auditor

²Audit-Related Fees are the aggregate fees billed for assurance and related services by the external auditor

³Tax Fees are the aggregate fees billed for professional services rendered by the external auditor for tax compliance, tax advice and tax planning.

⁴All Other Fees are the aggregate fees billed for products and services provided by the external auditor other than the services reported.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and its reporting obligations under NI 52-110.

EXECUTIVE COMPENSATION

The Named Executive Officers ("**NEOs**") for the year ended December 31, 2013 were Greg Pendura, Chief Executive Officer ("**CEO**") and Rick Gliege, Chief Financial Officer ("**CFO**") and Chief Operating Officer ("**COO**"). Mr. Gliege resigned as CFO on March 6, 2014.

NEO means a CEO, CFO, each of the three most highly compensated executive officers other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year, and each individual who would be an NEO but for the fact that the individual was neither an executive officer at the end of that financial year.

Compensation Discussion and Analysis

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and to increase shareholder value. The main objective of the compensation program is to recognize the contribution of the NEOs to the overall success and strategic growth of the Corporation. The philosophy

of the Corporation is to pay the management a total compensation amount that is competitive with other Canadian junior resource companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The compensation program provides incentives to its NEOs and Board to achieve long term objectives through grants of stock options pursuant to the Plan. Increasing the value of the common shares increases the value of the stock options. This incentive closely links the interests of the NEOs and directors to Shareholders. The allocation of options pursuant to the Plan is determined by the Board which considers such factors as previous grants to individuals, overall corporate performance, share price performance, the role and performance of the individuals and, in the case of grants to non-executive directors, the amount of time directed to the Corporation's affairs. The Corporation believes that participation by the NEOs in the Plan aligns the interests of the NEOs with the Shareholders, as the NEOs are rewarded for the Corporation's performance as evidenced by share price appreciation.

The Board has not considered the implications of the risks associated with the Corporation's compensation policies and practices. Neither a NEO nor a director are permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the NEOs during the last completed financial year. The Corporation does not have any share-based award plans, non-equity long-term incentive plans, or any defined benefit or defined contribution pension plans.

Name and Principal Position	Year Ended Dec 31	Salary	Option-Based Awards ¹	All Other Compensation ²	Total Compensation
Greg Pendura, CEO	2013	Nil	\$63,008	\$156,000	\$219,008
	2012	Nil	\$57,767	\$130,000	\$187,767
	2011	Nil	\$18,000	\$131,428	\$149,428
Rick Gliege, CFO	2013	Nil	\$47,256	\$112,000	\$159,256
	2012	Nil	\$48,139	\$92,000	\$140,139
	2011	\$20,000	\$9,000	\$40,000	\$69,000

¹Option-based award amounts are non-cash amounts, and are the fair value estimates of options granted during the year, calculated using the Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Black-Scholes model is an industry accepted valuation method.

²Compensation was paid pursuant to consulting agreements with Messrs. Pendura and Gliege.

Narrative Discussion

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

Employment and Consulting Contracts

During the year-ended December 31, 2013, the Corporation had a written agreement with Mr. Pendura for his consulting services which include, as CEO, providing leadership and vision to manage the Corporation in the best interests of the Shareholders; serving as external spokesman; providing strategic

planning; and risk management in addition to other appropriate duties and responsibilities assigned by the Board. The Corporation had a written agreement with Mr. Gliege for his consulting services which include, as CFO and COO, responsibility for the financial activities of the Corporation and ensuring that corporate governance policies are followed.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all option-based awards outstanding for each NEO as of December 31, 2013. The Corporation does not have any share-based award plans for its NEOs.

Option-Based Awards				
Name	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Option
Greg Pendura	1,800,000	\$0.10	December 17, 2015	\$54,000
	200,000	\$0.10	September 1, 2016	\$6,000
	600,000	\$0.10	March 14, 2017	\$18,000
	800,000	\$0.10	February 15, 2018	\$24,000
Rick Gliege	250,000	\$0.10	October 7, 2014	\$7,500
	100,000	\$0.165	November 24, 2014	Nil
	500,000	\$0.29	February 11, 2015	Nil
	300,000	\$0.10	December 17, 2015	\$9,000
	100,000	\$0.10	September 1, 2016	\$3,000
	500,000	\$0.10	March 14, 2017	\$15,000
600,000	\$0.10	February 15, 2018	\$18,000	

¹Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

²As at December 31, 2013, the market value of the common shares on the TSX Venture Exchange was \$0.13.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards which vested or were earned during the most recently completed financial year for each NEO. The Corporation does not have any share-based award plans for its NEOs.

Option-Based Awards - Value vested during the year	
Name	
Greg Pendura	Nil
Rick Gliege	Nil

¹Based on the difference between the market price of the options at the vesting date and the exercise price of \$0.10

Narrative Discussion

The Corporation's only long-term incentive plan is the Plan pursuant to which the Board may, at their discretion, grant options to participants. The purpose of the Plan is to provide compensation opportunities to participants which align their interests with those of Shareholders and which assist in attracting and retaining individuals of exceptional ability. Significant terms of the Plan are: (i) options may be granted in such numbers and with such vesting provisions as the Board may determine; (ii) the Board would fix the exercise price at which common shares may be acquired upon the exercise of such option provided that such exercise price shall not be less than Exchange policy allows; (iii) options may be granted for a maximum term of ten years; (iv) options are not transferable or assignable; (v) the maximum number of common shares reserved for issue under the Plan shall not exceed 20% of the issued and outstanding common shares; (vi) the maximum number of common shares reserved for issue to any one person shall not exceed 5% of the outstanding common shares as at the date of the grant.

Pension Plan Benefits

The Corporation does not have any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a NEOs responsibilities.

Director Compensation

During the most recently completed financial year, the Corporation did not pay any cash compensation to the directors for services rendered in their capacity as directors other than reimbursement of reasonable expenses.

Director Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to directors for the most recently completed financial year, excluding NEOs whose compensation has been previously disclosed in this Circular. The Corporation does not have share-based award plans, non-equity incentive plans or pension plans for its directors.

Name	Fees Earned	Option-Based Awards	All Other Compensation ²	Total
Randy Hayward ³	Nil	\$15,752	\$26,000	\$41,752
Harry McKinders ³	Nil	\$47,256	\$26,000	\$73,256
Ven Côté	Nil	\$15,752	Nil	\$15,752

¹All options are granted pursuant to the stock option plan. Option-based award amounts are non-cash amounts and are the fair value estimates of options granted during the year, calculated using the Black-Scholes pricing model, whereby the fair value of stock options is determined on the grant date and recorded as compensation expense over the period that the stock options vest. The Black-Scholes model is an industry accepted valuation method.

²Mr. Hayward and Mr. McKinders provided consulting services which include raising investment capital, corporate communications and assisting with business development and planning.

³Mr. Hayward resigned as director on March 3, 2014. Mr. McKinders resigned as director on May 31, 2014.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each director, other than NEOs, all option-based awards outstanding as at December 31, 2013. The Corporation does not have any share-based award plans.

Option-Based Awards

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Option
Randy Hayward	150,000	\$0.24	May 6, 2014	Nil
	100,000	\$0.10	August 27, 2014	\$3,000
	100,000	\$0.165	November 24, 2014	Nil
	500,000	\$0.29	February 11, 2015	Nil
	300,000	\$0.10	December 17, 2015	\$9,000
	100,000	\$0.10	September 1, 2016	\$3,000
	400,000	\$0.10	March 14, 2017	\$12,000
	200,000	\$0.10	February 15, 2018	\$6,000
Harry McKinders	100,000	\$0.10	August 27, 2014	\$3,000
	100,000	\$0.165	November 24, 2014	Nil
	500,000	\$0.29	February 11, 2015	Nil
	100,000	\$0.10	December 17, 2015	\$3,000
	50,000	\$0.10	September 1, 2016	\$1,500
	100,000	\$0.10	March 14, 2017	\$3,000
	600,000	\$0.10	February 15, 2018	\$18,000
Ven Côté	250,000	\$0.10	November 20, 2017	\$7,500
	200,000	\$0.10	February 15, 2018	\$6,000

¹Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

²As at December 31, 2013, the market value of the common shares on the TSX Venture Exchange was \$0.13.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for each director, other than a NEO, the value vested or earned on all option-based awards during the financial year ending December 31, 2013. The Corporation does not have non-equity incentive plans or share based aware plans for Directors.

Name	Option-Based Awards - Value vested during the year
Randy Hayward	Nil
Harry McKinders	Nil
Ven Côté	Nil

¹Based on the difference between the market price of the options at the vesting dates and the exercise price of \$0.10.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	13,250,000	\$0.13	10,814,375

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	13,250,000	\$0.13	10,814,375

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation has disclosed its corporate governance practices in Exhibit III attached to this Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any of these persons been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, or proposed nominee for election as a director or any associate or affiliate of any of the foregoing, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

OTHER BUSINESS

While there is no other business to be presented to Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the most recently completed financial year is provided in the comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Corporation at Suite 600, 815 – 8 Avenue SW, Calgary, AB T2P 3P2 or by fax (604) 677-5406 to obtain a copy of the most recent financial statements and management discussion and analysis.

EXHIBIT I
STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan ("**Plan**") of Iberian Minerals Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta) ("**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation ("**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 28,999,209 Shares. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. Exercise Price

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. Number of Optioned Shares

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued Shares of the Corporation in any one twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).

- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve month period to persons employed to provide investor relations activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on TSX Venture Exchange, the maximum term may not exceed 10 years.

Should the expiry date of an option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board.

“Black Out Period” means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

10. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until

the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Officer, Consultant or Employee

Subject to Section 12, if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to extension at the discretion of the Board, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation, subject to extension at the discretion of the Board.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. Death of Participant

Notwithstanding Section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

14. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. Adjustments

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of options, or the exercise price per share as set forth in the respective stock option agreements, shall be adjusted in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

16. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

17. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

18. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

19. Effective Date of Plan

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

20. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

EXHIBIT II
AUDIT COMMITTEE
Terms of Reference

Purpose

The audit committee ("**Committee**") of the Board of Directors ("**Board**") is responsible for assisting the Board in fulfilling its oversight of:

- a) the integrity, fairness, completeness, accuracy, and timeliness of the Corporation's financial reporting and disclosures including its annual and interim reports, preliminary results announcements and any other formal announcements relating to the Corporation's financial performance.
- b) the compliance of the Corporation's financial reporting and disclosures with legal and regulatory requirements and with accepted standards and practices;
- c) the Corporation's internal controls and risk management systems; and
- d) the appointment, independence and work of the Corporation's external auditor.

Composition

The Committee shall be comprised of at least three directors, the majority of whom are not employees, control persons, or officers of the Corporation or any of its associates or affiliates. At least one of the members of the Committee shall have recent and relevant financial experience.

Appointment

Committee members shall be appointed by the Board after each annual meeting of shareholders. The Chairman of the Committee shall be appointed by the Board and shall be an independent director.

Authority

The Committee shall have the authority to:

- a) engage independent counsel and other advisors as it deems necessary to carry out its duties;
- b) to set and pay the compensation for any advisors employed by the Committee; and
- c) to communicate directly with the external auditor. The external auditor shall report its findings directly to the Committee.

Meetings

The Committee shall meet as often as is necessary to fulfill its responsibilities. A quorum for each meeting shall consist of at least two-thirds of the members including at least two independent members.

Responsibilities

The Committee's responsibilities shall include the following:

- a) Recommend to the Board:

- i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - ii) the compensation of the external auditor.
- b) Oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting and disclosures.
 - c) Monitor and ensure the independence of the external auditor. Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor and other accountants.
 - d) Review and discuss with management and the external auditor the Corporation's annual financial statements and MD&A and any related press releases, before the Corporation discloses publicly the information.
 - e) Review and discuss with management and the external auditor the quality and appropriateness of the Corporation's financial reporting standards and accounting policies.
 - f) Review the consistency of, and any changes to, accounting policies both on a year to year basis and across the Corporation;
 - g) Meet with the external auditor without the presence of management as the Committee deems necessary to satisfy its responsibilities.
 - h) Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information derived or extracted from the Corporation's financial statements; and periodically assess the adequacy of such procedures.
 - i) Review any management letter containing the recommendations of the external auditor (if any). Evaluate the response and actions taken by management in relation to such recommendations.
 - j) Review the Letter of Representation from the auditors.
 - k) Review and approve any hiring of partners, employees, and former partners and employees of the present and former external auditor of the Corporation.

Review of Charter

The Committee shall review this charter periodically and recommend amendments to the Board. The Committee shall ensure this charter and Committee composition, including independence requirements and definitions, meet the requirements of all jurisdictions in which the Corporation is a reporting issuer and all stock exchanges on which the its shares are traded.

Delegation

With regard to the pre-approval of non-audit services above, the Committee may delegate to one or more independent members, the authority to pre-approve non-audit services. However, any pre-approval must be presented to the Committee at its first scheduled meeting following such pre-approval.

Reporting

The Committee shall report significant issues and its recommendations to the Board on a regular basis with respect to: each review of financial reporting and disclosure; matters pertaining to the external auditor; and other matters within its scope of responsibilities.

Other Matters

Establish procedures for a Whistleblower Policy:

- i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- ii) the confidential anonymous submission by employees or consultants of concerns regarding questionable accounting or auditing matters.

EXHIBIT III

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the directors who are elected by and are accountable to the Shareholders, and takes into account the role of management who are appointed by the Board of Directors (“**Board**”) and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices which are in the interest of its shareholders and contribute to effective and efficient decision making.

Board of Directors

The Board is currently comprised of five directors all of whom are nominated for election at the Meeting. Messrs. Morley-Kirk, Côté and Hooley are the independent directors. Mr. Pendura, Chief Executive Officer and Mr. Gliege, Executive Director Corporate Development, are members of management and, as a result, are not independent directors.

An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the directors have access to the external auditors, legal counsel and to any of the Corporation’s officers.

Directorships

Mr. Hooley is a Director of Anglesey Mining PLC and Labrador Iron Mines Holdings Limited. Mr. Morley-Kirk is a Director of East Siberian PLC and Sarossa Capital PLC.

Orientation and Continuing Education

Each new director is given an outline of the Corporation’s business, its corporate strategy and any current issues before the Board and copies of the Corporation’s governance policies. New directors meet with management to discuss and better understand the Corporation’s business and are advised by counsel to the Corporation of their legal obligations as directors. The introduction and education process is reviewed and revised as necessary.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics, which was filed on SEDAR at www.sedar.com on December 12, 2007.

The Board has established a Whistleblower Policy, which establishes the complaint procedure for concerns about any aspect of the Corporation’s activities and operations. These policies assist in maintaining the ethical business conduct of the officers and directors.

The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, directors must comply with the conflict of

interest provisions of the *Business Corporations Act* (Alberta), 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 such a conflict.

Nomination of Directors

The Board establishes criteria for board membership, reviews candidates' qualifications and any potential conflicts of interest. The Board employs prescribed criteria in its selection of new candidates, which criteria include:

- independence and judgment - the directors should have a substantial degree of independence from management. Board independence depends not only on directors' individual relationships (personal, employment or a business) but also on the Board's overall attitude towards management; and
- relevant experience in business and industry - the directors should be possessed of relevant experience in business and industry, government, education and other areas which are beneficial to the Corporation. Directors with such backgrounds can provide a useful perspective on significant risks and competitive advantages.

Compensation

The Board is responsible for determining the compensation of the directors and executive officers. The Board uses market data for comparable industry sectors in order to set compensation levels.

Other Board of Directors Committees

The Board of Directors has appointed a Compensation, Governance and Nominating Committee whose members are Messrs. Côté, Hooley and Morley-Kirk.

Assessments

The Board has not implemented a formal process for assessing its effectiveness or the effectiveness of individual members or committees. Due to the Corporation's size, its stage of development and the limited number of directors, the Board considers a formal assessment process to be unnecessary at this time. The Board continues to evaluate its own effectiveness on an ad hoc basis.

BY-LAW NO. 3

A GENERAL OPERATING BY-LAW

357461 ALBERTA LTD.

hereinafter called "the Corporation"

1.01 DEFINITIONS

In the By-laws of the Corporation, unless the context otherwise requires:

"Act" means the Business Corporations Act of Alberta, and any statute that may be substituted therefor, as from time to time amended;

"appoint" includes "elect" and vice versa;

"Articles" means the Articles attached to the Certificate of Incorporation of the Corporation as from time to time amended or restated;

"Board" means the Board of Directors of the Corporation;

"By-laws" means this By-law and all other By-laws of the Corporation from time to time in force and effect;

"Meeting of Shareholders" means an annual meeting of Shareholders and a Special Meeting of Shareholders; "Special Meeting of Shareholders" means a meeting of any class or classes of Shareholders and a Special Meeting of all Shareholders entitled to vote at an annual meeting of Shareholders;

"non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the Interpretation Act (Alberta);

"Ordinary Resolution" means a resolution passed by a majority of the votes cast by the Shareholders who voted, either in person or by proxy, in respect of that resolution;

"recorded address" means in the case of a Shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a Director, officer, auditor or member of a

committee of the Board, his latest address as recorded in the records of the Corporation;

"signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Clause 2.04 or by a resolution passed pursuant thereto.

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

SECTION TWO

BUSINESS OF THE CORPORATION

2.01 Registered Office, Records Office and Address for Service

The registered office, the designated records office (if any) of the Corporation shall be at the address or addresses in Alberta as may from time to time be determined by the Board.

2.02 Corporate Seal

The Corporation may have a corporate seal of such design as may be approved by the Board. The seal, if any, shall be kept in charge of the secretary or other person appointed by the Board and shall be used as provided in the By-laws.

Whenever determined by the Board that such is necessary the Corporation may have and use an official facsimile of its seal for use in any province of Canada not being the province in which the registered office is situate or for use in any territory, district or place outside Canada and in the preparation, adoption and authorization of the use of such seal, the Board shall at all times comply with the Statutes and the Articles.

2.03 Financial Year

The financial year of the Corporation shall end on such date in each year as the Board may from time to time determine.

2.04 Execution of Instruments

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments in writing requiring the signature of the Corporation may be signed by any one of the persons who is a Director and officer of the Corporation. In addition, the Board may

from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.05 Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as may from time to time be prescribed or authorized by the Board.

2.06 Voting Rights in Other Bodies Corporate

Any officer of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officer executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board, or failing the Board, the signing officer of the Corporation, may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

SECTION THREE

BORROWING AND SECURITY

3.01 Borrowing Power

Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the Articles, the Board may from time to time on behalf of the Corporation, without authorization of the Shareholders:

- (a) borrow money upon the credit of the Corporation in such amounts and on such terms as may be deemed expedient by obtaining loans or advances or by way of overdraft or otherwise;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured, for such sums and at such prices as may be deemed expedient;

- (c) to the extent permitted by the Act, give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person;
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any present and future property, real and personal, immoveable and moveable, of the Corporation, including its undertakings and rights, to secure any bonds, debentures, notes or other evidences of indebtedness or guarantee or any other indebtedness, liability or obligation of the Corporation, present or future; and
- (e) delegate to a committee of the Board, a Director or an officer of the Corporation all or any of the powers conferred in this clause or by the Act to such extent and in such manner as the Directors may determine.

Nothing in this action limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

SECTION FOUR

DIRECTORS

4.01 Number of Directors and Quorum

Until changed in accordance with the Act, the Board shall consist of not fewer than the minimum number and not more than the maximum number of Directors provided in the Articles. Subject to Clauses 4.08 and 4.09, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of the Directors or such greater or lesser number of Directors as the Board may from time to time determine.

4.02 Qualification

No person shall be qualified for election as a Director who is:

- (a) less than eighteen years of age;
- (b) if he is a dependent adult as defined in the Dependent Adults Act (Alberta) or is the subject of a certificate of incapacity under that Act;
- (c) if he is a formal patient as defined in the Mental Health Act (Alberta);
- (d) if he is the subject of an order under the Mentally

Incapacitated Persons Act (Alberta) appointing a committee of his person or estate or both;

- (e) if he has been found to be a person of unsound mind by a Court elsewhere than in Alberta;
- (f) if he is not an individual; or
- (g) if he has the status of a bankrupt.

A Director need not be a shareholder. At least half of the Directors shall be resident Albertans. As long as required by the Act, at least two Directors shall not be officers or employees of the Corporation or its affiliates.

4.03 Consent to Act

A person who is elected or appointed a Director is not a Director unless:

- (a) he was present at the meeting when he was elected or appointed and did not refuse to act as a Director, or
- (b) if he was not present at the meeting when he was elected or appointed, he consented to act as a Director in writing before his election or appointment or within ten days after it, or he has acted as a Director pursuant to the election or appointment.

A person who is elected or appointed as a Director and who refuses or fails to consent or act shall be deemed not to have been elected or appointed as a Director.

4.04 Election and Term

Shareholders of the Corporation shall, by ordinary resolution at the first meeting of shareholders and at each succeeding annual meeting at which an election of Directors is required, elect Directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. At each annual meeting of shareholders, all Directors whose term of office has expired or then expires shall retire but, if qualified, shall be eligible for re-election. A Director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election. Notwithstanding the foregoing, if Directors are not elected at a meeting of shareholders, the incumbent Directors continue in office until their successors are elected. The number of Directors to be elected at any such meeting shall be the number of Directors whose term of office has expired or then expires unless the Directors or the shareholders otherwise determine. It is not necessary that all Directors elected at a meeting of shareholders hold office for the same term. If the Articles so

provide, the Directors may, between annual meetings of shareholders, appoint one or more additional Directors of the Corporation to serve until the next annual meeting of shareholders, but the number of additional Directors shall not at any time exceed one-third of the number of Directors who held office at the expiration of the last annual meeting of the Corporation.

4.05 Removal of Directors

Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a special meeting remove any Director or Directors from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the Directors.

4.06 Vacation of Office

A Director ceases to hold office when he dies or resigns, he is removed from office by the shareholders or he ceases to be qualified as a Director under Clause 4.02. A resignation of a Director becomes effective at the time a written resignation is sent to the Corporation, or at the time specified in the written resignation, whichever is later.

4.07 Vacancies

Subject to the Act, a quorum of the Board may fill a vacancy in the Board. In the absence of a quorum of the Board, the Directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and if they fail to call such meeting or if there are no Directors then in office, any shareholder may call the meeting.

4.08 Action by the Board

The Board shall manage the business and affairs of the Corporation. Subject to Clause 4.09 and the Articles, the powers of the Board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the Directors who would be entitled to vote on that resolution at a meeting of the Board.

4.09 Resolution Without Meeting Together

Notwithstanding anything to the contrary in this By-law:

- (a) a resolution or resolutions signed by all members of the Board as such without meeting together, whether embodied in the form of minutes of a meeting of Directors or not, shall be as valid and effectual as if passed at a meeting of the Board duly called and constituted and shall be entered in the minute book of the Corporation accordingly and shall be held to relate back to any date therein stated to be the date

thereof and a Director may signify his assent to such resolution or resolutions in writing under his hand or by telegram or cable;

- (b) any written resolution made under this clause may be signed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute but one and the same instrument;
- (c) where the Board consists of a sole Director, a resolution or resolutions assented to and adopted in writing under the hand of that Director whether embodied in the form of a minute of that Director or not shall be as valid and effectual as if passed at a meeting of the Board duly called and constituted and shall be entered in the minute book of the Corporation accordingly and shall be held to relate back to any date therein stated to be the date thereof and the sole Director may also signify his assent to such resolution or resolutions by telegram or cable.

4.10 Albertan Majority

The Board shall not transact business at a meeting, other than filling a vacancy in the Board, unless at least half of the Directors present are resident Albertans, except where:

- (a) a resident Albertan Director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) the number of resident Alberta Directors present at the meeting, together with any resident Albertan Director who gives his approval under Clause (a), totals at least half of the Directors present at the meeting.

4.11 Meetings by Telephone

A Director may participate in a meeting of the Board or of a committee of the Board by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a Director participating in a meeting by those means is deemed to be present at the meeting.

4.12 Place of Meeting

Subject to the Articles, meeting of the Board may be held at any place in or outside Canada.

4.13 Calling of Meetings

Meetings of the Board shall be held at such time and at such place as the Board, the Chairman of the Board, the managing Director, the President or any two Directors may determine.

4.14 Notice of Meetings

Notice of the time and place of each meeting of the Board shall be given in the manner provided in Clause 13.01 to each Director not less than forty-eight (48) hours before the time when the meeting is to be held. Meetings of the Board may be summoned by the Secretary or an Assistant Secretary at the request of the President or the Chairman and failing them, at the request of a Vice-President or a Director. A notice of a meeting of Director need not specify the purpose of or the business to be transacted at the meeting, except where the Act requires such purpose or business to be specified including any proposal to:

- (a) submit to the Shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the Directors or in the office of auditor;
- (c) issue securities;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares of the Corporation;
- (f) pay a commission for the sale of shares;
- (g) approve a management proxy circular;
- (h) approve any annual financial statement; or
- (i) adopt, amend or repeal By-laws.

A Director may in any manner waive notice of or otherwise consent to a meeting of the Board, and attendance of a Director at a meeting of Directors is a waiver of notice of the meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4.15 Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.16 Provided a quorum of Directors is present, the Board may without notice hold a meeting immediately following an annual meeting of shareholders.

4.17 The Board may from time to time appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each Director forthwith after being passed, or forthwith after such Director's appointment, whichever is later, but no other notice shall be required for any such regular meeting except where the Act or this By-law requires the purpose thereof or the business to be transacted thereat to be specified.

4.18 Chairman

The Chairman of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a Director and is present at the meeting: Chairman of the Board, President or a Vice-President (in order of seniority). If no such officer is present, the Directors present shall choose one of their number to be Chairman.

4.19 Votes to Govern

At all meetings of the Board, every question shall be decided by a majority of the votes cast on the question. In case of any equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.

4.20 Powers of Attorney

The Board may at any time and from time to time by power of attorney under the seal appoint any person or persons to be the attorney or attorneys of the Corporation for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under this By-law) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any committee established as aforesaid or in favour of any Corporation or of the members, Directors, nominees or managers of any Corporation or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board. Any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit.

4.21 Any attorneys may be authorized by the Board to delegate all or any of the powers, authorities and discretions for the time being vested in them subject to the Board's confirmation.

4.22 Trustees

The Board may appoint a Corporation or any two or more responsible individuals to be a trustee or trustees for the Corporation for any purpose for which it is deemed advisable to have the intervention of a trustee or trustees and in particular the whole or any part of the property of the Corporation may be vested in such trustee or trustees either for the benefit of the shareholders or to secure to the creditors or obligees of the Corporation the payments of any money or for securing any bonds, debentures or debenture stock of the Corporation or for the payment or performance of any obligations which the Corporation ought to pay or perform and the Board may at any time fill any vacancy in the office of the trustee.

4.23 The remuneration of a trustee shall be such as the Board shall determine and shall be paid by the Corporation.

4.24 The Board may delegate to any creditors or other persons the power of appointing or removing a trustee or trustees and may by contract in writing limit or surrender its power of appointing or removing a trustee or trustees.

4.25 Remuneration and Expenses

The Directors may fix the remuneration, if any, of the Directors of the Corporation.

SECTION FIVE

COMMITTEES

5.01 Committee of Directors

The Board may appoint a committee of one or more Directors, however designated, and delegate to such committee any of the powers of the Board except those which, under the Act, a committee of Directors has no authority to exercise. Unless otherwise provided in the Act, at least half of the members of each such committee shall be resident Albertans.

5.02 Transaction of Business

The powers of a committee of Directors may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 Audit Committee

If required by the Act, the Board shall elect annually from among its number an audit committee to be composed of not fewer than three Directors of whom a majority shall not be officers or employees of the Corporation or its affiliates.

5.04 The audit committee shall review the financial statements of the Corporation before they are approved by the Directors.

5.05 The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee, and, at the expense of the Corporation, to attend and be heard at the meeting.

5.06 The auditor of the Corporation or a member of the audit committee may call a meeting of the committee.

5.07 Procedure

Unless otherwise provided herein or determined by the Board, each committee shall have the power to fix its quorum, to elect its Chairman and to regulate its procedure.

SECTION SIX

OFFICERS

6.01 Appointment

Subject to the Articles, the Board may from time to time appoint a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The Board may specify the duties of, and, in accordance with this By-law and subject to the Act, delegate powers to manage the business and affairs of the Corporation to such officers. Subject to Clauses 6.02, 6.03 and 6.04 an officer may, but need not be, a Director.

6.02 The President

The Board from time to time may elect a President from amongst their number.

The President shall be the chief executive officer of the Corporation and preside at all general meetings and in the absence or non-appointment of the Chairman of the Board shall also preside at meetings of the Board. He shall have general and active management of the business and affairs of the Corporation and without limiting the foregoing:

- (a) he shall have general superintendence and direction of all the other officers of the Corporation;
- (b) he shall submit the annual report of the Board if any and the annual balance sheets and financial statements of the business and affairs and reports on the financial position of the Corporation as required by the Act to the annual meeting and from time to time he shall report to the Board all matters within his knowledge which the interest of the Corporation require to be brought to their attention;
- (c) he shall be an ex-officio member of all standing committees of the Board.

6.03 Chairman of the Board and Officers Generally

The Board may elect one of their number to be Chairman of the Board who may preside at any or all meetings of the Board and who may also hold the office of President or Vice-President.

6.04 The Vice-President or Vice-Presidents

The Board from time to time may also elect from amongst their number a Vice-President or Vice-Presidents in whom shall be vested all the powers and who shall perform all the duties of the President in the absence of the latter from his office and who may also preside at meetings of the Board in the absence of the President and the Chairman of the Board. Nothing, however, herein contained shall prevent any Director from presiding at meetings of the Board if considered advisable or being necessary and the Directors being willing.

6.05 Secretaries or Assistant Secretary

The Board may appoint a secretary and may also appoint one or more assistant secretaries. The secretary or an assistant secretary shall attend any meetings of the Board and any general meeting and record the proceedings thereof and all matters transacted and dealt with thereat and shall prepare and keep minutes of all such meetings and record all votes and the minutes of all proceedings in a book or books to be kept for any standing or executive committee.

6.06 The Treasurer or Assistant Treasurer

The Board may appoint a treasurer and may also appoint one or more assistant treasurers who shall keep or cause to be kept in books belonging to the Corporation full and accurate accounts of receipts and disbursements and shall deposit or cause to be deposited all moneys of the Corporation with the Corporation's bankers or otherwise deal with the same as the Board may determine. The treasurer or an assistant treasurer or assistant treasurers shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by the Board

taking proper vouchers for such disbursements and shall render to the President and to the Board at the regular meetings of the Board or at such times as they may require an account of all transactions of the Corporation and of the financial position of the Corporation.

6.07 Powers and Duties of Other Officers

The powers and duties of all other officers shall, subject to the Act, be such as the terms of their engagement call for or as the Board or (except for those whose powers and duties are specified only by the Board) the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

6.08 Variation of Powers and Duties

The Board and (except as aforesaid) the chief executive officer may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.09 Term of Office

The Board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise, each officer appointed by the Board shall hold office until his successor is appointed or until his earlier resignation.

6.10 Terms of Employment and Remuneration

The terms of employment and the remuneration of officers appointed by the Board shall be settled by it from time to time.

6.11 Agents and Attorneys

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

6.12 Fidelity Bonds

The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the Board may from time to time determine.

SECTION SEVEN

INTEREST IN MATERIAL CONTRACTS AND PROTECTION
OF DIRECTORS, OFFICERS AND OTHERS

7.01 Interest in Material Contracts

Subject to any unanimous shareholder's agreement, a Director or officer who is a party to, or who is a Director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of Directors the nature and extent of his interest. The disclosure shall be made:

- (a) in the case of a Director, at a meeting in which the proposed contract is first considered, or at the first meeting in which he becomes so interested;
- (b) in the case of an officer, forthwith after he becomes aware that a contract is considered or has been considered at a meeting of Directors or forthwith after an officer has become so interested;
- (c) in the case of a person who is interested in a contract who later becomes a Director or officer, forthwith after he becomes a Director or officer.

7.02 If a material contract or proposed material contract is one that in the ordinary course of business would not require the consent of the Board or shareholders, a Director or officer who has an interest in such contract shall nevertheless disclose in writing to the Corporation or request to have entered in the minutes of the meeting of Directors, the nature and extent of his interest forthwith after the Director or officer becomes aware of the contract or proposed contract.

7.03 A Director referred to in Clause 7.01 shall not vote on any resolution to approve the contract unless the contract is an arrangement by way of security for money lent to or obligations undertaken by him, or by a body corporate, in which he has an interest for the benefit of the Corporation or an affiliate, a contract relating primarily to his remuneration as a Director, officer, employee or agent of the Corporation or an affiliate, a contract for indemnity or insurance pursuant to the Act, or a contract with an affiliate.

7.04 Dissent by Director

A Director who is present at a meeting of Directors or committee of Directors is deemed to have consented to any resolution passed or action taken at the meeting unless he requests that his abstention or dissent be, or his abstention or dissent is, entered in the minutes of the meeting; he sends his written dissent to the secretary of the meeting before the meeting is adjourned; he sends his dissent by registered mail or delivers it to the registered office of the Corporation immediately after the meeting is adjourned, or otherwise proves that he did not consent to the resolution or action. A Director who votes for or consents to a resolution or action is not entitled to dissent as aforesaid.

7.05 Limitation of Liability

Subject to the Act, no Director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or Corporation including any person, firm or Corporation with whom or with which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly and in good faith with a view to the best interests of the Corporation and through a failure to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

7.06 Indemnity

Subject to the Act, the Corporation shall indemnify a Director or officer, a former Director or officer, and a person who acts or acted at the Corporation's request as a Director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil,

criminal or administrative action or proceeding to which he is made a party by reason of being or having been a Director or officer of the Corporation or such body corporate, if:

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was not unlawful.

7.07 Insurance

The Corporation may, subject to and in accordance with the Act, purchase and maintain insurance for the benefit of any Director or officer as such against any liability incurred by him.

SECTION EIGHT

SHARES

8.01 Allotment

Subject to the Articles, the Board may from time to time allot, or grant options to purchase, and issue the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

8.02 Commissions

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

8.03 Securities Register

The Corporation shall maintain a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a security holder;
- (b) the number of securities held by each security holder; and

- (c) the date and particulars of the issue and transfer of each security.

8.04 Non-Recognition of Trusts

Subject to the provisions of the Act, the Corporation may treat as the absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

8.05 Share Certificates

Every holder of one or more shares of the Corporation shall be entitled, at his option, to a share certificate, or to a non-transferable written acknowledgment of his right to obtain a share certificate, stating the name of the person to whom the certificate or acknowledgment was issued, and the number and class or series of shares held by him as shown on the securities register. The Corporation may charge a fee of not more than \$3.00 for a share certificate issued in respect of a transfer. Share certificates and acknowledgments of a shareholder's right to a share certificate, shall, subject to the Act, be in such form as the Board shall from time to time approve. Any share certificate shall be signed in accordance with Clause 2.04 and need not be under the corporate seal, provided that, unless the Board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.06 Replacement of Share Certificates

The Board or any officer or agent designated by the Board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00 or such greater amount as may be allowed by the Act, and on such terms as to indemnity, reimbursement of expenses and

evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.07 Joint Shareholders

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

8.08 Fractional Shares

The Corporation may issue a certificate for a fractional share or may issue in its place as may be determined by the Board, scrip certificates in a form that entitles the holder to receive a certificate for a full share by exchanging scrip certificates aggregating a full share. The Directors may attach conditions to any scrip certificates including that the scrip certificates become void if they are not exchanged for a share certificate representing a full share by a specified date, and that any shares for which those scrip certificates are exchangeable may, notwithstanding any pre-emptive right, be issued by the Corporation to any person and the proceeds of those shares distributed rateable to holders of the scrip certificates.

8.09 Surrender

The Directors of the Corporation are hereby authorized to require all shareholders to surrender their share certificates immediately following the issuance of a Certificate of Continuance by the Registrar of Corporations under the Act for cancellation and replacement by new certificates in a form attached to this By-law.

8.10 Transfer and Transmission of Shares

Shares of the Corporation may be transferred in the form of a transfer of endorsement endorsed on the certificates issued for the shares of the Corporation or in any form of transfer which may be approved by the Board.

8.11 Registration of Transfer

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and

authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board.

8.12 Subject to the provisions of the Act, the Board may decline to register or permit to be registered any transfer of shares where the holder thereof is indebted to the Corporation or upon which the Corporation has a lien.

8.13 The Corporation may treat a person as a registered shareholder entitled to exercise all rights of the shareholder he represents if that person produces to the Board such evidence as may be reasonably required that he is the executor, administrator, heir or legal representative of the heirs of the estate of a deceased shareholder, a guardian committee, trustee, curator or tutor representing a shareholder who is an infant, an incompetent person or a mining person or a liquidation of, or a trustee in bankruptcy for, a registered shareholder.

8.14 If a person on whom the ownership of a share devolves by operation of law, other than a person described in Clause 8.13, furnishes proof of his authority to exercise rights or privileges in respect of a share in the Corporation that is not registered in his name, the Corporation shall treat that person as entitled to exercise those rights or privileges.

8.15 The Corporation is not required to enquire into the existence of, or see the performance or observance of, any duty owed to a third person by a registered holder of any of its shares or by anyone whom it treats, subject to the Act, as the owner or registered holder of the shares.

8.16 Subject to applicable law regarding the collection of taxes, a person referred to in Clause 8.13 is entitled to become a registered holder or to designate a registered holder upon his depositing with the Board those documents prescribed by the Act.

8.17 Transfer Agents and Registrars

The Board may from time to time appoint one or more trust companies registered under The Trust Companies Act (Alberta) as its agent or agents to maintain the central securities register or registers, and an agent or agents to maintain branch securities registers. Such a person may be designated as transfer agent or registrar according to his functions and one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

8.18 Lien on Shares

The Corporation shall have a first and paramount lien upon all the shares registered in the name of such shareholder whether

solely or jointly with others for his debts, liabilities and engagement solely or jointly with any other person to or with the Corporation whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not, including any amount unpaid in respect of a share issued by the body corporate prior to continuance; and not equitable interest in any share shall be created except upon the footing and condition that Clause 8.04 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such shares.

8.19 The Corporation may cause a notation to be made on any share certificate that the Corporation has a lien on the shares represented by the share certificate. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time as the debt, liability or engagement ought to be paid, discharged or fulfilled and until a demand and notice in writing stating the amount due and demanding payment and giving notice of intention to sell shall have been served on such shareholder or the person if any entitled to the share in consequence of the death or bankruptcy of the shareholder and default shall have been made by him or them in payment or discharge of such debt, liability or engagement for seven days after such notice.

8.20 Upon any sale made by the Board of any shares to satisfy the lien of the Corporation thereon, the proceeds shall be applied: (firstly) in payment of all costs of such sale and (secondly), in satisfaction of the debts or obligations of the shareholder and the residue (if any) shall be paid to the shareholder or as he shall direct.

8.21 Upon any such sale, the Board may enter the purchaser's name in the register as holder of the shares and the purchaser shall not be bound to see to the regularity or validity of or be effected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money and after his name has been entered in the register, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the same shall be in damages only and against the Corporation exclusively.

8.22 Share Warrants

The Corporation, with respect to any fully paid-up shares, may issue share warrants under its seal stating that the bearers thereof are entitled to the shares therein respectively specified and may provide by coupons or otherwise for the payment of future dividends on the shares included in such warrants.

8.23 The Board may determine and from time to time vary the conditions upon which share warrants shall be issued and in particular upon which a new share warrant or coupon will be issued in the place of one worn-out, defaced, lost or destroyed upon which the bearer of a share warrant shall be entitled to attend and vote at general meetings;

and upon which a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares therein specified. Subject to such conditions and to this By-law, the bearer of a share warrant shall be shareholder of the Corporation. The holder of a share warrant shall be subject to the conditions for the time being in force with respect to share warrants whether made before or after the issue of such warrant.

SECTION NINE

DIVIDENDS AND RIGHTS

9.01 Dividends

Subject to the rights of the holders of any shares entitled to any priority, preference or special privileges, and subject to the provisions of the Act, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation.

9.02 Record Date for Dividends and Rights

The Board may fix in advance a date, preceding by not more than fifty days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to receive the right to subscribe for such securities, provided that if the Corporation is a distributing Corporation, then unless notice of the record date is waived in writing by every holder of a share of the class or series affected, notice of such record date shall be given not less than seven days before such record date, in the manner provided in the Act. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend or to receive the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

9.03 Dividend resolution

The resolution of the Board declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares, debenture or debenture stock of the Corporation or of any other Corporation or in any one or more of such ways and where any difficulty arises in regard to the distribution the Board may settle the same as they think expedient and may fix the value for distribution of such specific assets or any part thereof and may determine that such payments shall

be made to all parties and may vest any such specific assets in trustees upon such trust for the persons entitled to the dividends as may seem expedient to the Board.

9.04 Interest

Interest may be paid out of capital where it is lawful to do so by virtue of the Act but no dividend shall be payable except out of the profits arising from the business of the Corporation.

9.05 No dividend shall bear interest as against the Corporation.

9.06 Pre-Paid Shares

Where capital is paid up on any shares in advance, such capital shall not confer a right to participate in profits whilst carrying interest.

9.07 Interim Dividends

The Board may from time to time pay to the shareholders such interim dividends as appear to the Board to be justified by the profits of the Corporation.

9.08 Debt to Corporation

Subject to the Act, the Board shall deduct from the dividends payable to any shareholder all sums of money as may be due from him to the Corporation on account of calls or otherwise.

9.09 Payment of Dividends

The Corporation may transmit any dividend or bonus payable in respect of any share by cheque or warrant through the ordinary post to the registered address of the holder of such share (unless he shall have given written instructions to the contrary) and shall not be responsible for any loss arising therefrom. Every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

9.10 Unclaimed Dividends

All dividends unclaimed for one year after having been declared may be vested in or otherwise made use of by the Board for the benefit of the Corporation.

9.11 Fractional Shares

Subject to the Articles, a holder of a fractional share or scrip certificate is not entitled to receive a dividend in respect of the fractional share or scrip certificate unless the fractional share or scrip certificate results from a consolidation of shares.

SECTION TEN

MEETINGS OF SHAREHOLDERS

10.01 First and Subsequent Annual Meetings

The first annual meeting shall be held within such period as the Board shall determine is in accord with the most convenient date for closing the Corporation's financial year but in any event shall be held within the period of eighteen months from the date of incorporation and subject to the provisions of the Act and the provisions of this By-law, subsequent annual meetings of the Corporation shall be held once in each calendar year and not more than fifteen months after the holding of the last annual meeting.

10.02 Annual Meeting

Subject to the Act, the annual meeting of shareholders shall be held at such time in each year and, subject to Clause 10.03, at such place as the Board, the Chairman of the Board, the managing Director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing Directors if required, appointing auditors if required and transacting such other business as may properly be brought before the meeting.

10.03 Special Meetings

The Board, the Chairman of the Board or the president shall have power to call a special meeting of the shareholders at any time.

10.04 Requisition of Meeting

The Board may whenever it thinks fit and it shall upon the requisition of the holders of not less than five (5%) percent of the issued voting share capital of the Corporation forthwith proceed to convene an extraordinary general meeting of the Corporation and any extraordinary general meeting called in pursuance of a requisition shall be convened and held in accordance with the provisions of the Act.

10.05 Place of Meetings

Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situated or, if the Board shall so determine, at some other place in Alberta.

10.06 Telephone Meeting

A shareholder or any other person entitled to attend a meeting of shareholders may participate by means of telephone or other communication facilities that permit all persons participating to hear each other and a person participating in such a meeting by those means is deemed to be present at the meeting.

10.07 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Clause 13.01 not less than twenty one or more than fifty days before the date of the meeting to each Director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of Directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.08 Record Date for Notice

The Board may fix in advance a date, preceding the date of any meeting of shareholders by not more than fifty days and not less than twenty one days, as a record date for the determination of the shareholders entitled to notice of the meeting, provided that if the Corporation is a distributing Corporation, then unless notice of the record date is waived in writing by every holder of a share of the class of series affected, notice of any such record date shall be given not less than seven days before such record date in the manner provided in the Act. If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the date immediately preceding the day on which the notice is sent or, if no notice is sent, shall be the day on which the meeting is held.

10.09 List of Shareholders Entitled to Notice

If the Corporation has more than fifteen shareholders entitled to vote at a meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder. If a record date for the meeting is fixed pursuant to Clause 10.08, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which

notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the records office of the Corporation or at the place where the central securities office of the Corporation is maintained and at the meeting for which the list was prepared.

10.10 Fractional Shares

Subject to the Articles, a holder of a fractional share or scrip certificate is not entitled to exercise voting rights or receive notice of a meeting of shareholders in respect of such fractional share or scrip certificate unless the fractional share or scrip certificate results from a consolidation of shares.

10.11 Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act;

- (a) if all the shareholders entitled to vote thereat are present in person or represented or if those not present or represented waive notice of or otherwise consent to such meeting being held; and
- (b) if the auditors and the Directors are present or waive notice of or otherwise consent to such meeting being held;

so long as such shareholders, auditors or Directors present are not attending for the express purpose of objection to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting, any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Alberta, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.12 Chairman and Secretary

The Chairman of any meeting of shareholders shall be the president, or in his absence, a vice-president who is a shareholder. If no such officer is present within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be Chairman. If the secretary of the Corporation is absent, the Chairman shall appoint some person, who need not be a shareholder to act as secretary of the meeting.

10.13 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the Directors and

auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles or By-laws to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

10.14 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for any absent shareholder so entitled, and representing in the aggregate not less than twenty-five (25%) percent of the outstanding shares of the Corporation carrying voting rights at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If within half an hour of the time appointed for the holding of a meeting of the shareholders a quorum is not present, the meeting, if convened upon a requisition of shareholders, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place; and if at such adjourned meeting a quorum not be present, those shareholders who are present shall be deemed to be a quorum and may transact all business which a full quorum might have done.

10.15 Right to Vote

Every person named in the list referred to in Clause 10.09 shall be entitled to both the shares shown thereon opposite his name at the meeting to which such list relates, except to the extent that:

- (a) where the Corporation has fixed a record date in respect of such meeting, such person has transferred any of his shares after such record date or, where the Corporation has not fixed a record date in respect of such meeting, such person has transferred any of his shares after the date on which such list is prepared, and
- (b) the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than ten days before the meeting that his name be included in such list.

In any such excepted case, the transferee shall be entitled to vote the transferred shares at such meeting. If the Corporation is not required to prepare a list under Clause 10.08, subject to the provisions of the Act and this By-law as to proxies and representatives, at any meeting of shareholders, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.16 Proxies and Representatives

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform with the requirements of the Act. Alternatively, every such shareholder which is a body corporate or association may authorize by resolution of its Directors or governing body an individual, who need not be a shareholder, to represent it at a meeting of shareholders and such individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the Chairman of the meeting.

10.17 Mandatory Solicitation of Proxies

If the Corporation is a distributing Corporation having fifteen or more shareholders entitled to vote at a meeting of shareholders, two or more joint shareholders being counted as one shareholder, and the management of the Corporation gives or intends to give a holder of its voting shares notice by a meeting, subject to the Act, the management shall, concurrently with or prior to giving of notice, send to each shareholder who is entitled to notice of meeting a form of proxy which shall be nearly as circumstances permit be in a form or to the effect of the following:

"I, _____, of _____, being a shareholder in _____, hereby appoint _____ of _____, as my proxy to vote for me and on my behalf at the annual (or extraordinary, as the case may be) meeting of the Corporation to be held on the _____ day of _____, A.D. 19____ and at every adjournment thereof and at every poll, which may take place in consequence thereof. As witness my hand this _____ day of _____ A.D. 19____."

10.18 When Clause 10.06 applies, every form of proxy sent or delivered to a shareholder shall indicate in bold-face type whether or not the proxy is solicited by or on behalf of management of the Corporation and shall provide a specifically designated space for dating and signing form of proxy. The form of proxy shall also indicate that the shareholder has a right to appoint a person or body corporate, if any, designated in the form of proxy and shall contain instructions as to the manner in which the shareholder may exercise the right, and a means for so doing. The form of proxy shall also provide a means for a shareholder to specify that his shares be voted for or

against each matter identified therein, other than the appointment of an auditor and election of Directors, a means for the shareholder to specify that his shares shall be voted or withheld from voting in respect of the appointment of an auditor or election of Directors, and a statement that the shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and that, if the shareholder specifies a choice with respect to any matter to be acted on, the shares shall be voted accordingly. A proxy may confer discretionary authority with respect to each matter identified in the notice of meetings, other than the appointment of an auditor and the election of Directors, if the form of proxy states in bold-face type how the shares represented by the proxy will be voted in respect of each matter or group of related matters.

10.19 Validity of Proxy

The decision of the Chairman of any general meeting as to the validity of any instrument of proxy shall be final and conclusive.

10.20 Time for Deposit of Proxies

The Board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than forty eight hours exclusive of non-business days, before which proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, it has been received by the secretary of the Corporation or by the Chairman of the meeting or any adjournment thereof prior to the time of voting.

10.21 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or represented at a meeting of shareholders may, in the absence of the other or others, vote the shares, but if two or more of those persons are present in person or represented and vote, they shall vote as one on the shares jointly held by them.

10.22 Votes to Govern

At any meeting of shareholders, every question shall, unless otherwise required by the Articles or By-laws or By-law, be determined by the majority of the votes cast on the question. In case of an equality of votes, either upon a show of hands or upon a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

10.23 Show of Hands

Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by a show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the Chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

10.24 Ballots

On any question proposed for consideration at a meeting of shareholders, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot, either before or on the declaration of the result of any vote by show of hands. A ballot so required or demanded shall be taken in such manner as the Chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.25 Admission or Rejection of a Vote

In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.

10.26 Adjournment

If a meeting of the shareholders is adjourned by one or more adjournments for an aggregate of less than thirty days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the time of an adjournment. If a meeting of shareholders is adjourned by one or more adjournment for an aggregate of thirty days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.27 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

10.28 Resolution Signed by all Shareholders

A resolution signed in writing by all the shareholders entitled to vote on that resolution is as valid as if it had been passed at a meeting of shareholders.

SECTION ELEVEN

DIVISIONS AND DEPARTMENTS

11.01 Creation and Consolidation of Divisions

The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the Board may consider appropriate in each case.

11.02 Name of Division

Subject to law, any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contract, cheque or document shall be binding upon the Corporation as if it has been entered into or signed in the name of the Corporation.

11.03 Officers of Divisions

From time to time the Board or, if authorized by the Board, the chief executive officer may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or, if authorized by the Board, the chief executive officer may remove at its or his pleasure any officer so appointed without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

SECTION TWELVE

INFORMATION AVAILABLE TO SHAREHOLDERS

12.01 Except as provided by the Act, or other bodies having jurisdiction, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the Directors would be inexpedient in the interests of the Corporation to communicate to the public.

12.02 The Directors may from time to time, subject to the rights conferred by the Act, determine whether and to what extent and at what time and place and under what circumstances or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to inspection or shareholders and no shareholder shall have any right to inspect any document or book or register or accounting records of the Corporation except as conferred by statute or authorized by the Board of Directors or by a resolution of the shareholders.

SECTION THIRTEEN

NOTICES

13.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the Articles, the By-laws or otherwise to a shareholder, Director, officer, auditor or member of a committee of the Board shall be given by the president or secretary or in their absence an assistant secretary and failing him any other officer of the Corporation and shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, Director, officer, auditor or member of a committee of the Board in accordance with any information believed by him to be reliable.

13.02 Notice of Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

13.03 Computation of Time

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

13.04 Undelivered Notice

If notices given to a shareholder pursuant to Clause 13.01 are returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

13.05 Omissions and Errors

The accidental omission to give any notice to any shareholders, Director, officer, auditor or member of a committee of the Board of the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

13.06 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he becomes so entitled) and prior to his furnishings to the Corporation the proof of authority or evidence of this entitlement prescribed by the Act.

13.07 Waiver of Notice

Any shareholder (or his duly appointed proxyholder), Director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the Articles, the By-laws or otherwise and such waiver or abridgment shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgment

shall be in writing except a waiver of notice of a meeting of shareholders or of the Board which may be given in any manner.

SECTION FOURTEEN

EFFECTIVE DATE


14.01 Effective Date

This By-law shall come into force when confirmed by the shareholders in accordance with the Act.

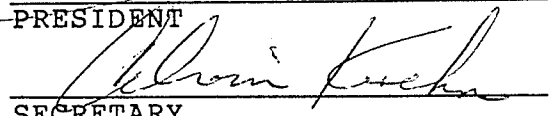
14.02 Repeal

All previous By-laws of the Corporation, except such By-laws of the Corporation as have been confirmed by the Shareholders are repealed as of the coming into force of this By-law provided that such repeal shall not affect the previous operation of any By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such By-law prior to its repeal. All officers and persons acting under any By-law so repealed shall continue to act as if appointed under the provisions of this By-law and all resolutions of the shareholders or Board with continuing effect passed under any repealed By-law shall continue good and valid except to the extent inconsistent with this By-law and until amended or repealed.

MADE by the Board the 34 day of OCTOBER, A.D. 1987.

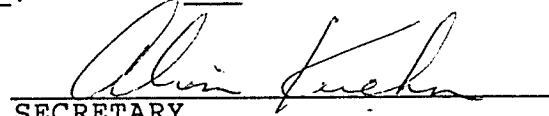


PRESIDENT



SECRETARY

CONFIRMED AND APPROVED by the Shareholders in accordance with the Act the 34 day of OCTOBER, A.D. 1987.



SECRETARY