



GLOBAL RAILWAY INDUSTRIES LTD.

**NOTICE OF SPECIAL MEETING
AND MANAGEMENT INFORMATION CIRCULAR**

Date and Time: January 31, 2013
at 8:00 AM (Calgary time)

Place: 3300 – 205 5th Avenue South West,
Calgary, Alberta

December 28, 2012

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
OF GLOBAL RAILWAY INDUSTRIES LTD.**

NOTICE IS GIVEN that a special meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Global Railway Industries Ltd. (the "**Corporation**") will be held at 3300 – 205 5th Avenue South West, Calgary, Alberta on January 31, 2013 at 8:00 a.m. (Calgary Time) for the following purposes:

1. to consider and, if deemed advisable, to pass a special resolution of the Shareholders to revoke the Certificate of Intent to Dissolve issued to the Corporation by the Registrar of Corporations pursuant to the *Business Corporations Act* (Alberta) (the "**Revocation Resolution**");
2. to consider and, if deemed advisable, to pass a special resolution of the Shareholders to continue the Corporation from the jurisdiction of Alberta to the jurisdiction of British Columbia (the "**Continuation Resolution**"); and
3. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Each of the Revocation Resolution and the Continuation Resolution must be approved by at least two-thirds of the votes cast by the Shareholders present or represented by proxy at the Meeting.

The Corporation's board of directors has fixed the close of business on December 28, 2012 as the record date for the Meeting. Only Shareholders of record at the close of business on the record date are entitled to receive notice of and to vote at the Meeting.

Registered shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out therein and in the management information circular accompanying this notice of meeting. A proxy will not be valid unless it is received by Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairman of the Meeting has the discretion to accept proxies received after that time.

DATED at Vancouver, this 28th day of December, 2012.

By order of the Board of Directors.

/s/ Tom Kusumoto

Tom Kusumoto
Chairman, Chief Executive Officer, President and Director

If you are a non-registered Shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

GLOBAL RAILWAY INDUSTRIES LTD.

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the "**Circular**") is being furnished to holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of Global Railway Industries Ltd. (the "**Corporation**") in connection with the solicitation of proxies by management of the Corporation for use at the special meeting of Shareholders to be held at 8:00 a.m. (Calgary time) on January 31, 2013 at 3300 – 205 5th Avenue South West, Calgary, Alberta, Canada (the "**Meeting**"), and any adjournment(s) or postponement(s) thereof, for the purposes set forth in the notice of meeting dated December 28, 2012 (the "**Notice of Meeting**").

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Corporation at nominal cost. The cost of this solicitation will be borne by the Corporation. The Notice of Meeting, this Circular and a form of proxy (the "**Proxy**") will be mailed to beneficial owners of Common Shares commencing on or about January 7, 2013. In this Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

The information contained in this Circular is given as at December 28, 2012, unless otherwise noted.

RECORD DATE

The Corporation's board of directors has set the close of business on Friday, December 28, 2012, as the record date (the "**Record Date**") for determining which Shareholders shall be entitled to receive notice of and to attend and vote at the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of and to attend and vote at the Meeting. Persons who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting, unless after the Record Date a Shareholder of record transfers his, her or its Common Shares and the transferee (the "**Transferee**"), upon establishing that the Transferee owns such Common Shares, requests in writing, at least ten days prior to the Meeting or at any adjournment(s) or postponement(s) thereof, that the Transferee may have his, her or its name included on the list of Shareholders entitled to vote at the Meeting. In such case, the Transferee, upon fulfilling the necessary requirements, will be entitled to vote such Common Shares at the Meeting. Such written request by the Transferee shall be filed with the Secretary of the Corporation at Suite 416 - 375 Water Street, Vancouver, British Columbia V6B 5C6.

APPOINTMENT OF PROXYHOLDERS

The persons named in the accompanying Proxy as proxyholders are management's representatives. **A Shareholder has the right to appoint a person or company who need not be a Shareholder, other than the persons designated in the enclosed Proxy, to attend and act on behalf of the Shareholder at the Meeting.** A Shareholder wishing to exercise this right may do so either by striking out the printed names and inserting the desired person or company's name in the blank space provided in the Proxy or by completing another proper Proxy.

To be valid, the Proxy must be signed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. The Proxy, to be acted upon, must be deposited with the Corporation, c/o its agent, Computershare Trust Company of Canada, by delivery to: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairman of the Meeting has the discretion to accept proxies received after that time. **Failure to properly complete or deposit a Proxy may result in its invalidation.**

VOTING OF PROXIES

If the Proxy is completed, signed and delivered to the Corporation, the persons named as proxyholders therein shall vote the Common Shares in respect of which they are appointed as proxyholders at the Meeting in accordance with the instructions of the Shareholder appointing them, on any show of hands and/or on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the person(s) appointed as proxyholders shall vote accordingly. The Proxy confers discretionary authority upon the person(s) named therein with respect to: (a) each matter or group of matters identified therein for which a choice is not specified; (b) amendments or variations to the matters identified therein; and (c) transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, the Corporation's board of directors knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the persons designated by management in the Proxy will vote the Common Shares represented thereby in favour of such matter.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to attend and vote at the Meeting. Most Shareholders are "non-registered shareholders" because the Common Shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased their Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners ("**NOBOs**"). Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners ("**OBOs**"). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has elected to distribute copies of the Notice of Meeting, Proxy and this Circular (collectively, the "**Meeting Materials**") directly to Canadian NOBOs and to depositories and Intermediaries for onward distribution to other Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) receive a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete and deliver the Proxy; or

- (b) more typically, receive a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to attend and vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

REVOCABILITY OF PROXY

Any Shareholder returning the enclosed Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either with Computershare Trust Company of Canada or at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairperson of the Meeting prior to the commencement of the Meeting. A revocation of a Proxy will not affect a matter on which a vote is taken before such revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation's authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred redeemable shares, issuable in series. The Common Shares are the only issued and outstanding voting securities of the Corporation, the holders thereof being entitled to one vote for each Common Share held. As at the date hereof, there were a total of 15,264,065 Common Shares issued and outstanding and no preferred redeemable shares issued and outstanding. A quorum for the transaction of business at the Meeting is Shareholders representing 5% of the issued shares entitled to vote at the Meeting being present in person or by proxy, irrespective of the number of persons actually present.

To the knowledge of the directors and executive officers of the Corporation, the only person who beneficially owns, directly or indirectly, or controls or directs, Common Shares carrying 10% or more of the voting rights attached to the issued and outstanding Common Shares as at the date hereof is disclosed in the table below:

Name	Number of Common Shares Owned	Approximate Percentage of Total Issued Common Shares
North Group Finance Ltd.	3,942,300 ⁽¹⁾	25.8%

(1) 13,000 Common Shares are held directly and 3,929,300 Common Shares are held through a wholly-owned subsidiary, 0719906 B.C. Ltd.

PARTICULARS OF MATTERS TO BE ACTED UPON

Revocation of Intent to Dissolve

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve a special resolution to revoke the Certificate of Intent to Dissolve issued to the Corporation by the Registrar of Corporations pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**"), in, or substantially in, the form of resolution set out in Schedule "A" to this Circular (the "**Revocation Resolution**").

In order to be effective, the proposed resolution must be passed by a majority of at least two-thirds of the votes cast by the Shareholders who vote in respect of such resolution at the Meeting. Unless instructed in the Proxy to the contrary, the persons named in the accompanying Proxy intend to vote to approve the Revocation Resolution.

Background

The Corporation's board of directors has determined that it is in the Corporation's best interest not to dissolve the Corporation and to use its remaining assets to carry on business to enhance shareholder value.

On August 30, 2011, the Corporation held a special meeting at which Shareholders approved the sale of the Corporation's operating subsidiary and the voluntary liquidation and dissolution of the Corporation and the distribution of net proceeds to the Shareholders.

On September 23, 2011 the Corporation completed the sale of its operating subsidiary.

On October 13, 2011 the Corporation initiated the voluntary liquidation and dissolution of procedure and was issued a Certificate of Intent to Dissolve on October 14, 2011 under the ABCA by the Alberta Registrar of Corporations.

On November 2, 2011 the Corporation made a return of capital distribution to the Shareholders in the amount of \$15,264,065 or \$1.00 per common share.

On May 14, 2012 the Corporation made another return of capital distribution to the Shareholders in the amount of \$6,105,626 or \$0.40 per common share.

As at September 30, 2012, the Corporation had net assets in the aggregate amount of approximately \$4.1 million.

On December 14, 2012 the Corporation's board of directors resigned and a new board of directors was appointed to fill the vacancies created by the resignations.

The Corporation's new board of directors believes that the Corporation can enhance Shareholder value by using its remaining net assets to earn income through acquisitions, investments and/or undertaking a new business. As a preliminary step, the Corporation must revoke its Certificate of Intent to Dissolve. The Corporation is prohibited from carrying on business until the Certificate of Intent to Dissolve is revoked.

At the special meeting held on August 30, 2011, Shareholders authorized the directors of the Corporation, in their discretion and without further approval of the shareholders, not to proceed with the liquidation and dissolution of the Corporation if they determined it to no longer be in the best interests of the Corporation and its Shareholders. Notwithstanding this prior approval, and in keeping with the highest standard of corporate governance, the Corporation is seeking explicit Shareholder approval to revoke the Certificate of Intent to Dissolve as a preliminary step toward enhancing Shareholder value by using the remaining net assets to earn income through acquisitions, investments and/or undertaking a new business.

IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE MANAGEMENT DESIGNEES IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE SHARES REPRESENTED BY ANY SUCH PROXY IN FAVOUR OF THE REVOCATION RESOLUTION.

The revocation of the Certificate of Intent to Dissolve is a preliminary step that is necessary before the Corporation can carry on business. It is not sufficient to allow the Corporation to carry on business while it is listed on the NEX board of the TSX Venture Exchange (the "**Exchange**"). Before the Corporation can begin a new business, it must meet certain requirements set by the Exchange including approval of the Exchange. The

board of directors of the Corporation plans to pursue reactivating the Corporation and moving it off of the NEX board onto an active trading board only if the Shareholders approve the Revocation Resolution.

Continuation

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve a special resolution to continue the Corporation from the jurisdiction of Alberta to the jurisdiction of British Columbia in, or substantially in, the form of resolution set out in Schedule "B" to this Circular (the "**Continuation Resolution**").

The Corporation is an Alberta corporation incorporated under and subject to the ABCA. If the continuation (the "**Continuation**") is approved by the Shareholders, the Corporation will apply to the Director of Corporations under the ABCA to discontinue the Corporation from the Province of Alberta and to apply to the Registrar of Companies under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") for an instrument of continuance continuing the Corporation as if it had been incorporated in British Columbia under the BCBCA. The Continuation Resolution also provides for approval of the adoption of a British Columbia form of Articles to replace the Corporation's current by-laws. The form of Articles to be adopted by the Corporation is attached to this Circular as Schedule "C".

As the current management of the Corporation is located in British Columbia and its head office will be moved to British Columbia, management believes that it will be more efficient and cost effective for the Corporation to be governed by the laws of British Columbia. Accordingly, the board of directors has determined that it is in the best interests of the Corporation to effect the Continuation and that the Corporation be governed by the BCBCA.

Upon the continuation under the BCBCA, the ABCA will cease to apply to Corporation and the Corporation will thereupon become subject to the BCBCA as if it had been originally incorporated as a British Columbia corporation. The Continuation under the BCBCA will not result in any change in the business of the Corporation or its assets, liabilities, net worth or management. The Continuation will give rise to certain material changes in the corporate laws applicable to the Corporation, as discussed below. The Continuation is not a reorganization, amalgamation or merger. The Shareholders' shareholdings will not be altered by the Continuation, other than with respect to any Shareholders dissenting to the Continuation Resolution. See "Rights of Dissenting Shareholders", below, for more information. The Registrar of Corporations under the ABCA must authorize the Continuation into the Province of British Columbia upon being satisfied that it will not adversely affect creditors or Shareholders of the Corporation.

In order to be effective, the proposed resolution must be passed by a majority of at least two-thirds of the votes cast by the Shareholders who vote in respect of such resolution at the Meeting. Unless instructed in the Proxy to the contrary, the persons named in the accompanying Proxy intend to vote to approve the Continuation Resolution.

IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE MANAGEMENT DESIGNEES IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE SHARES REPRESENTED BY ANY SUCH PROXY IN FAVOUR OF THE CONTINUATION RESOLUTION.

The following is a summary comparison of the provisions of the BCBCA and the ABCA which pertain to the rights of shareholders. This summary is not intended to be exhaustive and Shareholders should consult their legal advisors regarding all of the implications of the proposed continuation.

Sale of the Corporation's Undertaking

The ABCA requires approval of the holders of two-thirds of the shares of a corporation represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of a corporation. Each share of the corporation carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of a corporation whether or not it otherwise carries the right to vote. Holders of

shares of a class or series can vote separately only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Under the BCBCA, the directors of a corporation may dispose of all or substantially all of the business or undertaking of the corporation only if it is in the ordinary course of the corporation's business or with shareholder approval authorized by special resolution. Under the BCBCA, a special resolution will need to be approved by a "special majority", which means the majority specified in a corporation's articles of at least two-thirds and not more than by three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the corporation.

Amendments to the Charter Documents of a Corporation

Under the ABCA substantive changes to the charter documents of a corporation require a resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where the certain specified rights of the holders of a class of shares are affected differently by the alteration than the rights of the holders of other classes of shares, a resolution passed by not less than two-thirds of the votes cast by the holders of all of the shares of a corporation, whether or not they carry the right to vote, and a special resolution of each class, or series, as the case may be, even if such class or series is not otherwise entitled to vote. A resolution to amalgamate an ABCA corporation requires a special resolution passed by the holders of each class of shares or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

Changes to the articles of a corporation under the BCBCA will be affected by the type of resolution specified in the articles of a corporation, which, for many alterations, including change of name or alterations to the articles, could provide for approval solely by a resolution of the directors. In the absence of anything in the articles, most corporate alterations will require a special resolution. For instance, under the form of articles that the Corporation proposes to adopt pursuant to the Continuance Resolution, a change of name of the Corporation may be effected solely by a resolution of the directors of the Corporation. Alteration of the special rights and restrictions attached to issued shares requires, in addition to any resolution provided for by the articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a corporation out of the jurisdiction requires a special resolution as described above.

Right of Dissent and Appraisal

The BCBCA provides that shareholders, including beneficial holders, who dissent from certain actions being taken by a corporation, may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to:

1. continue out of the jurisdiction;
2. sell the whole or substantially the whole of the corporation's undertaking or business;
3. enter into a statutory amalgamation other than with an affiliated corporation; and
4. amend its articles to add, change or remove any restriction on the business or businesses that the corporation may carry on.

The ABCA contains a similar dissent remedy. The ABCA does not provide for a right to dissent if a corporation provides financial assistance to a person for the purchase of shares in the corporation. The procedure for exercising this remedy is different than that contained in the BCBCA.

Oppression Remedies

Under the ABCA, a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates, any act or omission of a corporation or its affiliates effects a result, the business or affairs of a corporation or its affiliates are or have been exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

Under the BCBCA, a shareholder, including a beneficial shareholder, or a director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce an obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a corporation.

Shareholder Derivative Actions

Under the BCBCA, a shareholder, including a beneficial shareholder, or a director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce an obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a corporation.

A broader right to bring a derivative action is contained in the ABCA and this right extends to officers, former shareholders, directors or officers of a corporation or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the ABCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries.

Requisition of Meetings

The ABCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a corporation holding not less than 5% of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting which meeting must be held within four months.

Form of Proxy and Information Circular

The BCBCA requires a reporting corporation, such as the Corporation, to provide with notice of a general meeting a form of proxy for use by every shareholder entitled to vote at such meeting as well as an information circular containing prescribed information regarding the matters to be dealt with at and conduct of the meeting.

The ABCA contains provisions which likewise require the mandatory solicitation of proxies and delivery of a management proxy circular.

Place of Meetings

The ABCA provides that meetings of shareholders may be held outside Alberta where the Articles so provide.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless a location outside the province is provided for in the articles, approved by an ordinary resolution before the meeting or approved in writing by the Registrar.

Directors

The ABCA requires that at least one-quarter of the directors be resident Canadians and requires that for distributing corporations at least two of the directors not be officers or employees of the corporation or its affiliates.

The BCBCA provides that a public corporation must have at least three directors but does not have any residency requirements.

Rights of Dissenting Shareholders

The Shareholders are entitled to dissent rights with respect to the proposed continuation pursuant to the ABCA.

The following description of the dissent rights ("Dissent Rights") of Shareholders is not a comprehensive statement of the procedures to be followed by a Shareholder who dissents ("Dissenting Shareholder") who seeks payment of the fair value of such holder's Common Shares and is qualified in its entirety by the reference to the text of Section 191 of the ABCA, which is attached to this Circular as Schedule "D". A Dissenting Shareholder who intends to exercise the right to dissent should carefully consider and comply with the provisions of Section 191 of the ABCA. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A registered Shareholder is entitled, in addition to any other rights the holder may have, to dissent and to be paid by the Corporation the fair value of the Common Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last business day before the day on which the resolution from which such holder dissents is adopted. **Only registered Shareholders may dissent. Persons who are beneficial Shareholders who hold shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that they may only do so through the registered owner of such Common Shares. Accordingly, a beneficial Shareholder desiring to exercise Dissent Rights must make arrangements for the Common Shares beneficially owned by such beneficial Shareholder to be registered in the name of such beneficial Shareholder prior to the time the written objection to the Continuation Resolution is required to be received by the Corporation, or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on behalf of the beneficial Shareholder.**

Section 191 of the ABCA requires that a Dissenting Shareholder send to the Corporation a written objection to the Continuation Resolution, at or prior to the commencement of the Meeting or any adjournment thereof. A vote against the Continuation Resolution, an abstention from voting thereon or the execution or exercise of a proxy does not constitute a written objection. A Shareholder will not be entitled to dissent rights in respect of Common Shares held by him or her if such Shareholder votes (or instructs his or her proxy holder to vote) any Common Shares in favour of the Continuation Resolution. No Shareholder who has voted in favour of the Continuation Resolution shall be entitled to dissent with respect to the proposed continuation. A registered Shareholder may not exercise the right to dissent in respect of only a portion of such holder's Common Shares, but may dissent only with respect to all of the Common Shares held by the holder.

An application may be made to the Court of Queen's Bench of Alberta ("**Court**") by the Corporation or by a Dissenting Shareholder after adoption of the Continuation Resolution to fix the fair value of the Dissenting Shareholder's Common Shares. If such an application to the Court is made by either the Corporation or a Dissenting Shareholder, the party must, unless the Court otherwise orders, send to each Dissenting Shareholder

a written offer to pay such person an amount considered by our board of directors to be the fair value of the shares held by such Dissenting Shareholders. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if a the Corporation is the applicant, or within 10 days after the party is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with the Corporation for the purchase of such Dissenting Shareholder's shares in the amount of the party's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the Common Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against the Corporation and in favour of each of those Dissenting Shareholders, and fixing the time within which the Corporation must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a Shareholder until the date of payment.

On the Continuation becoming effective, or upon the making of an agreement between the Corporation and the Dissenting Shareholder as to the payment to be made by the Corporation to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's shares in the amount agreed to between the Corporation and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw his, her or its dissent, or if the Continuation Resolution has not yet become effective the Corporation may rescind its Continuation Resolution, and, in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

The Corporation shall not make a payment to a Dissenting Shareholder under Section 191 if there are reasonable grounds for believing the Corporation is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of the Corporation would thereby be less than the aggregate of its liabilities. In such event, the Corporation shall notify each Dissenting Shareholder that it is lawfully unable to pay Dissenting Shareholders for their shares in which case the Dissenting Shareholder may, by written notice to the Corporation within 30 days after receipt of such notice, withdraw such holder's written objection, in which case such Dissenting Shareholder shall be deemed to have participated in the Continuation as a Shareholder. If the Dissenting Shareholder does not withdraw such holder's written objection such Dissenting Shareholder retains status as a claimant against the Corporation to be paid as soon as the Corporation is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to creditors but prior to its Shareholders.

The foregoing is only a summary of the dissent provisions of the ABCA, which are technical and complex, and failure to comply strictly with the provisions of the ABCA may prejudice the exercise of the right of dissent. Any Shareholder considering the exercise of the right of dissent should seek his or her own legal advice, including with respect to the tax consequences of exercising the right of dissent which are not described herein.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of management of the Corporation, other than as described herein, no director or executive officer of the Corporation at any time since the beginning of the last completed financial year of the Corporation, and no associate or affiliate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation or any associate or affiliate of an informed person, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of this Circular, an "informed person" means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person or subsidiary of the Corporation, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

OTHER BUSINESS

Management of the Corporation knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matters which are not known to management of the Corporation shall properly come before the Meeting, the Proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and MD&A by sending a written request to Suite 416 - 375 Water Street, Vancouver, British Columbia V6B 5C6, Attention: Secretary. Financial information is provided in the Corporation's comparative financial statements for the financial year ended December 31, 2011 and related MD&A which are also available on SEDAR at www.sedar.com.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED at Vancouver, British Columbia, this 28th day of December, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS
OF GLOBAL RAILWAY INDUSTRIES LTD.**

/s/ Tom Kusumoto

Tom Kusumoto
Chairman, Chief Executive Officer, President and
Director

SCHEDULE "A"

REVOCATION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Corporation is hereby authorized to revoke the Certificate of Intent to Dissolve issued to the Corporation by the Registrar of Corporations of Alberta and to cause a Statement of Revocation of Intent to Dissolve to be prepared and filed with Registrar of Corporations and this approval by the shareholders of the Corporation shall constitute the approval required pursuant to section 212(10)(a) of the *Business Corporations Act* (Alberta);
2. any one director or officer of the Corporation is hereby authorized to execute and deliver or to cause to be executed and delivered all such documents and to do or to cause to be done all such acts and things as such director or officer may consider necessary or desirable to give effect to the foregoing special resolution; and
3. the board of directors of the Corporation may, at its sole discretion, refrain from acting on this special resolution, without requiring further approval of the shareholders.

SCHEDULE "B"

CONTINUATION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the continuation of the Corporation's jurisdiction of incorporation from Alberta to British Columbia, pursuant to section 189 of *Business Corporations Act* (Alberta) (the "**ABCA**") and section 302 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), be and is hereby authorized and approved;
2. the directors of the Corporation be and are hereby authorized and directed to make application pursuant to section 189 of the ABCA to the Registrar of Corporations to continue the Corporation out of the jurisdiction of Alberta;
3. the directors of the Corporation be and are hereby authorized and directed to make application pursuant to section 302 of the BCBCA to the Registrar of Companies to continue the Corporation as if it had been incorporated under the BCBCA;
4. subject to such continuance and the issue of a Certificate of Discontinuance from the Province of Alberta, the Corporation adopt a form of Articles on substantially the terms as set out in the draft Articles attached to the Corporation's Information Circular dated December 28, 2012 in substitution for the by-laws of the Corporation;
5. any one director or officer of the Corporation is hereby authorized to execute and deliver or to cause to be executed and delivered all such documents and to do or to cause to be done all such acts and things as such director or officer may consider necessary or desirable to give effect to the foregoing special resolution; and
6. the board of directors of the Corporation may, at its sole discretion, refrain from acting on this special resolution, without requiring further approval of the shareholders.

SCHEDULE "C"

GLOBAL RAILWAY INDUSTRIES LTD.

(the "Company")

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1. Interpretation

1.1 Definitions. In these Articles, unless the context otherwise requires:

- (1) "business day" means any day other than a day which is a Saturday, Sunday or a statutory holiday within the Province of British Columbia;
- (2) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;
- (3) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) "legal personal representative" means the personal or other legal representative of a shareholder and includes executors, administrators, trustees in bankruptcy and duly constituted representatives in lunacy;
- (5) "month" means a calendar month;
- (6) "registered address" means the address recorded in any register maintained by the Company pursuant to the provisions of the *Business Corporations Act*; and
- (7) "seal" means the seal of the Company, if any.

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

1.3 Documents in Writing. Expressions referring to writing include references to printing, lithographing, typewriting, photography, and other modes of representing or reproducing words in a visible form.

1.4 Inclusive Meanings. Words importing the singular include the plural, and vice versa. Words importing a male person include a female person. Words importing persons shall include corporations and unincorporated entities.

1.5 Imperative. "Will" is to be construed as imperative.

2. Shares and Share Certificates

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

2.2 Form of Share Certificate. Each share certificate issued by the Company will be in such form as the directors approve and will comply with, and be signed as required by, the *Business Corporations Act*.

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

2.4 Delivery by Mail. Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement. If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit, order the share certificate or acknowledgment, as the case may be, to be cancelled and issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment. If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed and any indemnity the directors consider adequate.

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

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

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

2.10 Execution of Certificates. Every share certificate shall be signed manually by at least one officer or director of the Company, or by or on behalf of a registrar, branch registrar, transfer agent or branch transfer agent of the Company and any additional signature may be printed, lithographed, engraved or otherwise mechanically reproduced in accordance with these Articles.

3. Issue of Shares

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

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

3.3 Commissions and Discounts. Subject to the *Business Corporations Act*, the directors may pay a commission or allow a discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares, debentures, share rights, warrants or debenture stock in the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any such shares, debentures, share rights, warrants or debenture stock, provided that if the Company is not a specially limited company, the rate of the commission and discount shall not in the aggregate exceed 25 percent of the amount of the subscription price of such shares, debentures, share rights, warrants or debenture stock and if the Company is a specially limited company, the rate of the commission and discount shall not in the aggregate exceed 98 percent of the amount of the subscription price of such shares, debentures, share rights, warrants or debenture stock.

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

3.5 Conditions of Issue. Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when consideration is provided to the Company for the issue of the share in the form of one or more of past services actually performed for the Company, property and money. The value for the purposes of this Article 3.5 of the property or services received by the Company shall be the value determined by the directors by resolution to be in all circumstances of the transaction, the fair market value thereof and shall equal or exceed the issue price set for the share under Article 3.1.

4. Share Registers

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

4.2 Branch Securities Registries. Subject to the *Business Corporations Act*, the Company may keep or cause to be kept one or more branch securities registries at such place or places as may be determined by the directors.

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

5. Share Transfers

5.1 Authority to Transfer. Subject to any restrictions set forth in these Articles, a shareholder may transfer any of his shares by instrument in writing executed by or on behalf of such shareholder and delivered to the registered office of the Company or the office of the transfer agent of the Company.

5.2 Registering Transfers. Where an instrument of transfer together with the share certificate or certificates or non-transferrable written acknowledgment, as applicable, and such other evidence of title as the directors may require is delivered to the Company, the directors will, subject to any restrictions set forth in these Articles, cause the name of the transferee to be entered into the central securities register. All instruments of transfer where the transfer is registered shall be retained by the Company or its transfer agent and any instrument of transfer where the transfer is not registered, shall be returned to the person depositing the same together with the share certificate or non-transferrable acknowledgment which accompanied the same when tendered for registration.

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

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

5.5 Signing of Instrument of Transfer. If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer in the name of the person named as transferee in that instrument of transfer, or, if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.6 Enquiry as to Title Not Required. Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

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

6. Transmission of Shares

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

6.2 Rights of Legal Personal Representative. The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and to receive dividends, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company but he will not be entitled in respect of such shares to vote or exercise any other rights conferred by share ownership in respect of shareholders' meetings until his name appears in the central securities register.

6.3 Registration of Transmitted Shares. A person who is entitled to a share because of the death or bankruptcy of a shareholder, upon producing the evidence required by the directors and the *Business Corporations Act*, may be registered as the owner of the share or may transfer the share, but the directors will in either case have the same rights under Article 27.3 as they have in the case of a share transfer before death or bankruptcy. A person who is entitled to a share because of an order of a court of competent jurisdiction or because of a statute, upon producing such evidence as the directors may require, may be registered as the holder of the share.

7. Purchase and Redemption of Shares By Company

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

7.2 Prohibition When Insolvent. The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that the Company is insolvent or making the payment or providing the consideration would render the Company insolvent.

7.3 Purchase or Redemption of Some Shares. If the Company proposes to purchase or redeem some but not all of the shares of any class or series, the directors may, in their absolute discretion, subject to the rights and restrictions attached to the class or series of shares, decide the number of and the manner in which the shares to be purchased or redeemed will be selected and any such purchase or redemption need not be made rateably among every shareholder who holds shares of the class or series to be purchased or redeemed.

7.4 Sale and Voting of Purchased or Redeemed Shares. If the Company retains a share purchased, redeemed or otherwise acquired by it, the Company may sell, gift, issue or otherwise dispose of the share, but, while such share is held by the Company, the Company is not entitled to vote the share at a meeting of its shareholders, must not pay a dividend in respect of the share and must not make any other distribution in respect of the share.

8. Borrowing Powers

8.1 The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms and with such rights or privileges as they consider appropriate at or before the time of issue;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

- (4) mortgage, pledge, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

8.2 Register of Debentures. The Company may keep one or more branch registers of its debentureholders inside or outside the Province of British Columbia as the directors may determine.

9. Alterations

9.1 Alteration of Authorized Share Structure. Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (1) create one or more classes of shares with par value or without par value or, if none of the shares of a class of shares are allotted or issued, eliminate that class of shares;
- (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class of shares or establish a maximum number of shares that the Company is authorized to issue out of any class of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

All new shares will be subject to the same provisions with reference to transfer, transmissions and otherwise as the existing shares of the Company.

9.2 Special Rights and Restrictions. Subject to the *Business Corporations Act*, the Company may by special resolution create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class of shares, whether or not any or all of those shares have been issued or vary or delete any special rights or restrictions attached to the shares of any class of shares, whether or not any or all of those shares have been issued. No special right or restriction attached to any issued shares shall be prejudiced or interfered with unless all shareholders holding shares of each class whose special right or restriction is so prejudiced or interfered with consent thereto in writing, or unless a resolution consenting thereto is passed at a separate class meeting of the holders of the shares of each such class by the majority required to pass a special resolution, or such greater majority as may be specified by the special rights attached to the class of shares of the issued shares of such class.

9.3 Change of Name. The Company may by directors' resolution authorize an alteration of its Notice of Articles to change its name or adopt or change any translation of that name.

9.4 Alterations to Articles. If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

9.5 Class Meetings. Unless these Articles otherwise provide, the provisions of these Articles relating to general meetings shall apply, with the necessary changes and so far as they are applicable to a class meeting of shareholders holding a particular class of shares, but the quorum at a class meeting shall be one person holding or representing by proxy a simple majority of the shares affected.

10. Meetings of Shareholders

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

10.2 Resolution Instead of Annual General Meeting. Notwithstanding Article 10.1, if all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders. The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Convening Meetings. A general meeting, if requisitioned in accordance with the *Business Corporations Act*, may be convened by the directors or, if not convened by the directors, may be convened by the requisitionists as provided in the *Business Corporations Act*.

10.5 Location of Meetings. A general meeting of the Company must be held in British Columbia or may be held at a location outside of British Columbia if approved by an ordinary resolution.

10.6 Notice for Meetings of Shareholders. The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide. Such notice must be given not more than two months before the meeting and, if and for so long as the Company is a public company, at least 21 days before the meeting and, otherwise, at least 10 days.

10.7 Record Date for Notice. The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than 21 days if and for so long as the Company is a public company and, otherwise, 10 days. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

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

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

10.10 Notice of Special Business at Meetings of Shareholders. If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must state the general nature of the special business and if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.11 Meetings by Telephone or Other Communications Medium. A shareholder or proxy holder may participate in a meeting of shareholders in person or by telephone if all shareholders and proxy holders participating in the meeting, are able to communicate with each other. A shareholder or proxy holder may participate in a meeting of shareholders by a communication medium other than by telephone if all shareholders and proxy holders participating in the meeting are able to communicate with each other and all shareholders and proxy holders who wish to participate in the meeting agree to such manner of participation. A shareholder or proxy holder who participates in a meeting in a manner contemplated by this Article 10.11 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner and the meeting is deemed to be held at the location specified in the notice of meeting.

11. Proceedings at Meetings of Shareholders

11.1 Special Business. At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting; and
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of an auditor;

- (h) business arising out of a report of the directors not requiring the passing of a special resolution; and
- (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

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

11.3 Quorum. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least one-twentieth of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum. If there is only one shareholder entitled to vote at a meeting of shareholders the quorum is one person who is, or who represents by proxy, that shareholder, and that shareholder, present in person or by proxy, may constitute the meeting.

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

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

11.7 Lack of Quorum. If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present then, in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and, in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

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

11.9 Chair. The chair of the board, if any, or if the chair of the board is absent or unwilling to act as chair of the meeting, the president of the Company, if any, or in his absence a vice-president of the Company, if any, will preside as chairman at every meeting of shareholders.

11.10 Selection of Alternate Chair. If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting. The chairman need not be a shareholder.

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

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

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

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

11.15 Motion Need Not be Seconded. No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

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

11.17 Manner of Taking Poll. If a poll is duly demanded at a meeting of shareholders it will be taken at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs and in the manner, at the time and at the place that the chair of the meeting directs. The result of the poll is effective from the time of the meeting at which the poll is demanded. The demand for the poll may be withdrawn by the person who demanded it and, notwithstanding the foregoing, a poll demanded at a meeting of shareholders on a question of adjournment or the election of the chair of the meeting will be taken immediately at the meeting without adjournment.

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

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

11.20 Demand for Poll Not to Prevent Continuance of Meeting. The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.21 Retention of Ballots and Proxies. The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or

proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. Votes of Shareholders

12.1 Number of Votes by Shareholder or by Shares. Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3 on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote and, on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

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

12.3 Votes by Joint Holders. If there are joint shareholders registered in respect of any share, any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it or, if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted to the exclusion of the votes of the other joint holders.

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

12.5 Representation by Committee. A shareholder for whom a committee has been duly appointed may vote, whether on a show of hands or on a poll, by his committee. A committee may appoint a proxy holder.

12.6 Representative of a Corporate Shareholder. If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company provided that the instrument appointing a representative is received at the registered office of the Company or at any other place specified in the notice calling the meeting for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or is provided at the meeting to the chair of the meeting or to a person designated by the chair of the meeting. Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages. If a representative is appointed under this Article 12.6, the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder and the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

12.7 Proxy Provisions Do Not Apply to All Companies. Articles 12.8 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.8 Appointment of Proxy Holders. Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. A proxy will be in writing under the hand of the appointor and, if the appointor is a corporation, under the hand of an officer or attorney duly authorized for that purpose. A proxy holder is not required to be a shareholder.

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

12.10 Deposit of Proxy. A proxy and any power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney for a meeting of shareholders must be received at the place specified in the notice calling the meeting for the receipt of proxies, or, if no place is specified, at the registered office of the Company, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting.

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

12.11 Validity of Proxy Vote. A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used or by the chair of the meeting, before the vote is taken.

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

[name of company at the relevant time]
(the "Company")

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

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

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy. Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used or provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed. An instrument referred to in Article 12.13 must be signed, where the shareholder for whom the proxy holder is appointed is an individual, by the shareholder or his

or her legal personal representative or trustee in bankruptcy or, where the shareholder for whom the proxy holder is appointed is a corporation, by the corporation or by a representative appointed for the corporation under Article 12.6.

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

13. Directors

13.1 First Directors; Number of Directors. The first directors of the Company are the persons designated as directors of the Company in the first Notice of Articles filed for the Company under the *Business Corporations Act* and, at the time of filing, the number of directors, excluding additional directors appointed under Article 14.8, is set at the number of first directors. Thereafter, the number of directors, excluding additional directors, will be not less than one (or, if the Company is a public Company, three) and not more than 20. Within this range, unless the number of directors is set by ordinary resolution or set under Article 14.4, the number may be determined by the directors.

13.2 Change in Number of Directors. If the number of directors is set by ordinary resolution, the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number and if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy. An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

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

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

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

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

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

14. Election and Removal of Directors

14.1 Election at Annual General Meeting. At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

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

14.2 Consent to be a Director. No election, appointment or designation of an individual as a director is valid unless:

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

14.3 Failure to Elect or Appoint Directors. Where the Company fails to hold an annual general meeting and all of the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2 on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act* or where the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors, then each director then in office continues to hold office until his or her successor is elected or appointed or he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles, whichever is earlier. Each continuing director is deemed to have been elected or appointed as a director on the last day on which the annual general meeting would have been held pursuant to these Articles.

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

14.5 Directors May Fill Casual Vacancies. Any casual vacancy occurring in the board of directors may be filled for the unexpired term by the remaining directors.

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

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

14.8 Additional Directors. Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office or, in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8. Any additional director so appointed ceases to hold office immediately before the next annual general meeting or resolution in lieu thereof, but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director. A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders. The Company may remove any director before the expiration of his or her term of office and appoint a replacement director in respect thereof by special resolution. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

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

15. Alternate Directors

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

15.2 Notice of Meetings. Every alternate director so appointed is entitled to attend and vote as a director at any meeting of directors or of a committee of directors at which his or her appointor is not present and, if the appointor so directs in the notice of appointment delivered under Article 15.1, notice of meetings of directors and of committees of the directors, as applicable, will be sent to the alternate director and not to the appointor.

15.3 Alternate for More Than One Director Attending Meetings. A person may be appointed as an alternate director by more than one director and in such case, the alternate director will be counted in determining the quorum for a meeting of directors or a meeting of a committee of directors once for each

of his or her appointors, as applicable, and, in the case of an appointee who is also a director or a member of that committee, once more in that capacity. Subject to the relevant appointor having so directed in the notice of appointment, an alternate director will have a separate vote at a meeting of directors or a meeting of committee of directors for each of his or her appointors, as applicable, and, in the case of an appointee who is also a director or a member of that committee, an additional vote in that capacity.

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

15.5 Alternate Director Not an Agent. Every alternate director is deemed not to be the agent of his or her appointor.

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

15.7 Ceasing to be an Alternate Director. The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) his or her appointor revokes the appointment of the alternate director in accordance with Article 15.6;
- (3) the alternate director dies;
- (4) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (5) the alternate director ceases to be qualified to act as a director; or
- (6) the alternate director is convicted of an indictable offence and the other directors shall have resolved to remove him.

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

16. Powers and Duties of Directors

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

16.2 Appointment of Attorney of Company. The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may be made in favour of any of the directors or any of the shareholders of the Company or in favour of any corporation, firm or joint venture and any such

appointment may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. Disclosure of Interest of Directors

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

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

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

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

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

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

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

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

18. Proceedings of Directors

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

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

18.3 Chair of Meetings. The chair of the board, if any, or, in his absence, the president, if any, if the president is a director, or, if neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting or is willing to chair the meeting or each of the chair of the board and the president, if any and if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting, then any other director chosen by the directors shall preside as chairman at a meeting of directors.

18.4 Meetings by Telephone or Other Communications Medium. A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such manner of participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner. Where each director or his alternate is in communication with each other director or his alternate in the manner contemplated by this Article 18.4, a resolution concurred to by all directors or alternate directors in the course of such transmission shall be deemed to be a resolution of the board duly passed by the requisite majority.

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

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

18.7 When Notice Not Required. It is not necessary to give notice of a meeting of the directors to a director or an alternate director if the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed or the director or alternate director, as the case may be, has waived notice of the meeting in accordance with Article 18.9.

18.8 Meeting Valid Despite Failure to Give Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings. Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of

any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

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

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

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

19. Executive and Other Committees

19.1 Appointment and Powers of Executive Committee. The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, which committee shall have and may exercise during the intervals between meetings of the board of directors, all of the powers of the board except the power to fill vacancies in the board, the power to remove a director, the power to change the membership of, or fill vacancies in, any committee of the directors, and such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees. The directors may, by resolution appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate and delegate to any such committee any of the directors' powers, except the power to fill vacancies in the board, the power to remove a director, the power to change the membership of, or fill vacancies in, any committee of the directors and the power to appoint or remove officers appointed by the directors; and, in each case, subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees. Any committee appointed under Article 19.1 or 19.2, in the exercise of the powers delegated to it, must conform to any rules that may from time to time be imposed on it by the directors, keep regular minutes of every act or thing done in exercise of those powers and cause such minutes to be recorded in books kept for that purpose and report the same to the board at such times as the board may from time to time require. Subject to any rules imposed on it by the directors, any committee may make rules for the conduct of its business and may appoint such assistants as it may deem necessary. A majority of the members of a committee shall constitute a quorum of such committee.

19.4 Powers of Board. The board shall have the power at any time, to revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such

revocation, alteration or overriding and to terminate the appointment of, or change the membership of, the committee including to fill vacancies in the committee.

19.5 Committee Meetings. Subject to Article 19.3 and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, a committee appointed under Article 19.1 or 19.2 may meet and adjourn as it thinks proper and a majority of the members of the committee will constitute a quorum of the committee. The committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting. Questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. Officers

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

20.2 Functions, Duties and Powers of Officers. The directors may determine the functions and duties of each officer and entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit. The directors may, at any time and from time to time, revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

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

20.4 Remuneration and Terms of Appointment. All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fees, wages, commission, participation in profits or any other means or all of these modes) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

20.5 Interested Officers. Every officer of the Company who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duties or interests as an officer of the Company shall, in writing, disclose to the directors the fact and the nature, character and extent of the conflict.

21. Indemnification of Directors and Officers and Payment of Expenses

21.1 Definitions. In this Article 21:

"associated corporation" has the meaning set out in the *Business Corporations Act*;

"eligible party" means an individual who is or was a director or officer of the Company or of another corporation at a time when the corporation is or was an affiliate of the Company or at the request of the Company, or, who, at the request of the Company, is or was, or holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity, and includes, except in a reference to an act done by an eligible party, the heirs and personal or other legal representatives of that individual;

"eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

"eligible proceeding" means any legal proceeding or investigative action, whether current, threatened, pending or completed in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation is or may be joined as a party, or is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding; and

"expenses" has the meaning set out in the *Business Corporations Act*.

21.2 Liability of Directors. Subject to the *Business Corporations Act*, a director or other officer of the Company is not liable for:

- (a) any act, receipt, neglect, or default of any other director or officer;
- (b) joining in any act for conformity;
- (c) loss or damage arising from bankruptcy, insolvency or tortious acts of any person with whom any monies, securities or effects are deposited;
- (d) loss or damage arising or happening to the Company through the insufficiency or deficiency of any security in or upon which assets of the Company may be invested;
- (e) any loss occasioned by any error or oversight on his part; or
- (f) any loss, damage or misfortune whatsoever happening in the execution of the duties of his office or in relation thereto,

unless it happens through his own dishonesty.

21.3 Mandatory Indemnification of Directors and Former Directors. Subject to Article 21.7 and the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.3.

21.4 Authority to Indemnify Other Persons. Subject to Article 21.7 and the *Business Corporations Act*, the Company may indemnify an eligible party against all eligible penalties to which the eligible party is or may be liable and may also, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding.

21.5 Mandatory Payment of Expenses. Subject to Article 21.7, the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an eligible party in respect of that proceeding if the eligible party has not been reimbursed for those expenses, and is wholly successful, on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding.

21.6 Authority to Advance Expenses. Subject to Article 21.7, the Company may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and

reasonably incurred by an eligible party in respect of that proceeding, provided that the Company must not make such payments unless the Company first receives from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by Article 21.7, the eligible party will repay the amounts advanced.

21.7 Indemnification Prohibited. The Company must not indemnify an eligible party under Articles 21.3 or 21.4 or pay the expenses of an eligible party under Articles 21.3, 21.5 or 21.6 if any of the following circumstances apply:

- (1) if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, the Company was prohibited from giving the indemnity or paying the expenses by its memorandum or articles;
- (2) if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, the Company is prohibited from giving the indemnity or paying the expenses by its memorandum or articles;
- (3) if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of the Company or the associated corporation, as the case may be; or
- (4) in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

The result of any action, suit or proceeding does not create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Company, or that the person did not have reasonable grounds to believe that his conduct was lawful. The Company will apply to a court of competent jurisdiction for all court approvals which may be required to make this Article effective and enforceable.

21.8 Insurance. The Company may purchase and maintain insurance for the benefit of an eligible party or the heirs and personal or other legal representatives of the eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation.

22. Dividends

22.1 Payment of Dividends Subject to Special Rights. The provisions of this Article 22 are subject to the special rights, if any, as to dividends attached to any shares.

22.2 Declaration of Dividends. Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable and pay the same out of any funds of the Company available for that purpose. The directors may, before declaring a dividend, set aside out of the profits of the Company such moneys as they think proper as a reserve or reserves which will be applicable for meeting contingencies or equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and the moneys may, pending this application, either be employed in the business of the Company or be invested as the directors think fit.

22.3 No Notice Required. The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date. The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend. The transfer of shares does not, as against the Company, transfer the right to any dividend declared thereon before the registration of the transfer.

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

22.6 Settlement of Difficulties. If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may issue fractional certificates, may set the value for distribution of specific assets, may determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees for the persons entitled to the dividend.

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

22.8 Dividends to be Paid in Accordance with Number of Shares. All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

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

22.10 Dividend Bears No Interest. No dividend bears interest against the Company.

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

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

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

23. Documents, Records and Reports

23.1 Records Office Records. The Company will keep such records at its records office as are required by the *Business Corporations Act* to be so kept and no shareholder or former shareholder may inspect any of such records unless expressly authorized by the *Business Corporations Act*. Any inspection authorized pursuant to this Article 23.1 will be at the place and time and on the terms and conditions set by the directors for any such inspection.

23.2 Recording of Financial Affairs. The directors must cause to be kept books of account, accounting records and such other records as are necessary to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act* and the provisions of other statutes applicable to the Company including with respect to the appointment of and qualifications of auditors for the Company. The books and records will be kept at such place or places as the directors may think fit and will be open to inspection by the directors.

23.3 Inspection of Accounting Records. No shareholder or former shareholder will be entitled to inspect any accounting records of the Company unless expressly authorized by the *Business Corporations Act*. Any inspection authorized pursuant to this Article 23.3 will be at the place and time and on the terms and conditions set by the directors for any such inspection.

23.4 Remuneration of Auditors. The auditors of the Company, if any, are entitled to such remuneration for acting as auditors as the directors may from time to time determine or, if the directors so decide, as the shareholders may determine by ordinary resolution.

24. Notices

24.1 Method of Giving Notice. Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by prepaid post or facsimile to him at his registered address or, if no such address is set out in any register of the Company, at his mailing address, or by email to the email address provided by the intended recipient for the sending of that record or records of that type, if any.

24.2 Deemed Receipt of Mailing. A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the business day following the date of mailing. A notice delivered personally is effective the day of delivery. A notice sent by facsimile or email is effective on the date the sender receives his facsimile or electronic answer back confirming receipt by the recipient's medium.

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

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

24.5 Notice to Trustees. A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by mailing the record, addressed to them by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar

description and mail to the address supplied to the Company for that purpose by the persons claiming to be so entitled or, if no such address has been supplied, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. Seal

25.1 Who May Attest Seal. The directors may provide a seal for the Company. Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, may be affixed to any instrument by, and any instrument may be executed on behalf of the Company in the presence of, the following persons:

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

and the said persons in whose presence the seal is so affixed to an instrument shall sign such instrument.

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

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

25.4 Seal in Other Jurisdiction. The Company may have for use in any other province, state, territory or country an official seal which shall have on its face the name of the province, state, territory or country where it is to be used and all of the powers conferred by the *Business Corporations Act* with respect thereto may be exercised by the directors or by a duly authorized agent of the Company.

26. Liens

26.1 The Company has a lien on every share registered in the name of a shareholder for all moneys owing by him to the Company, but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Part. The Company's lien on a share extends to all dividends payable thereon.

27. Prohibitions

27.1 Definitions. In this Article 27:

"designated security" means a voting security of the Company, a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets or a security of the Company convertible, directly or indirectly, into either of foregoing securities;

"security" has the meaning assigned in the *Securities Act* (British Columbia); and

"voting security" means a security of the Company that is not a debt security and carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

27.2 Application. Articles 27.3 and 27.4 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

27.3 Consent Required for Transfer of Shares or Designated Securities. No share or designated security may be offered for sale to the public and no shares shall be sold, transferred or otherwise disposed of without the consent of the directors expressed by a resolution of the board and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition. The consent of the board required by this Article 27.3 may be in respect of a specific proposed trade or trades or trading generally, whether or not over a specified period of time or by specific persons or with such other restrictions or requirements as the directors may determine.

27.4 Restriction on Number of Shareholders. The number of persons who beneficially own shares of the Company shall be limited to 50.

28. Special Rights and Restrictions Attached to Shares

28.1 Class A Shares. The special rights and restrictions attached to the Class A Voting Common Shares Without Par Value (the "Class A Shares") are as follows:

- (a) The holders of the Class A Shares shall be entitled to receive notice of, to attend and to vote at any general meetings of the shareholders of the Company.
- (b) Notwithstanding any other provision of these Articles except Article 28.4, and subject to payment of dividends declared but unpaid on the Class B Shares, dividends may be declared and paid, in the discretion of the directors, at any time upon the Class A Shares to the exclusion of all or any other class or classes of shares, or may be declared and paid upon all or any other class or classes of shares, to the exclusion of the Class A Shares.
- (c) In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of the redemption, purchase or acquisition of any shares, the reduction of capital or any other return of capital, the holders of the Class A Shares shall be entitled to receive, before any distribution of any part of the assets of the Company to the holders of any other shares except the Class B Shares, an amount equal to the paid-up capital thereon and any dividends declared thereon and unpaid, and if any of the assets of the Company thereafter remain available for distribution, the holders of the Class A Shares shall be entitled to such assets.

28.2 Class B Shares. The Class B Preferred Shares Without Par Value (the "Class B Shares") may be issued from time to time in one or more series and shall as a class have attached thereto the following special rights and restrictions:

- (a) The directors, by resolution duly passed before the issuance of Class B Shares of the series to which the resolution relates, may, subject to the *Business Corporations Act*, do any one or more of the following:
 - (i) determine the maximum number of shares of any of those series of Class B Shares that the Company is authorized to issue, determine that there is no maximum number or alter any such determination previously made, and may authorize the alteration of the Notice of Articles accordingly;
 - (ii) alter these Articles, and authorize the alteration of the Notice of Articles, to create an identifying name by which the shares of any of those series of Class B Shares may be identified or to alter any identifying name previously created; and
 - (iii) alter these Articles and authorize the alteration of the Notice of Articles to attach special rights or restrictions to the shares of any of those series of Class B Shares or to alter any such special rights or restrictions including, without limitation: (A) the rate, amount or method of calculation of dividends and whether the same are subject to adjustments; (B) whether such dividends are cumulative, partly cumulative or non-cumulative; (C) the dates, manner and currency of payments of dividends and the date from which they accrue or become payable; (D) if redeemable or purchasable (whether at the option of the Company or holder or otherwise), the redemption or purchase prices and currencies thereof and terms and conditions of redemption or purchase, with or without provision for sinking or similar funds; (E) the voting rights, if any; (F) any conversion, exchange or reclassification rights; and (G) any other terms not inconsistent with these provisions.
- (b) The holders of Class B Shares as a class shall, in preference to the holders of the Class A Shares, be entitled to receive dividends. The holders of the Class B Shares of any series shall also be entitled to such other preference, not inconsistent with these provisions, over the holders of the Class A Shares and the shares of any other class ranking junior to the Class B Shares as may be fixed in accordance with paragraph (a) of this Article 28.2.
- (c) Unless specifically subordinated in priority by the special rights and restrictions attached to any particular series of Class B Shares, the holders of the Class B Shares as a class shall be entitled, on the distribution of the assets of the Company on the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or on any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, to receive in priority before any distribution shall be made to holders of the Class A Shares or any other shares of the Company ranking junior to the Class B Shares with respect to repayment of capital, the amount paid up with respect to each Class B Share held by each of them respectively, together with the premium (if any) payable respectively on redemption of each such series of Class B Shares and all accrued and unpaid dividends (if any) which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution. After payment to the holders of Class B Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the property or assets of the Company except as specifically provided in the special rights and restrictions attached to any particular series.

- (d) No Class B Shares or shares of a class ranking prior to or on a parity with the Class B Shares with respect to the payment of dividends or the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, may be issued if the Company is in arrears in the payment of dividends on any outstanding series of Class B Shares without the approval of the holders of the Class B Shares given by a resolution passed by a majority of the holders of the Class B Shares.
- (e) Except as hereinafter referred to or as required by law or in accordance with any voting rights which may from time to time be attached to any series of Class B Shares, the holders of Class B Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of the Company; provided that the holders of Class B Shares as a class shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its undertaking or a substantial part thereof, or as required by the *Business Corporations Act*.
- (f) The rights, privileges, restrictions and conditions attaching to the Class B Shares as a class may be added to, removed or changed but only with the approval of the holders of the Class B Shares given in accordance with the requirements of the *Business Corporations Act*.
- (g) Where Class B Shares are issued in more than one series with identical preferred, deferred or other special rights, privileges, restrictions, conditions and designations attached thereto, all such series of Class B Shares shall rank *pari passu* and participate equally and proportionately without discrimination or preference as if all such series of Class B Shares had been issued simultaneously and all such series of Class B Shares may be designated as one series.

28.3 Alterations where Shares Issued. If alterations, determinations or authorizations contemplated by Article 28.2(a) are to be made in relation to a series of shares of which there are issued shares, those alterations, determinations and authorizations must be made by ordinary resolution.

28.4 Restriction on Dividends. Notwithstanding anything else contained in these Articles, no dividends will be paid on any class of shares nor will shares be redeemed if such act would result in the Company having insufficient net assets to redeem the Class B Shares, if applicable.

SCHEDULE "D"

SECTION 191 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

Shareholder's right to dissent

- 191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
 - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
 - (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
 - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
 - (d) be continued under the laws of another jurisdiction under section 189, or
 - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
 - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court by originating notice after the adoption of a resolution referred to in subsection (1) or (2),
- (a) by the corporation, or
 - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5), to fix the fair value in accordance with subsection (3) of the shares

of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder
 - (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
 - (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
 - (a) be made on the same terms, and
 - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
 - (a) is not required to give security for costs in respect of an application under subsection (6), and
 - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for
 - (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
 - (b) the trial of issand interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,
 - (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
 - (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
 - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
 - (f) the service of documents, and

(g) the burden of proof on the parties.

- (13) On an application under subsection (6), the Court shall make an order
- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
 - (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
 - (c) fixing the time within which the corporation must pay that amount to a shareholder, and
 - (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (14) On
- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
 - (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
 - (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

- (15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

- (16) Until one of the events mentioned in subsection (14) occurs,
- (a) the shareholder may withdraw the shareholder's dissent, or
 - (b) the corporation may rescind the resolution,
- and in either event proceedings under this section shall be discontinued.

- (17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

- (18) If subsection (20) applies, the corporation shall, within 10 days after
- (a) the pronouncement of an order under subsection (13), or
 - (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

- (19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may

withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

- (20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
 - (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.