FIBRESOURCES CORPORATION

INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 17, 2020

This information is given as of December 13, 2019 unless otherwise noted.

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the management of Fibresources Corporation (the "Company") for use at the Annual and Special Meeting (the "Meeting") of the shareholders of the Company, to be held on **Friday, January 17, 2020**, at the time and location and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

Except as noted below, the Company has distributed or made available for distribution, copies of the Notice, the Information Circular and form of proxy or voting instruction form ("VIF") (if applicable) (the "Meeting Materials") to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "Intermediaries") for distribution to Beneficial Shareholders (as defined below) whose common shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company is sending proxy-related materials directly to NOBOs (as defined below), through the services of its transfer agent and registrar, Computershare Investor Services Inc. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Company is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered shareholders or Beneficial Shareholders.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for such shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company's transfer agent and registrar, Computershare Investor Services Inc., Proxy Department, by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment thereof, or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered shareholder or his, her or its attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by shareholders for use at the Meeting may be revoked prior to their use:

(a) by depositing an instrument in writing executed by the shareholder or by such shareholder's attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:

  (i) at the registered office, Suite 2900 – 595 Burrard Street, Vancouver, BC, V7X 1J5, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof; or

  (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or

(b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the common shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. The common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted on, the common shares will be voted accordingly. **In the absence of such direction, where the management nominees are appointed as proxyholder, such common shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares, or non-objecting beneficial owners ("NOBOs") whose names has been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of shareholders who do not hold their common shares in their own name (referred to in this section as "Beneficial Shareholders"). If common shares are listed in an account statement provided to a shareholder by an Intermediary, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such common shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting common shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically mails the VIFs or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the VIFs or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or VIF from Broadridge cannot use that proxy to vote common shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their common shares in that capacity.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert his or her name (or the name of the person that the NOBO wants to attend and vote on the NOBO's behalf) in the space provided on the VIF and return it to the Company or its transfer agent. If the Company receives a written request that the NOBO or its nominee be appointed as proxyholder, if management is holding a proxy with respect to common shares beneficially owned by such NOBO, the Company will arrange, without expense to the NOBO, to appoint the NOBO or its nominee as proxyholder in respect of those common shares. Under NI 54-101, unless corporate law does not allow it, if the NOBO or its nominee is appointed as proxyholder by the Company in this manner, the NOBO or its nominee, as applicable,

must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. If the Company receives such instructions at least one business day before the deadline for submission of proxies, it is required to deposit the proxy within that deadline, in order to appoint the NOBO or its nominee as proxyholder. **If a NOBO requests that the NOBO or its nominee be appointed as proxyholder, the NOBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the NOBOs vote to be counted.**

NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact their Intermediary to arrange to change their vote. NOBOs should carefully follow the instructions of their Intermediaries, including those regarding when and where to complete the VIF's that are to be returned to their Intermediaries.

Should an objecting beneficial owner (an "OBO") wish to attend and vote at the Meeting in person, the OBO should insert his or her name (or the name of the person the OBO wants to attend and vote on the OBO's behalf) in the space provided for that purpose on the request for voting instructions form and return it to the OBO's Intermediary or send the Intermediary another written request that the OBO or its nominee be appointed as proxyholder. The Intermediary is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or its nominee as proxyholder in respect of the OBO's common shares. Under NI 54-101, unless corporate law does not allow it, if the Intermediary makes an appointment in this manner, the OBO or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the Intermediary (who is the registered shareholder) in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. An Intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the proxy within that deadline, in order to appoint the OBO or its nominee as proxyholder. **If an OBO requests that an Intermediary appoint the OBO or its nominee as proxyholder, the OBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the OBOs vote to be counted.**

OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. Only registered shareholders have the right to revoke a proxy. OBOs who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.

Shareholders with questions respecting the voting of shares held through an Intermediary should contact that Intermediary for assistance.

All references to shareholders in this Information Circular and the accompanying form of proxy and Notice are to shareholders of record unless specifically stated otherwise.

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Meeting Materials are being sent to both registered shareholders and NOBOs. If you are a NOBO, and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of common shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares without par value.

The Company has fixed the close of business on December 13, 2019 as the record date (the "Record Date") for the purposes of determining shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 8,254,826 common shares were issued and outstanding. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each common share of which he, she or it is the holder. The Company has no other classes of voting securities.

To the knowledge of the directors and senior officers of the Company, as of the Record Date, no person or company beneficially owns, directly or indirectly or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company except for Edgar Froese holding directly or indirectly aggregate 864,538 common shares representing 10.47% of the Company's issued and outstanding common shares, and Media West Technology (VCC) Corp. which holds 1,558,924 common shares representing 18.89% of the Company's issued and outstanding common shares.

The above information was provided by management of the Company and the Company's registrar and transfer agent as of the Record Date.

QUORUM AND VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company's Articles, the quorum for the transaction of business at a meeting of shareholders is one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued common shares entitled to be voted at the Meeting. A simple majority of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required in order to pass an ordinary resolution. A majority of two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required to pass a special resolution.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons 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, save and except for those matters pertaining to the election of directors and stock option plan.

STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this Information Circular:

"**CEO**" means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year; and

"**Named Executive Officer**" or "**NEO**" means: (a) a CEO; (b) a CFO; (c) the Company's most highly compensated executive officers, including any of the Company's subsidiaries, or the most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than $150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

During the financial years ended January 31, 2018 and January 31, 2019, the Company had two Named Executive Officers, namely Edgar Froese (CEO) and George Lai (CFO).

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Oversight and Description of Director and Named Executive Officer Compensation

During the period from September 11, 2009 to July 19, 2019, the Company was subject to cease trade orders ("CTOs") issued by the British Columbia Securities Commission and the Alberta Securities Commission (jointly, the "Commissions") pertaining to the Company's failure to file annual financial statements for the fiscal year ended January 31, 2009 and its interim financial statements for the three months ended April 30, 2009, and corresponding

MD&A and certifications in a timely manner. Further, the TSX Venture Exchange ("TSXV") halted trading of the Company's shares due to the CTOs. On July 19, 2019, revocation orders were received from the Commissions lifting the CTOs. Since the time the CTOs were put in place, the Company has been inactive.

The directors do not receive any fees or other compensation for their acting as directors, except that directors are reimbursed for out-of-pocket expenses incurred on our behalf or in providing services as a director for the Company.

See "Table of Compensation excluding Compensation Securities" below for details of the payments made to the directors and Name Executive Officers for the financial years ended January 31, 2018 and 2019.

Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers)* sets forth all annual and long term compensation for services paid to or earned by each NEO and director (Edgar Froese and George Lai being the only directors during those two fiscal years) for the two most recently completed financial years ended January 31, 2019 and 2018, excluding compensation securities.

Table of Compensation excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compen-sation ($)	Total compen-sation ($)
Edgar Froese *President, CEO and Director*	2019 2018	$18,000[1] $18,000[1]	nil nil	nil nil	nil nil	nil nil	$18,000 $18,000
George Lai[2] *CFO and Director*	2019 2018	nil nil	nil nil	nil nil	nil nil	nil nil	nil nil

1. Management fees were paid, in part, to Net Equity Capital Partners Inc., a private company controlled by Mr. Froese.

Stock Options and Other Compensation Securities

The only compensation securities available to be issued or granted by the Company to its directors and NEOs during the financial years ended January 31, 2018 and 2019 were incentive stock options under the Company's stock option plan. During those financial years, the Company did not grant any stock options to its directors or NEOs for services provided or to be provided, directly or indirectly, to the Company.

During the financial years ended January 31, 2018 and 2019, no incentive stock options were exercised by any NEO or director. The Company does not currently have any stock options outstanding.

Stock Option Plans and Other Incentive Plans

The Company has a "rolling" Stock Option Plan in place, pursuant to which the maximum number of options that may be reserved for issuance or issued in any 12 month period is limited to 10% of the issued and outstanding securities of the Company. The underlying purpose of the Stock Option Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan. For details of the Stock Option Plan, see "Particulars of Matters to be Acted Upon – Renewal of Stock Option Plan" below.

The Company has no other form of compensation plan under which equity securities of the Company are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

Employment, consulting and management agreements

There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were:

(a) performed by a director or named executive officer, or

(b) performed by any other party but are services typically provided by a director or a named executive officer,

other than Edgar Froese receives the sum of $500 per month to manage the affairs of the Company, and $1,000 per month is paid to NetEquity Capital Partners Inc. to provide office resources for the Company. Directors and officers are entitled to reimbursement of expenses incurred on behalf of the Company.

In particular, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

Pension Benefits

The Company does not have a pension plan that provides for payments or benefits to a director or NEO.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of common shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Stock Option Plan as at January 31, 2019:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options #	Weighted-average exercise price of outstanding options $	Number of Common Shares remaining available for future issuance under equity compensation plans #
Equity compensation plans approved by security holders	nil	n/a	825,482
Equity compensation plans not approved by security holders	n/a	n/a	n/a
Total	nil	n/a	825,482

1. Based on 8,254,826 shares being outstanding as of January 31, 2019.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the last completed financial year was any current director, executive officer or employee or any former director, executive officer or employee of the Company, or any proposed nominee for election as a director of the Company:

(a) indebted to the Company; or

(b) indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company,

other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction or in any proposed transaction during the 2018 or 2019 financial years which has materially affected or will materially affect the Company or any of its subsidiaries.

AUDIT COMMITTEE

Pursuant to the provisions of the *Canada Business Corporations Act*, the Company is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("NI 52-110"), have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

Audit Committee's Charter

Purpose

The purpose of the Audit Committee (the "Committee") is to act as the representative of the Board of Directors in carrying out its oversight responsibilities relating to:

- The audit process;
- The financial accounting and reporting process to shareholders and regulatory bodies; and
- The system of internal financial controls.

Composition

The Committee shall consist of three Directors, the majority of whom are "independent" within the meaning of National Instrument 52-110, Audit Committees, for so long as the Company is a "venture issuer", as defined therein. The Committee shall be appointed annually by the Board of Directors immediately following the Annual General Meeting of the Company. Each member of the Committee shall be financially literate, meaning that he must be able to read and understand financial statements. One member of the Committee must have accounting and financial expertise, meaning that he possesses financial or accounting credentials or has experience in finance or accounting.

Duties

The Committee's duty is to monitor and oversee the operations of Management and the external auditor. Management is responsible for establishing and following the internal controls, financial reporting processes and for compliance with applicable laws and policies. The external auditor is responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards, and for issuing its report on the statements. The Committee should review and evaluate this Charter on an annual basis.

The specific duties of the Committee are as follows:

- Management Oversight:
    - Review and evaluate the Company's processes for identifying, analyzing and managing financial risks that may prevent the Company from achieving its objectives;

- Review and evaluate the Company's internal controls, as established by Management;
- Review and evaluate the status and adequacy of internal information systems and security;
- Meet with the external auditor at least one a year in the absence of Management;
- Request the external auditor's assessment of the Company's financial and accounting personnel;
- Review and evaluate the adequacy of the Company's procedures and practices relating to currency exchange rates; and
- Review and evaluate the Company's banking arrangements.

- External Auditor Oversight
  - Review and evaluate the external auditor's process for identifying and responding to key audit and internal control risks; o Review the scope and approach of the annual audit;
  - Inform the external auditor of the Committee's expectations;
  - Recommend the appointment of the external auditor to the Board;
  - Meet with Management at least once a year in the absence of the external auditor;
  - Review the independence of the external auditor on an annual basis;
  - Review with the external auditor both the acceptability and the quality of the Company's accounting principles; and
  - Confirm with the external auditor that the external auditor is ultimately accountable to the Board of Directors and the Committee, as representatives of the shareholders.

- Financial Statement Oversight
  - Review the quarterly reports with both Management and the external auditor;
  - Discuss with the external auditor the quality and the acceptability of the generally accepted accounting principles applied by Management;
  - Review and discuss with Management the annual audited financial statements; and
  - Recommend to the Board whether the annual audited financial statements should be accepted, filed with the securities regulatory bodies and publicly disclosed.

Composition of the Audit Committee

The Company does not currently have an Audit Committee. Following the Meeting, it is proposed the Audit Committee will be composed of:

Edgar Froese	Not Independent[1]	Financially literate[1]
Peter Miele	Independent[1]	Financially literate[1]
Robert Falls	Independent[1]	Financially literate[1]

1. As defined by NI 52-110.

Relevant Education and Experience

In addition to each member's general business experience, each of the Audit Committee members has the ability to read and understand financial statements and held director and/or officer positions with other reporting issuers in the mineral exploration and mining sector where he has been actively involved in financing and fundraising activities.

Each of the Company's Audit Committee members has been a director or officer of several Canadian public companies and as a director has been responsible for approving financial statements. See "Directorships" and "Election of Directors" below.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 *(De Minimis Non-audit Services)*, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees	Audit Related Fees[1]	Tax Fees[2]	All Other Fees[3]
2019	$9,633.75	nil	nil	nil
2018	$9,633.75	nil	nil	nil

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

CORPORATE GOVERNANCE

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

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

Board of Directors

The Board is currently composed of two directors, namely Edgar Froese and George Lai. Mr. Froese will be standing for re-election as a director at the Meeting.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Mr. Froese is not independent within the meaning of NI 58-101, being CEO

and a significant shareholder. Each of Peter Miele and Robert Falls, nominees for appointment to the Company's board of directors, are each considered independent.

The independent directors will exercise their responsibilities for independent oversight of management and can meet independently of management whenever deemed necessary.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances. No director found it necessary to do so during the financial years ended January 31, 2018 or 2019.

Directorships

The following nominees as directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)	Exchange
Peter Miele	Quest Water Solutions Inc.	OTC - QWTR

Orientation and Continuing Education

New directors are briefed on the Company's overall strategic plans, short, medium and long term corporate objectives, financials status, general business risks and mitigation strategies, and existing company policies. There is no formal orientation for new members of the Board. This is considered to be appropriate, given the Company's size and current level of operations, the ongoing interaction amongst the directors and the low director turn-over. However, if the growth of the Company's operations warrants it, it is possible that a formal orientation process would be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly in the natural resource sector. Board members are encouraged to communicate with management and auditors to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. The directors are advised that, if a director believes that it would be appropriate to attend any continuing education event for corporate directors, the Company will pay for the cost thereof. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Board.

Ethical Business Conduct

The Board has not adopted a written Code of Ethical Conduct for its directors, officers and employees at this time. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Company and its shareholders.

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the *Canada Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve. As the Company progresses as a business enterprise, the Board will consider its size on an annual basis when it considers the number of directors to recommend to shareholders for election at annual general meetings, taking into account the number required to carry out the Board's duties effectively and to maintain diversity of view and experience.

Board Committees

The Company currently has only an Audit Committee in place.

Assessments

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of any individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the years ended January 31, 2018 and 2019, reports of the auditor and related management discussions and analysis are available for review on SEDAR, and will be placed before the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Election of Directors

Management is nominating three individuals to stand for election as directors.

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Information Circular. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province/State and Country of Residence and Other Positions, if any, held with the Company	Date First Became a Director	Principal Occupation	Number of Shares[1]
Edgar Froese[2] British Columbia, Canada *CEO and Director*	April 1998	CEO of the Company since incorporation.	864,538[3]
Peter Miele[2] British Columbia, Canada *Director*	Nominee	Executive Vice President and Director of Quest Water Solutions Inc.	nil
Robert Falls[2] British Columbia, Canada *Director*	Nominee	Businessman.	nil

1. Information as to voting shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
2. Proposed member of Audit Committee.
3. Of these shares, 514,300 are held by the Froese Family Trust, of which Mr. Froese is the trustee.

Unless otherwise stated, each of the below-named nominees has held the principal occupation or employment indicated for the past five (5) years (information provided by the respective nominees):

Peter Miele – Proposed Director

Mr. Miele, has over 25 years of entrepreneurial and executive experience and has been involved with public and private companies in strategic management framework, business development, marketing, design, and branding, along with holding Directorship and Corporate Development positions. In 2004, Mr. Miele was involved in the successful launch of a bottled water company. Mr. Miele was involved in the strategic and corporate development of that company's overall corporate branding, as well as creating and facilitating that company's marketing and production of new brands of bottled water products. In 2006, Mr. Miele held the position of managing partner with Environmental Water Solutions. He is currently Executive Vice President and Director of Quest Water Solutions Inc., which he co-founded.

Robert Falls – Proposed Director

Dr. Falls holds a Ph.D. in Resource Management Science (U.B.C.) and has an extensive work history in the natural gas, climate mitigation, renewable energy, and forest industries. Dr. Falls is an Adjunct Professor with U.B.C.'s Forest Sciences Center and is a published author in the field of climate change and carbon management. He has also served as a director and/or officer of a number of other public companies listed on the TSXV.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no proposed director is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes hereof, the term "order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

Each of Edgar Froese and George Lai were directors of the Company during the period from September 11, 2009 to July 19, 2019 when the Company was subject to cease trade orders issued by the British Columbia Securities Commission and the Alberta Securities Commission pertaining to the Company's failure to file annual financial statements for the fiscal year ended January 31, 2009 and its interim financial statements for the three months ended April 30, 2009, and corresponding MD&A and certifications in a timely manner.

No proposed director:

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

(b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or has a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Except as disclosed herein, no proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

B. Appointment of Auditor

Management proposes to nominate D&H Group LLP, Chartered Professional Accountants, as the Company's auditors for the ensuing year. D&H Group have been the auditors of the Company since May 2008. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of D&H Group LLP as auditors of the Company for the financial year ending January 31, 2020 and to authorize the directors to fix the auditors' remuneration.

C. Approval of New Stock Option Plan

Background

Pursuant to Policy 4.4 of the TSXV, all TSXV listed companies are required to adopt a stock option plan prior to granting incentive stock options. The Company last obtained shareholders' approval to the Company's stock option plan in March 2008. Since then, there have been changes to the TSXV policies regarding stock options. Accordingly, the Company considers it appropriate to adopt a new "rolling" stock option plan (the "Stock Option Plan") in the form attached as Appendix "A" to this Circular.

The Stock Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Stock Option Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

Material Terms of the Stock Option Plan

The Stock Option Plan provides that the terms of the options and the option price may be fixed by the Board subject to the price restrictions and other requirements of the TSXV. The Stock Option Plan also provides that no option may be granted to any person except upon the recommendation of the Board, and only directors, officers, employees, consultants and other key personnel of the Company or any subsidiary may receive options. Options granted under the Stock Option Plan may not be exercisable for a period longer than five years and the exercise price must be paid in full upon exercise of the option.

The Stock Option Plan is subject to the additional following restrictions:

(a) the Company shall not grant options to any one person in any 12 month period which could, when exercised, result in the issuance of common shares exceeding 5% of the issued and outstanding common shares of the Company;

(b) the Company shall not grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of common shares exceeding 2% of the issued and outstanding common shares of the Company;

(c) the Company shall not grant options in any 12 month period, to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of common shares exceeding, in the aggregate, 2% of the issued and outstanding common shares of the Company;

(d) if any option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of which the option expired or terminated shall again be available for the purposes of the Stock Option Plan;

(e) if an option holder dies, any vested option held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;

(f) if an option holder ceases to be a director, officer or employed by or provide services to the Company, other than by reason of death, the options granted will expire on the 90th day following the date the option holder ceases to be affiliated with the Company, subject to any regulatory requirements;

(g) all options granted to consultants performing investor relations activities will vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period; and

(h) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all common shares under the Stock Option Plan in respect of options which have not yet been granted under the Stock Option Plan, subject to regulatory approval.

A four month hold period (commencing on the date the stock options are granted) is required for options granted to insiders of the Company or granted at any discount to the Market Price (as defined in TSXV Policy 1.1). Notice of options granted under the Stock Option Plan must be given to the TSXV at the end of each calendar month in which stock options are granted. Any amendments to the Stock Option Plan must also be approved by the TSXV and, if necessary, by the shareholders of the Company prior to becoming effective.

Outstanding Options

As at the date of this Information Circular, the Company does not have any stock options outstanding. Accordingly, 825,482 options remain available for grant under the Stock Option Plan.

Shareholder Approval of the Stock Option Plan

Shareholders will be asked at the Meeting to consider and, if thought fit, pass an ordinary resolution in substantially the following form:

> "RESOLVED, as an ordinary resolution, that the Company's Stock Option Plan, as described in the Company's Information Circular dated December 13, 2019, and the grant of options thereunder in accordance therewith, be approved."

An ordinary resolution is a resolution passed by the Shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

The Board considers that the ability to grant incentive stock options is an important component of its compensation strategy and is necessary to enable the Company to attract and retain qualified directors, officers, employees and consultants. **The Board therefore recommends that Shareholders vote "For" the resolution re-approving the Company's Stock Option Plan.** Unless otherwise instructed, the persons named in the enclosed form of Proxy will vote "IN FAVOUR" of the above resolution. If the Stock Option Plan is not re-approved by the Shareholders, existing options will not be affected, but new options granted by the Company will be required to be approved by the shareholders before they can be exercised by the holders thereof.

D. Consolidation of Outstanding Shares

Shareholders will be asked to consider, and if deemed advisable, to pass with or without modification, a special resolution approving a consolidation of the Company's issued and outstanding common shares on the basis of one post-consolidation share for up to 20 currently outstanding common shares.

There are currently 8,254,826 Shares issued and outstanding in the capital of the Company. Depending on the transaction management may negotiate regarding a new business opportunity, it may be necessary to consolidate the outstanding share capital of the Company. Having the shareholders pre-approve a consolidation will greatly facilitate the ability of the Company to effectively negotiate any new business acquisition or transaction.

No consolidation ratio is proposed or known at this time, and will only be determined upon the Company locating and negotiating a new business opportunity. It may be that no consolidation will be required. There is no planned consolidation as of the date of this Circular. Management seeks shareholders' approval to a consolidation so that it will have the ability to readily implement a consolidation if required. Any consolidation will not alter any present Shareholder's proportion of outstanding common shares.

In order to become effective, the proposed consolidation must be approved by at least two-thirds of all votes cast with respect to the resolution authorizing the consolidation by Shareholders, present in person or by proxy.

Notwithstanding that Shareholders approve the consolidation resolution, the Company's Board may, in its discretion, abandon the consolidation without further approval by Shareholders.

The text of the special resolution which management intends to place before the Company Shareholders for approval is as follows:

"**BE IT RESOLVED** as a special resolution that:

1. the authorized share structure of the Company be altered by consolidating its issued and outstanding common shares without par value ("Shares"), on the basis of one (1) post-consolidated Share for up to every 20 currently issued and outstanding Shares (the "Consolidation");

2. no fractional shares resulting from the Consolidation will be issued, rather each fractional Share which is less than one-half of a Share be cancelled and each fractional Share which is at least one-half of a Share be increased to one whole Share;

3. notwithstanding that this resolution has been passed (and the Consolidation approved) by the Shareholders of the Company, the directors of the Company are hereby authorized and empowered, without further notice to, or approval of, the Shareholders, not to proceed with the Consolidation;

4. any director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute, whether under corporate seal of the Company or otherwise, and to deliver such documents as are necessary or desirable to give effect to the Consolidation.

The Company's management recommends that Shareholders vote in favour of the Consolidation. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Consolidation as set out above.**

The above special resolution, if passed, with not become effective unless and until administered and executed with the Company's Transfer Agent. Upon the Consolidation becoming effective, the existing share certificates of the Company will be replaced by new share certificates or written notice of uncertified shares. A letter of transmittal will be prepared and sent to Shareholders upon implementation of the Consolidation.

E. Delist from the TSX Venture Exchange

As noted above, the Company was subject to cease trade orders ("CTOs") issued by the British Columbia Securities Commission and the Alberta Securities Commission (jointly, the "Commissions") pertaining to the Company's failure to file annual financial statements for the fiscal year ended January 31, 2009 and its interim financial statements for the three months ended April 30, 2009, and corresponding MD&A and certifications in a timely manner. Further, the TSXV halted trading of the Company's shares due to the CTOs. On July 19, 2019, revocation orders were received from the Commissions lifting the CTOs; however the Company has not sought to resume trading on the TSXV.

The Company is currently looking for new business opportunities. Management is of the view that having the ability to delist from the TSXV will give the Company greater latitude to locate and enter into a new business opportunity should such opportunity require listing on an alternative stock exchange. Although shareholders may grant the Board the authority to delist from the TSXV, the directors may elect not to implement such resolution until it finds a new business opportunity that requires such delisting as a condition of closing. Alternatively, the directors may effect the delisting notwithstanding that it would result in there being no new public market for the Company' common shares.

Shareholders will be asked at the Meeting to consider and, if thought fit, pass ordinary resolutions in substantially the following form:

1. That the directors be and are hereby authorized to apply to the TSX Venture Exchange ("TSXV") to delist the Company's common shares from trading on the TSXV.

2. Notwithstanding shareholders having approved the above resolution, the directors may implement such delisting, or elect not to implement such delisting, at its discretion, without further approval of the shareholders.

This ordinary resolution will require the "majority of the minority" approval, and as such the directors and officers of the Company will be precluded from voting on the matter.

F. Continuation to British Columbia

Introduction

Shareholders will be asked at the Meeting to consider, and if deemed advisable, pass, with or without variation, a special resolution (the "**Continuance Resolution**"), to approve the continuance (the "**Continuance**") of the Company from the *Canada Business Corporations Act* ("**CBCA**") to the *Business Corporations Act* (British Columbia) ("**BCBCA**").

The Continuance, if approved, will change the legal domicile of the Company and will affect certain of the rights of shareholders as they currently exist under the CBCA. Accordingly, shareholders should consult their own independent legal advisors regarding implications of the Continuance which may be of particular importance to them.

Constating Documents

As a British Columbia corporation, a corporation's charter documents consist of notice of articles and articles and any amendments thereto to date. Upon the completion of the Continuance, the Company will cease to be governed by the CBCA and will thereafter be deemed to have been formed under the BCBCA. As part of the Continuance, shareholders of the Company will be asked to approve the adoption of articles which comply with the requirements of the BCBCA (the "**BCBCA Articles**"). A copy of the BCBCA Articles may be inspected at the offices of Owen Bird Law Corporation, 29th Floor, 595 Burrard Street, Vancouver, British Columbia, until the business day immediately preceding the date of the Meeting; or a copy may be obtained by contacting the Company at *edgarfroese@telus.net*.

Procedure for the Continuance

In order to effect the Continuance, the following steps must be taken:

(a) the shareholders of the Company must approve the Continuance Resolution at the Meeting, authorizing the Company to, among other things, file the continuation application with the BC Registrar of Companies (the "**BC Registrar**");

(b) the Director appointed under the CBCA (the "**Cdn Registrar**") must approve the proposed Continuance under the BCBCA, upon being satisfied that the Continuance will not adversely affect creditors or shareholders of the Company;

(c) the Company must apply to the BC Registrar for a Certificate of Continuation under the BCBCA; and

(d) the Company must file a notice of discontinuance with the Cdn Registrar, who will then issue a Certificate of Discontinuance.

Effect of the Continuance

Upon issue of a Certificate of Continuation for the Company under the BCBCA, the Company will cease to be a corporation governed by the CBCA and will be governed by the BCBCA. The Continuance does not create a new legal entity and will not prejudice or affect the continuity of the Company. The Continuance will not result in any change in the business of the Company. Upon the completion of the Continuance, there is no change in: (i) the ownership of corporate property; (ii) liability for obligations; (iii) the existence of a cause of action, claim or liability to prosecution; (iv) enforcement against the Company of any civil, criminal or administrative proceedings pending; and (v) the enforceability of any conviction or judgment against or in favour of the Company. Furthermore, any the Company shares issued before the Continuance are deemed to have been issued in compliance with the BCBCA and articles of continuance. The Continuance does not deprive a holder of the Company Shares of any right or privilege, or relieve a holder of the Company shares of any liability in respect of such shares.

Certain Corporate Differences between the CBCA and the BCBCA

In general terms, the BCBCA provides to shareholders of the Company substantively the same rights as are available to shareholders under the CBCA, including the right of dissent and appraisal and the right to bring derivative actions and oppression actions.

The following is a summary comparison of certain provisions of the BCBCA and the CBCA and differences in those provisions that pertain to the rights of the shareholders of the Company. This summary is not exhaustive and shareholders are advised to review the full text of the BCBCA and consult their legal advisors regarding the implications of the Continuance.

Charter Documents

Under the BCBCA, the charter documents consist of (i) a "notice of articles", which sets forth the name of company, the company's registered and records office, the names and addresses of the directors of the company and the amount and type of authorized capital, and (ii) "articles" which govern the management of a company. The notice of articles is filed with the BC Registrar of Companies and the articles are filed only with a company's registered and records office.

Under the CBCA, the charter documents consist of: (i) articles of incorporation which set forth, among other things, the name of the corporation, the province in which the corporation's registered office is to be located, the authorized share capital including any rights, privileges, restrictions and conditions thereon, whether there are any restrictions on the transfer of shares of the corporation, the number of directors (or the minimum and maximum number of directors), any restrictions on the business that the corporation may carry on and other provisions such as the ability of the directors to appoint additional directors between annual meetings, and (ii) the bylaws which govern the management of the corporation. The articles are filed with Corporations Canada and the bylaws are filed only at the registered office.

Amendments to the Charter Documents of the Company

Any substantive change to the corporate charter of a corporation under the BCBCA, such as an alteration of the restrictions, if any, on the business carried on by a corporation, or an increase or reduction of the authorized capital of a corporation requires special resolutions passed by the majority of votes that the articles of the corporation specify is required, if that specified majority is at least two-thirds and not more than 75% of the votes cast on the resolutions or, if

the articles do not contain such a provision, special resolutions passed by at least two-thirds of the votes cast on the resolutions. Other fundamental changes such as an alteration of the special rights and restrictions attached to issued shares or a proposed amalgamation or continuance of a corporation out of the jurisdiction require a similar special resolution passed by holders of shares of each class entitled to vote at a general meeting of the corporation and the holders of all classes of shares adversely affected by an alteration of special rights and restrictions.

Under the CBCA, certain fundamental changes require special resolutions passed by not less than two-thirds of the votes cast by the shareholders voting on the resolutions authorizing the alteration at a special meeting of shareholders and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the alteration than those of the holders of other classes or series of shares, special resolutions passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote. Authorization to amalgamate a CBCA corporation requires that special resolutions in respect of the amalgamation be passed by the holders of each class or series of shares entitled to vote thereon. The holders of a class or series of shares of an amalgamating corporation, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the articles, would entitle such holders to vote separately as a class or series under section 176 of the CBCA.

The proposed Articles of the Company contain a provision specifying all future special resolutions will require two-thirds of the votes cast on the resolution.

Sale of Corporation's Undertaking

Under the BCBCA, a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation if it does so in the ordinary course of its business or if it has been authorized to do so by special resolution.

The CBCA requires approval of the holders of shares of each class or series of a corporation represented at a duly called meeting by not less than two-thirds of the votes cast upon special resolutions for a sale, lease or exchange of all or substantially all of the property (as opposed to the "undertaking") of the corporation other than in the ordinary course of business of the corporation, and the holders of shares of a class or series are entitled to vote separately only if the sale, lease or exchange would affect such class or series in a manner different from the shares of another class or series entitled to vote.

While the shareholder approval thresholds will be the same under the BCBCA as under the CBCA, there are differences in the nature of the sale which requires such approval (i.e., a sale of all or substantially all of the "property" under the CBCA and of all or substantially all of the "undertaking" under the BCBCA).

Rights of Dissent and Appraisal

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

- amend its articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- adopt an amalgamation agreement;
- approve an amalgamation into a foreign jurisdiction;
- approve an arrangement, the terms of which arrangement permit dissent or where the right to dissent is given pursuant to a court order;
- authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking; or
- authorize the continuation of the company into a jurisdiction other than British Columbia;
- in respect of any other resolution, if dissent is authorized by the resolution; or
- any court order that permits dissent.

Although the procedure under the CBCA for exercising rights of dissent differs than the procedure under the BCBCA, the CBCA also provides that shareholders who dissent to certain actions being taken by the 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:

- amend its articles to add, change or remove any provision restricting or constraining the issue or transfer of shares of that class;
- amend its articles to add, change or remove any restrictions on the business or businesses that the corporation may carry on;
- enter into certain statutory amalgamations;
- continue out of the jurisdiction;
- sell, lease or exchange all or substantially all of its property, other than in the ordinary course of business;
- carry out a going-private transaction or squeeze-out transaction; or
- amend its articles to alter the rights or privileges attaching to shares of any class where such alteration triggers a class vote.

Oppression Remedies

Under the BCBCA, a shareholder of a company has the right to apply to court on the grounds that: (i) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or (ii) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. On such an application, the court may make such order as it sees fit including an order to prohibit any act proposed by the company or an order to vary or set aside any transaction or resolution.

The CBCA contains rights that are broader in that they are available to a larger class of complainants. Under the CBCA, a registered shareholder, former registered shareholder, beneficial owner of shares, director, former director, officer, former officer of a company 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 company or any of its affiliates: (i) any act or omission of the company or its affiliates effects a result; (ii) the business or affairs of the company or any of its affiliates are or have been carried on or conducted in a manner; or (iii) the powers of the directors of the company or any of 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.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or director of a company may, with judicial leave, bring an action in the name and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such right, duty or obligation. There is a similar right of a shareholder or director, with leave of the court, and in the name and on behalf of the company, to defend an action brought against the company. The court will grant leave for an application to commence a derivative action if (a) the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding; (b) notice of the application for leave has been given to the company and to any other person the court may order; (c) the complainant is acting in good faith; and (d) it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.

A broader right to bring a derivative action is contained in the CBCA, and this right extends to a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer and a former officer of a corporation or any of 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 CBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries. No leave may be granted unless the court is satisfied that:

- the complainant has given at least 14 days' notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court if the directors of the corporation or its subsidiary do not bring, diligently prosecute, defend or discontinue the action;
- the complainant is acting in good faith; and
- it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Requisition of Meetings

Both the CBCA and the BCBCA provide that one or more shareholders of a company holding not less than 5% of the issued voting shares of that company may give notice to the directors requiring them to call and hold a general meeting.

Place of Meetings

The BCBCA requires that every general meeting of shareholders of a company must be held in British Columbia or may be held at a location outside of British Columbia if: (a) the articles of the company provide for such location; (b) the articles of the company do not restrict the company from approving a location outside British Columbia, and such location is approved by the resolution required by the articles for that purpose or, if the articles do not so specify, by an ordinary resolution; or (c) such location is approved by the Registrar of Companies before the meeting is held. Under the proposed Articles, there is no provision for the location of a shareholders' meeting.

The CBCA provides that subject to the articles and any unanimous shareholder agreement, meetings of shareholders will be held at the place within Canada provided in the bylaws, or in absence of such provision, at the place within Canada that the directors determine.

Participation in Meetings by Electronic or Other Communications Facilities

Under the BCBCA, unless a company's articles state otherwise, a shareholder or proxy holder who is entitled to participate in a shareholders' meeting may do so by telephone or by other communications media so long as all shareholders and proxy holders participating in the meeting are able to communicate with each other.

The CBCA permits general meetings to be held by any means of telephone, electronic or other communication facilities where all persons participating in the meeting are able to hear one another, so long as the bylaws so provide.

Quorum for Shareholders Meetings

Under the BCBCA, the quorum for shareholders' meeting is the quorum established by the articles or, if no quorum is established by the articles, two shareholders entitled to vote at the meeting whether present in person or represented by proxy. The proposed Articles provide that a quorum for a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

Under the CBCA, a quorum for a shareholders meeting is the holders of a majority of the shares entitled to vote at the meeting represented in person or by proxy, unless the bylaws of the company provide otherwise.

Directors

The BCBCA provides that a reporting company must have a minimum of three directors, but does not impose any residency requirements on the directors.

The CBCA requires that at least one-quarter of the directors be resident Canadians. However, if a company has less than four directors, at least one director must be a resident Canadian.

Removal of Directors

Under the BCBCA, a director may be removed by special resolution of shareholders or by some other method or resolution as specified in the articles of a company.

Under the CBCA, a director may be removed at a special meeting by an ordinary shareholders' resolution. However, where the holders of a class or any series of shares of a company have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

Right to Dissent to the Continuance Resolution

The Company's Shareholders may, subject to compliance with certain conditions, dissent from the Continuance Resolution and be entitled to be paid the fair value for their Shares in accordance with section 190 of the CBCA, a copy of which is attached hereto as Appendix B.

Shareholders who intend to exercise Dissent Rights (collectively the "**Dissenting Shareholders**", each a "**Dissenting Shareholder**") should seek the advice of legal advisors and should carefully consider and comply with the provisions of section 190 of the CBCA. 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.

The following description of the rights of registered Shareholders to dissent and be paid fair value for their Shares is not a comprehensive statement of the procedures to be followed by a registered Shareholder and is qualified in its entirety by the reference to the full text of section 190 of the CBCA.

A Shareholder who intends to exercise its right of dissent must deliver a written objection to the Continuance Resolution (a "Dissent Notice") to the registered office of the Company at 29th floor, 595 Burrard Street, Vancouver, British Columbia, V7Z 1J5, to be actually received by no later than 10:00 a.m. (Vancouver time) on the day prior to the Meeting, and must not vote any Shares it holds in favour of the Continuance Resolution. A Beneficial Shareholder who wishes to exercise its rights of dissent must arrange for the registered Shareholder holding its Shares to deliver the Dissent Notice.

If the Continuance Resolution is passed at the Meeting, the Company must send by registered mail to every Dissenting Shareholder, a notice (a "Notice of Intention") stating that, subject to satisfaction of any conditions precedent, the Company intends to complete the Continuance, and advising the Dissenting Shareholder that if the Dissenting Shareholder intends to proceed with its exercise of its rights of dissent it must deliver to the Company, a written statement containing the information specified by the CBCA, together with the certificates representing the Shares it holds.

A Dissenting Shareholder delivering such a written statement may not withdraw from its dissent and, at the date of Continuance, will be deemed to have transferred to the Company all of the Shares it holds. The Company will pay to each Dissenting Shareholder the amount agreed between the Company and the Dissenting Shareholder for its Shares. Either the Company or a Dissenting Shareholder may apply to the Court if no agreement on the terms of the sale of the Shares held by the Dissenting Shareholder has been reached and the Court may:

(a) determine the fair value that the Shares had immediately before the passing of the Continuance Resolution, excluding any appreciation or depreciation in anticipation of the Continuance unless exclusion would be inequitable, or order that such fair value be established by arbitration or by reference to the Registrar, or a referee of the court;

(b) join in the application each other Dissenting Shareholder which has not reached an agreement for the sale of its Shares to the Company; and

(c) make consequential orders and give directions it considers appropriate.

If a Dissenting Shareholder fails to strictly comply with the requirements of its rights of dissent set out in the BCBCA, it will lose such rights, the Company will return to the Dissenting Shareholder the certificates representing the Shares that were delivered to the Company, if any, and, if the Continuance is completed, that Dissenting Shareholder will be deemed to have participated in the Continuance on the same terms as other Shareholders who did not exercise their rights of dissent.

If a Dissenting Shareholder strictly complies with the foregoing requirements but the Continuance is not completed, then the Company will return to the Dissenting Shareholder the certificates delivered to the Company, if any, pursuant to its rights of dissent.

Board Recommendation and Resolution

The Board believes that the Continuance is in the best interests of the Company and therefore unanimously recommends that shareholders vote in favour of the Continuance Resolution.

In order to pass the Continuance Resolution, at least two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Continuance Resolution.

Continuation Resolution

The following resolutions will be put forward for consideration and approval by the Shareholders:

1. The application of the Company to the Director under the *Canada Business Corporations Act* for an application to continue (the "**Continuance**") the Company to the jurisdiction of British Columbia is hereby authorized and approved;

2. The application of the Company to the Registrar of Companies under the *Business Corporations Act (British Columbia)* (the "**Act**") for a certificate of continuance continuing the Company under the Act, and the adoption by the Company of notice of articles and articles in substitution for the existing articles and by-laws of the Company is hereby authorized and approved;

3. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors of the Company may, in their sole discretion and without further approval of, or notice to, the shareholders of the Company determine not to proceed with the Continuance, at any time prior to the issuance of a certificate of continuance giving effect to the Continuance; and

4. Any one director or officer of the Company is hereby authorized and directed, for and on behalf of and in the name of the Company, to do all acts and things and to execute and deliver all such documents and instruments as may be considered necessary or desirable to give effect to or carry out the intent of the foregoing special resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments or the doing of any such act or thing.

Proxies received in favour of management will be voted for the approval of the Continuance Resolution, unless the Shareholder has specified in the proxy that his, her or its Shares are to be voted against such resolution.

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com under "Company Profiles – Fibresources Corporation". The Company's audited financial statements and management discussion and analysis ("MD&A") for the financial years end January 31, 2018 and 2019 are available for review under the Company's profile on SEDAR. Shareholders may contact the Company to request copies of the financial statements and MD&A by mail to Suite 2900 – 595 Burrard Street, Vancouver, BC, V7X 1J5.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, this 13th day of December, 2019.

ON BEHALF OF THE BOARD
OF FIBRESOURCES CORPORATION

"Edgar Froese"
Edgar Froese, CEO

Appendix "A"

FIBRESOURCES CORPORATION

STOCK OPTION PLAN

PART I
INTERPRETATION

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

"**Administrator**" has the meaning ascribed thereto in Section 3.1 hereof;

"**Affiliate**" means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same Person;

"**Applicable Laws**" means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

"**Associate**" means, where used to indicate a relationship with any Person,

(i) any relative, including the spouse, son or daughter, of that Person or a relative of that Person's spouse, if the relative has the same home as that Person,

(ii) any partner, other than a limited partner, of that Person,

(iii) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or

(iv) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than ten percent of the voting rights attached to all outstanding voting securities of the corporation;

"**Board**" means the Board of Directors of the Company;

"**Blackout Period**" means a period during which an Optionee is restricted by the Company from trading in the Company's securities pending the dissemination of previously undisclosed material information;

"**Charitable Option**" means an Option or equivalent security granted by the Company to an Eligible Charitable Organization;

"**Charitable Organization**" has the meaning as ascribed thereto in the Tax Act;

"**Committee**" means a committee of the Board appointed in accordance with Section 3.2 hereof;

"**Company**" means Fibresources Corporation, and its Affiliates;

"**Consultant**" means, in relation to the Company, an individual (other than an Employee or a Director of the Company) or company, that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company, other than services provided in relation to a distribution of securities,

(ii) provides the services under a written contract between the Company or an Affiliate and the individual or the company, as the case may be

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; and

(iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;

"**Date of Grant**" means the date on which a grant of an Option is effective;

"**Director**" means a director of the Company or an Affiliate;

"**Disability**" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity;

"**Discounted Market Price**" has the meaning ascribed thereto in the Exchange Policies;

"**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by shareholders of the Company or their proxies at a shareholders' meeting other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval;

"**Eligible Charitable Organization**" means:

(i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation, or

(ii) a Registered National Arts Services Organization.

"**Employee**" means:

(i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

"**Exchange**" means such stock exchange on which the Company's Shares are listed for trading;

"**Exchange Policies**" mean the policies of the Exchange, as amended from time to time.

"**Guardian**" means the guardian, if any, appointed for an Optionee;

"**Insider**" means:

(i) a director or senior officer of the Company;

(ii) a director or senior officer of an entity that is itself an insider or subsidiary of the Company; or

(iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or

(iv) the Company itself if it holds any of its own securities;

"**Investor Relations Activities**" has the meaning ascribed thereto in the Exchange Policies;

"**Management Company Employee**" means an individual employed by a Person providing management services to the Company (other than Investor Relations Activities), which are required for the ongoing successful operation of the business of the Company;

"**Officer**" means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Company or its subsidiaries, and includes a Management Company Employee that provides the services of such Officer;

"**Option**" means an option to purchase Shares granted pursuant to the provisions of this Plan;

"**Option Agreement**" means a written agreement between the Company and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule "A" hereto;

"**Option Price**" means the price at which an Option to purchase Shares is exercisable;

"**Optionee**" means the recipient of an Option granted by the Company;

"**Person**" means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

"**Plan**" means this stock option plan of the Company, as amended from time to time;

"**Private Foundation**" has the meaning as ascribed thereto in the Tax Act;

"**Public Foundation**" has the meaning as ascribed thereto in the Tax Act;

"**Registered Charity**" has the meaning as ascribed thereto in the Tax Act;

"**Registered National Arts Services Organization**" has the meaning as ascribed thereto in the Tax Act;

"**Shares**" means the common shares without par value in the capital of the Company;

"**Successor**" means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended from time to time;

"**Term**" means the period of time during which an Option is exercisable; and

"**Terminating Event**" means:

(i) the dissolution or liquidation of the Company, or

(ii) a material change in the capital structure of the Company that is deemed to be a Terminating Event pursuant to Section 10.1 or 10.5 hereof.

PART 2
ESTABLISHMENT AND PURPOSE OF THE PLAN

2.1 Establishment of the Plan. The Company hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to eligible Optionees. The Plan is designed to be a "rolling" stock option plan under Exchange Policies, reserving at any one time a maximum of 10% of the issued Shares of the Company for the exercise of Options.

2.2 Principal Purposes. The principal purposes of this Plan are to provide the Company with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Company; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such individuals to remain with the Company; and to attract new Directors, Officers, Employees and Consultants to the Company.

2.3 Benefit to Shareholders. This Plan is expected to benefit shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

PART 3
ADMINISTRATION

3.1 Board or Committee. This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the "Administrator".

3.2 Appointment of Committee. The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.

3.3 Quorum and Voting. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee who are disinterested Persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no such member shall act upon the granting of an Option to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to him).

3.4 Powers of Administrator. Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:

(a) administer this Plan in accordance with its express terms;

(b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;

(c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;

(d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;

(e) determine the duration and purposes of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;

(f) do the following with respect to the granting of Options:

(i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan,

(ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement),

(iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:

A. the consent of the Optionee, and

B. if applicable, the approval of the Exchange and / or Disinterested Shareholder Approval,

(iv) determine when Options shall be granted,

(v) determine the Option Price of each Option, and

(vi) determine the number of Shares subject to each Option; and

(g) make all other determinations necessary or advisable for administration of this Plan.

3.4 Obtain Regulatory Approvals. In administering this Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.

3.5 Shareholder Approval. This Plan must receive such periodic approval of the Company's shareholders as required by Exchange Policies, if any.

3.6 Administration by Administrator. All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Company and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

PART 4
ELIGIBILITY

4.1 General Eligibility. Options may be granted to an Eligible Charitable Organization or a Director, Officer, Employee or Consultant of the Company or its subsidiary at the time the Option is granted. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan.

4.2 No Violation of Laws. No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.

4.3 Optionees to be Named. No Options shall be granted unless and until the Options have been allocated to a particular Optionee(s).

PART 5
SHARES SUBJECT TO THIS PLAN

5.1 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Company's issued and outstanding shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 10 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Company prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options.

5.2 Sufficient Authorized Shares to be Reserved. If the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.

5.3 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Company's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

(a) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;

(b) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;

(c) the issuance to any one Optionee, within any 12 month period, of an aggregate number of Options exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;

(d) any individual Option grant that would result in any of the limitations set out in sections 5.3 (a), (b) or (c) being exceeded; or

(e) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such Person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the Person was not an Insider

5.4 Number of Shares Subject to this Plan. Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.

5.5 Expiry of Option. If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

PART 6
TERMS AND CONDITIONS OF OPTIONS

6.1 Option Agreement. Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:

(a) the number of Shares subject to purchase pursuant to such Option;

(b) the Date of Grant;

(c) the Term;

(d) the Option Price;

(e) the Option is not assignable or transferable; and

(f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan.

6.2 Exchange Restrictions of Reservations. Notwithstanding any other provision hereof, the number of Shares reserved for issuance to:

(a) any one Optionee pursuant to Options granted to such Optionee during any 12 month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;

(b) any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Options are granted;

(c) all Optionees who are engaged or employed in Investor Relations Activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Shares, calculated at the date such Options are granted; and

(d) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Company, calculated at the date such Options are granted,

if such restrictions are dictated by Exchange Policies, otherwise the Administrator may elect to view the above as guidelines only.

6.3 Exercise Price. The Option Price shall not be less than the Discounted Market Price, provided that (i) if the Company has just been recalled for trading following a suspension or halt, the Company must wait until a satisfactory market has been established before setting the exercise price for and granting of the Options (generally ten days from the date of resumption of trading); (ii) a minimum price cannot be established unless the Options are allocated to particular Optionees; and (ii) if Options are granted within 90 days of a distribution of securities by way of a prospectus, the minimum exercise price of those Options will be the greater of the Discounted Market Price and the prospectus offering price (the 90 day period to be calculated from the date a final receipt is issued for the prospectus).

6.4 Maximum Term of Ten Years. Subject to section 6.5, the maximum Term of an Option granted shall be ten years from the Date of Grant.

6.5 Blackout Period. The Term of an Option shall be automatically extended if the expiry date falls within a Blackout Period provided that: (i) the Blackout Period is imposed by the Company pursuant to its internal trading polices as a result of the bona fide existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the expiry date of the affected Options is extended to no later than ten (10) business days after the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Company or Optionee is also subject to a cease trade order or similar trading restriction.

6.6 Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the date it is granted.

Notwithstanding the foregoing, for Options granted to Optionees who provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	**Percentage of Total Option Vested**
3 Months after Date of Grant	25%
6 Months after Date of Grant	50%
9 Months after Date of Grant	75%
12 Months after Date of Grant	100%

6.7 Acceleration of Vesting. The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion.

6.8 Hold Periods.

(a) If required by Applicable Laws, any Options will be subject to a hold period expiring on the date that is four months and a day after the Date of Grant, and the Option Agreements and the certificates representing any Shares issued prior to the expiry of such hold period will bear a legend in substantially the following form:

> "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED HEREBY MUST NOT TRADE THE SECURITIES BEFORE *[INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT]*."

(b) In addition to any resale restrictions under any Applicable Laws, if the Option Price is set at a discount to the Market Price (as defined in Exchange Policies), or if Options are granted to Insiders, the Option Agreements and the certificates representing any Shares realized on the exercise thereof will bear such additional legends as required by Exchange Policies.

6.9 Form for Non-Individuals. If a proposed Optionee is a corporation or is otherwise not an individual, it must provide the Exchange with such certificates as required under Exchange Policies, or any amended or replacement form.

6.10 Bona Fide Optionee. By execution of an Option Agreement, the Optionee represents that he, she or it is a bona fide Director, Officer, Employee or Consultant, as the case may be. It will be the joint responsibility of the Company and the Optionee that the Optionee is and will remain a bona fide Employee, Consultant or Management Company Employee.

PART 7
EXERCISE OF OPTION

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Part 6 hereof, an Optionee may exercise an Option, prior to the expiry date thereof, by giving written notice thereof to the Company at its principal place of business or as otherwise indicated by the Company in writing.

7.2 Payment of Option Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Option Price to the extent the Option is so exercised, and full payment of any amounts the Company determines must be withheld for tax purposes from the Optionee pursuant to the Option Agreement. Such payment shall be in lawful money (Canadian funds) in cash or by certified cheque.

7.3 Issuance of Stock Certificate. As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Company shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

7.4 Monitoring Trading. An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Company, within five business days of each trade.

PART 8
TRANSFERABILITY OF OPTIONS

8.1 Non-Transferable. Except as provided otherwise in this Part 8, Options are non-assignable and non-transferable.

8.2 Death of Optionee. If an Optionee should die while any Options remain outstanding in his name, such Options shall pass to the Successor of the Optionee and shall be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death.

8.3 Disability of Optionee. If the employment of an Optionee as an Employee or Consultant of the Company, or the position of an Optionee as a Director or Officer, is terminated by the Company by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of employment shall be exercisable by such Optionee, or by his Guardian, for a period of 90 days following the termination of employment of such Optionee.

8.4 Vesting. Options held by a Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 Majority Agreement. If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.

8.6 Deemed Non-Interruption of Employment. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to re-employment with the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's re-employment is not so guaranteed, then his or her employment shall be deemed to have terminated on the 91st day of such leave.

PART 9
TERMINATION OF OPTIONS

9.1 Termination of Options. To the extent not earlier exercised or terminated, an Option shall terminate at the earliest of the following dates:

(a) the termination date specified for such Option in the Option Agreement;

(b) where the Optionee's position as an Employee, Consultant, Director or Officer is terminated for just cause, the date of such termination for just cause;

(c) where the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, 90 days after such date of termination;

(d) where the Optionee's position as an Employee, Consultant, Director or Officer terminates as a result of the Optionee's death, such Options may be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death;

(e) where the Optionee is an Eligible Charitable Organization, the Charitable Options shall terminate the 90th day following the date the Optionee ceases to be an Eligible Charitable Organization;

(f) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 hereof; and

(g) the date specified in Section 10.5 hereof for such termination in the event of a Terminating Event.

PART 10
ADJUSTMENTS TO OPTIONS

10.1 Alteration of Capital. In the event of any material change in the outstanding Shares of the Company prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the Option Price of such shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Company is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan.

10.2 No Fractions. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.

10.3 Terminating Events. Subject to Section 10.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.

10.4 Notice of Terminating Event. The Administrator shall give notice to Optionees not less than 30 days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

10.5 General Offer for Shares. Notwithstanding anything else herein to the contrary, in the event (i) an offer to purchase the Shares shall be made to the holders of the Shares generally, unless the Board determines that such offer will not result in any change in control of the Company, or (ii) of a sale of all or substantially all of the assets of the Company, or (iii) the sale, pursuant to an agreement with the Company, of securities of the Company pursuant to which the Company is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Company shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and such event shall be deemed to be a Terminating Event.

10.6 Determinations to be made by Administrator. Adjustments and determinations under this Part 10 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

PART 11
TERMINATION AND AMENDMENT OF PLAN

11.1 Termination of Plan. The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to section 10.1. The Administrator may terminate this Plan at such other time and on such conditions as the Administrator may determine, provided that no such termination shall be effected if do so would affect the rights of then existing Optionees, without the approval of such Optionees.

11.2 Power of Administrator to Amend Plan. The Administrator may, subject to any required approval of the Exchange, amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; (iii) comply with Exchange Policies; and (iv) maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Company to comply with or to avail the Company and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

Notwithstanding the above, the Company may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval, provided that: (i) the Company also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments, (ii) no Options granted under the amendments are exercised prior to shareholder approval, (iii) shareholder approval is obtained on or before the earlier of the Company's next annual general meeting or 12 months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments will terminate and any Options granted thereunder will terminate.

11.3 Shareholder Approvals. Any shareholder approval required to amend this Plan must take place at a meeting of the shareholders. Evidence that the majority of the shareholders are in favour of a proposal to approve any amendment thereto is not sufficient.

11.4 No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

PART 12
CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

12.1 Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Company with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such Shares.

12.2 Representations by Optionee. As a condition precedent to the exercise of any Option, the Company may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Company, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be

stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. **THE COMPANY HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS IN THE UNITED STATES OR ANY OTHER JURISDICTION OUTSIDE OF CANADA.**

12.3 Tax Withholding. The Optionee shall hold harmless the Company and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, provincial, local and foreign withholding taxes, determined as a result of and upon exercise of an Option or from a transfer or other disposition of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

PART 13
NOTICES

13.1 Notices. All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) by electronic mail, in which case notice shall be deemed to have been duly given on the date the email is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

PART 14
MISCELLANEOUS PROVISIONS

14.1 No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

14.2 No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Company to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Company to change the terms or conditions of the Optionee's employment or engagement with the Company, including the Optionee's compensation.

14.3 Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

14.4 Governing Law. The laws of the Province of British Columbia shall apply to this Plan and all rights and obligations hereunder shall be determined in accordance with such laws.

14.5 Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

SCHEDULE "A"

FIBRESOURCES CORPORATION

OPTION AGREEMENT

The Option granted herein is not assignable or transferable by the Optionee.

[insert applicable resale restrictions and legends]

This Option Agreement is entered into between Fibresources Corporation ("the Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on _____, 20____ (the "Grant Date");
2. _____ (the "Optionee");
3. was granted the option (the "Option") to purchase _____ Common Shares (the "Option Shares") of the Company;
4. at the price (the "Option Price") of $_____ per Option Share;
5. which shall / shall not *(select)* be exercisable ("Vested") in accordance with Section 6.6 of the Plan *(applicable if the Optionee is a person who performs Investor Relations Activities)*; [***or set out applicable vesting schedule***]
6. shall expire on _____, 20____ (the "Expiry Date"); and
7. [insert other terms or conditions],

all on the terms and subject to the conditions set out in the Plan.

By receiving and accepting the Options, the Optionee:

(a) confirms that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;

(b) consents to the disclosure to the Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and

(c) consents to the collection, use and disclosure of such personal information by the Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

Issued as of the _____ day of _____, 20___.

FIBRESOURCES CORPORATION
By its authorized signatory:

_____

[NAME OF OPTIONEE]

_____

SCHEDULE B

Stock Option Plan

Exercise Notice

TO: FIBRESOURCES CORPORATION

Re: Exercise of Options

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of Fibresources Corporation (the "Company"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

(i) all of the Option Shares; or

(ii) certain of the Option Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

(i) number of Shares to be acquired on exercise: _____ Option Shares

(ii) times the Exercise Price per Option Share: $_____

Total Exercise Price, as enclosed herewith: $_____

The undersigned tenders herewith a cheque or bank draft for the Total Exercise Price, payable to the Company, and directs the Company to issue the share certificate evidencing the Option Shares in the name of the undersigned to be mailed to the undersigned at the following address:

_____

_____

_____

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in this Plan.

DATED the _____ day of _____, 20____.

_____
Signature of Option Holder

_____
Name of Option Holder (Print)

Appendix "B"

Canada Business Corporations Act

R.S.C., 1985, c. C-44

Right to dissent

190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or 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, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

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

Objection

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

Notice of resolution

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

Demand for payment

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

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

Share certificate

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

Forfeiture

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

Endorsing certificate

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

Suspension of rights

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

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

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

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

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

Payment

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

Corporation may apply to court

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

Shareholder application to court

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

Venue

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

No security for costs

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

Parties

(19) On an application to a court under subsection (15) or (16),

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

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

Powers of court

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

Appraisers

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

Final order

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

Interest

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

Notice that subsection (26) applies

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

Effect where subsection (26) applies

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

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

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

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.