

LORNEX CAPITAL INC.

**Annual and Special Meeting
to be held on JANUARY 14, 2016**

**Notice of Annual and Special Meeting
and
Information Circular**

December 16, 2015

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the Annual and Special meeting of the shareholders of **LORNEX CAPITAL INC.** (the "Company") will be held at Suite 610 – 700 West Pender Street, Vancouver, British Columbia, V6C 1G8 on Thursday, January 14, 2016 at 10:00 a.m. At the meeting, the shareholders will consider resolutions to:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2014 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors thereon;
2. To fix the number of directors at three (3);
3. To elect directors for the ensuing year;
4. To re-appoint the auditors for the Company for the ensuing financial year and to authorize the directors to fix the remuneration to be paid to the auditors;
5. To approve the Company's 10% Rolling Stock Option Plan for the ensuing year, as set forth in the Information Circular accompanying this Notice;
6. To consider and, if deemed advisable by shareholders, to pass, with or without amendment, a special resolution (the "Continuance Resolution") approving the continuance of the Company from the Canada Business Corporations Act (the "CBCA") to the Business Corporations Act (British Columbia)(the "BCBCA") as more particularly described in the Circular;
7. To consider and, if thought fit, pass with or without amendment, a special resolution approving a proposed change of name (the "Name Change") and symbol of the Company to any such that is deemed appropriate and advisable by the Board of Directors; and
8. To approve the transaction of such other business as may properly come before the Meeting.

All shareholders are entitled to attend and vote at the meeting in person or by proxy. The Board of Directors requests all shareholders who will not be attending the meeting in person to read, date and sign the accompanying proxy and deliver it to Computershare, Attention: Investor Services Division, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9. If a shareholder does not deliver a proxy to Computershare by 10:00 am (Vancouver, British Columbia time) on Tuesday, January 12, 2016 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the meeting by proxy. Only shareholders of record at the close of business on Thursday, December 10, 2015 will be entitled to vote at the meeting.

DATED at Vancouver, British Columbia, the 16th day of December 2015.

ON BEHALF OF THE BOARD

"Sheri Rempel"

Sheri Rempel
Director

Lornex Capital Inc.
Suite 610 – 700 West Pender Street
Vancouver, British Columbia
V6C 1G8

INFORMATION CIRCULAR

(as at December 10, 2015 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “Circular”) is provided in connection with the solicitation of proxies by the management of Lornex Capital Inc. (the “Company”). The form of proxy which accompanies this Circular (the “Proxy”) is for use at the Annual and Special meeting of the shareholders of the Company to be held on Thursday, January 14, 2016 (the “Meeting”), at the time and place set out in the accompanying notice of meeting (the “Notice of Meeting”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone. Advance notice of the Meeting was filed on SEDAR on November 12, 2015.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and officers of the Company. A shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed name and inserting the desired person’s name in the blank space provided. The completed Proxy should be delivered to Computershare, Attention: Investor Services Division, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, by 10:00 am, Pacific Daylight Time, on Tuesday, January 12, 2016 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the Proxy is to be used).

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it at the time and to the place noted above; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

PROVISIONS RELATING TO VOTING OF PROXIES

The shares represented by proxy in the enclosed form will be voted by the designated holder in accordance with the direction of the shareholder appointing him. If there is no direction by the shareholder, those shares will be voted for all proposals set out in the Proxy as set out in this Circular. The Proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

EXERCISE OF DISCRETION

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to the form of Proxy.

The enclosed form of Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. A person is not a registered shareholder (a “Non-Registered Holder”) in respect of shares which are held either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited), of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Circular and the Proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them.

Intermediaries will frequently use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with Computershare; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholder named in the form and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.

ADDITIONAL INFORMATION FOR NON-REGISTERED HOLDERS

This Circular and accompanying materials (“Meeting Materials”) are being sent to both registered and beneficial owners of Common Shares. There are two kinds of beneficial holders of Common Shares – those who object to their name being made known to the Company (called OBOs or Objecting Beneficial Owners) and those who do not object to the Company knowing who they are (called NOBOs or Non-Objecting Beneficial Owners). Subject to provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* (“NI 54-101”), issuers may request and obtain a list of their NOBO’s from intermediaries via their transfer agents. If you are a non-registered

Shareholder and the Company or its agent has sent these 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 legislation from the intermediary holding the Common Shares on your behalf.

In accordance with the requirements of applicable securities laws, the Company has distributed copies of the Meeting Materials to the clearing agencies and intermediaries for onward distribution to OBOs. As discussed above, intermediaries are required to forward the Meeting Materials to the OBOs unless in the case of certain proxy-related materials relating to routine business, the OBO has waived the right to receive such materials. As the matters related to herein are not considered routine business, OBOs will receive the Meeting Materials from the intermediaries. Should an OBO of Common Shares wish to vote at the Meeting in person, the OBO should follow the procedure in the request for voting instructions provided by or on behalf of the intermediary and request a form of legal proxy, which will grant the OBO the right to attend the Meeting and vote in person. 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.

Beneficial shareholders who are OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

VOTING IN PERSON

If you plan to vote in person at the Meeting:

- nominate yourself as proxyholder by printing your name in the space provided on the enclosed voting instruction form. Your vote will be counted at the Meeting so do NOT complete the voting instructions on the form;
- sign and return the form, following the instructions provided by your nominee; and
- register with the Scrutineer when you arrive at the Meeting.

You may also nominate yourself as proxyholder online, if available, by typing your name in the "Appointee" section on the electronic ballot.

If you bring your voting instruction form to the Meeting, your vote will not count. Your vote can only be counted if you have followed the instructions above and attend the Meeting and vote in person.

YOUR VOTING INSTRUCTIONS

If you do not specify how you want to vote, the appointed proxyholders will vote FOR each item of business. If you appointed someone else to attend the Meeting and vote on your behalf, he or she can vote as they see fit.

If you submit your voting instructions and later wish to change them, you may re-submit your instructions prior to the cut-off time noted above. The latest instructions will be recognized as the only valid ones.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2014, together with the auditor's report on those statements (the "Financial Statements"), will be presented to the shareholders at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the appointment of auditors as set out herein. For the purpose of this paragraph, "Person" shall include each person: (a)

who has been a director, senior officer or insider of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company has 9,750,662 fully paid and non-assessable common shares without par value issued and outstanding. The Company has no other classes of voting securities. All common shares in the capital of the Company are of the same class and carry the right to one vote.

Shareholders registered as at December 10, 2015 are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding shares of each class of the Company.

ELECTION OF DIRECTORS

Management of the Company is seeking shareholder approval of an ordinary resolution to set the number of directors of the Company at three (3) for the ensuing year. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the By-laws of the Company or with the provisions of the *Canada Business Corporations Act* and the *British Columbia Corporations Act*.

The following table sets out the names of the nominees for election as directors, the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Present Position(s) with the Company ⁽¹⁾ and Province or State of Residence ⁽³⁾	Principal Occupation ^{(2) (3)}	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽³⁾
Sheri Rempel ⁽⁴⁾ British Columbia, Canada Director	Principle partner of CTB Consulting Inc.	October 30, 2015	Nil
Kant Trivedi ⁽⁴⁾ Ontario, Canada Director & CEO	Managing Director, Chief Operating Officer, Customer Experience Management for Greenwich Associates	October 30, 2015	Nil
Allan Larmour ⁽⁴⁾ British Columbia, Canada Director	Strategic Business Planning and Investment consultant since 2009; Director of EmerGeo Solutions Worldwide Inc., July 30, 2013 to present; CEO and Vice President of Business Development of Mobldia Technology Inc., 2004 - 2009; Executive Vice President of Sales & Marketing of L3 Technology, 2000 – 2004.	August 29, 2013	Nil

(1) For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.

(2) Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least five years.

(3) The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

(4) Members of the Audit Committee

No proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the past 10 years, become 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 the assets of the proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers"):

- (a) the Company's chief executive officer ("CEO");
- (b) the Company's chief financial officer ("CFO");
- (c) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who was serving as an executive officer at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 per year; and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an executive officer of the Company at the end of the most recently completed fiscal year.

During the most recently completed fiscal year of the Company ended December 31, 2014, the Company had two Named Executive Officers, whose names and positions held within the Company are set out in the summary of compensation table below.

COMPENSATION DISCUSSION AND ANALYSIS

The Company's executive compensation program is comprised of base salary, annual cash bonuses, indirect compensation (benefits) and long-term incentives in the form of stock options. The Company's executive compensation practices are designed to attract and retain talented personnel capable of achieving the Company's objectives. The Company also utilizes compensation programs to motivate and reward the Company's executives for the ultimate achievement of the Company's goals. The Company makes use of complementary short-term and long-term incentive programs intended to provide fair, competitive and motivational rewards in the short-term while ensuring that executive's long-term objectives remain aligned with those of the shareholders.

The base salaries for all executives are paid within salary ranges established for each position based on scope and level of responsibility. Individual salaries within the range are determined by that executive's competence, skill level, and experience and market influences. Annual cash bonuses may be given based on subjective criteria, including the Company's ability to pay such bonuses, individual performance, the executive's contributions to achieving the Company's objectives and other competitive considerations.

OPTION-BASED AWARDS

Stock options are granted pursuant to the Plan to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company, and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's Board of Directors.

SUMMARY OF COMPENSATION TABLE

The following table is a summary of compensation paid to the Named Executive Officers during the Company's financial year ended December 31, 2014, in accordance with National Instrument 51-102, Continuous Disclosure Obligations ("NI 51-102"):

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
ANITA ALGIE ⁽³⁾ CEO & CFO	2014	NIL	NIL	NIL	N/A	N/A	N/A	N/A	N/A
	2013	NIL	NIL	NIL	N/A	N/A	N/A	N/A	N/A
JORDAN SHAPIRO ⁽²⁾ Former President, CEO & Director	2014	NIL	NIL	4,800	N/A	N/A	N/A	N/A	NIL
	2013	NIL	NIL	NIL	N/A	N/A	N/A	N/A	NIL
NILDA RIVERA ⁽²⁾ Former CFO & Director	2014	30,000	NIL	1,600	N/A	N/A	N/A	N/A	27,000
	2013	27,000	NIL	NIL	N/A	N/A	N/A	N/A	27,000

(1) The fair value of option-based awards is calculated using a Black-Scholes option pricing model using the following weighted average assumptions:

	2014	2013
Risk-free rate	-	1.28%
Expected dividend yield	0%	0%
Expected stock price volatility	97.71%	114.50%
Expected life of options	4.06 years	4.19 years

Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Company's stock option grants. The Company uses an option-pricing model because there is no market for which employee options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an employee might receive if the options were freely traded, nor assume that these amounts are the same as those reported for income tax purposes.

(2) Nilda Rivera (CFO and Director) and Jordan Shapiro (President, CEO and Director) ceased to occupy these positions effective October 30, 2015.

(3) Anita Algie became Chief Executive Officer and Chief Financial Officer effective October 30, 2015.

INCENTIVE PLAN AWARDS

Outstanding share-based awards and option-based awards

The following table sets out the outstanding share-based awards and option-based awards held by the Named Executive Officers as at December 31, 2014:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
ANITA ALGIE ⁽²⁾ CEO & CFO	NIL	N/A	N/A	N/A	N/A	N/A
JORDAN SHAPIRO Former President, CEO & Director	20,000 60,000	\$0.10 \$0.10	October 5, 2016 March 20, 2024	NIL NIL	N/A N/A	N/A N/A
NILDA RIVERA ⁽³⁾ Former CFO & Director	8,333 8,333 15,000 20,000	\$0.10 \$0.10 \$0.10 \$0.10	April 17, 2019 June 14, 2010 October 5, 2016 March 20, 2024	NIL	N/A	N/A

(1) The closing market price of the Company's common shares on December 31, 2014 was \$0.01. None of the unexercised options were "in-the-money" as at December 31, 2014.

(2) Anita Algie became Chief Executive Officer and Chief Financial Officer effective October 30, 2015.

(3) All options granted to Nilda Rivera were cancelled subsequent to the year ended December 31, 2014.

Incentive plan awards – value vested or earned during the year

The following table sets out the value vested or earned in incentive plan awards held by the Named Executive Officers during the financial year ended December 31, 2014:

Name	Option-based awards – value vested during the year (\$) ⁽¹⁾	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
JORDAN SHAPIRO Former President, CEO & Director	NIL	N/A	N/A
NILDA RIVERA Former CFO & Director	NIL	N/A	N/A

(1) This value was determined by calculating the difference between the market price of the underlying common shares on the vesting dates and the exercise price of the options on the vesting dates. 25% of the options vested on the grant date and additional 12.5% vests every 3 months thereafter up to a period of 18 months.

See "Particulars of Matters to be Acted Upon – Annual Re-Approval of Stock Option Plan" for a summary of the terms of the Company's stock option plan.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

No employment contract exists between the Company and the Named Executive Officers. There are no compensatory plans or arrangements with respect to the named executive officers resulting from the resignation, retirement or other termination of employment or from a change of control of the company.

COMPENSATION OF DIRECTORS

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the financial year ended December 31, 2014 or subsequently, up to and including the date of this Information Circular with the exception of stock-based compensation as detailed in this Information Circular.

DIRECTOR COMPENSATION TABLE

The following table sets out the compensation provided to all directors of the Company, who are not Named Executive Officers, for the Company's financial year ended December 31, 2014:

Name	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Allan Larmour	2014	NIL	N/A	3,200	N/A	N/A	N/A	NIL
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) For option-based awards, refer to the discussion in footnote 1 in the Summary of Compensation table for Named Executive Officers for the method of determining the value of option based awards.

INCENTIVE PLAN AWARDS

Outstanding share-based awards and option-based awards

The following table sets out the outstanding share-based awards and option-based awards held by the directors of the Company, who are not Named Executive Officers, as at December 31, 2014:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Allan Larmour	40,000	\$0.10	March 20, 2024	N/A	N/A	N/A

(1) The closing market price of the Company's common shares on December 31, 2014 was \$0.01. None of the unexercised options were "in-the-money" as at December 31, 2014.

Incentive plan awards – value vested or earned during the year

The following table sets out the value vested or earned in incentive plan awards by the directors of the Company, who are not Named Executive Officers, during the financial year ended December 31, 2014:

Name	Option-based awards – value vested during the year (\$) ⁽¹⁾	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Allan Larmour	NIL	N/A	N/A

(1) This value was determined by calculating the difference between the market price of the underlying common shares on the vesting dates and the exercise price of the options on the vesting dates. 25% of the options vested on the grant date and additional 12.5% vests every 3 months thereafter up to a period of 18 months.

See “Particulars of Matters to be Acted Upon – Annual Re-Approval of Stock Option Plan” for a summary of the terms of the Company’s stock option plan.

COMPENSATION OF DIRECTORS

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed fiscal year or subsequently, up to and including the date of this Information Circular, except as follows:

Name	Directors’ Fees	Consulting Fees	Option Grants
Allan Larmour	NIL	NIL	NIL
Sheri Rempel	NIL	NIL	NIL
Kant Trivedi	NIL	NIL	NIL

EQUITY COMPENSATION PLANS

The following table provides information regarding the Company’s equity compensation plans which were in effect as at the fiscal year end December 31, 2014:

Plan Category	# of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	# of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved By Shareholders	547,334	\$0.08	171,732
Equity Compensation Plans Not Approved By Shareholders	N/A	N/A	N/A
Total	547,334	\$0.08	171,732

INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

During the last completed fiscal year, no director, executive officer, senior officer or nominee for director of the Company, or any of their associates, has been indebted to the Company, or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out below or otherwise disclosed in this Circular, none of the persons who were directors or executive officers of the Company or a subsidiary of the Company at any time during the Company's last financial year, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person other than the directors or executive officers of the Company.

AUDIT COMMITTEE

Audit Committee Charter

The text of the Audit Committee's Charter is attached as Schedule "A" to this Information Circular.

Composition of Audit Committee

Pursuant to National Instrument 52-110 ("NI 52-110"), *Audit Committees*, the Company is required as a venture issuer to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below. The Company is relying on the exemption provided by section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

As at the date hereof, the Audit Committee is composed of Sheri Rempel, Kant Trivedi and Allan Larmour. All of the members of the Audit Committee are "financially literate" and all three are "independent" within the meaning of section 1.4 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the board of directors.

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, (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “*Article 2 – Pre-Approval of Non-Audit Services*” of the Audit Committee Charter as set out in Schedule “A” to this Information Circular.

Audit Fees

The aggregate fees unbilled by Meyers Norris Penny LLP, Chartered Accountants, for fiscal year 2014 for audit services were approximately \$10,000 (2013: \$10,000).

Audit-Related Fees

The aggregate fees billed by Meyers Norris Penny LLP, Chartered Accountants, for fiscal year 2014 for audit and assurance and related services were approximately \$NIL (2013 - NIL).

Tax Fees and All Other Fees

The aggregate fees billed for tax compliance, tax advice and tax planning services by Meyers Norris Penny LLP, Chartered Accountants, for fiscal year 2014 were approximately \$NIL (2013 - \$NIL).

APPOINTMENT OF AUDITORS

Management proposes the re-appointment of Meyers Norris Penny, LLP, Chartered Accountants, of Vancouver, British Columbia, as auditors of the Company for the ensuing year and that the directors be authorized to fix their remuneration. Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the re-appointment of Meyers Norris Penny, LLP, Chartered Accountants, as auditors of the Company. Meyers Norris Penny LLP, Chartered Accountants, was first appointed auditors of the Company on June 10, 2010.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board of Directors (the “Board”) of the Company, 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. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision making. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

Mandate of the Board

The Board is elected by and accountable to the shareholders of the Company. The mandate of the Board is to continually govern the Company and to protect and enhance the assets of the Company in the long term best interests of the shareholders. The Board will annually assess and approve a strategic plan which takes into account, among other things, the opportunities and the identification of the principal risks of the issuer’s business, and ensuring the implementation of appropriate systems to manage these risks.

Committees

The Board currently has two committees: The Audit Committee and a new Corporate Governance and Nomination Committee. The committees, their mandates and membership are discussed below.

Audit and Finance Committee

The Audit and Finance Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and accounting compliance, the audit process and processes for identifying, evaluating and monitoring the management of the Company's principal risks impacting financial reporting. The Committee also assists the Board with the oversight of financial strategies and overall risk management. The Committee provides independent communication between the Board and the external auditors.

As at the date hereof, the Audit Committee is composed of Ms. Sheri Rempel, Mr. Kant Trivedi and Mr. Allan Larmour, of whom Ms. Sheri Rempel, Mr. Kant Trivedi and Mr. Larmour are unrelated directors and are considered by the Board to be independent of management. All members of the audit committee are "financially literate" within the meaning of section 1.5 of NI 52-110 in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been 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, (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "*Article 2 – Pre-Approval of Non-Audit Services*" of the Audit Committee Charter as set out in Schedule A to this Information Circular.

Corporate Governance and Nominating Committee

The role of the Corporate Governance and Nomination Committee will be to develop and recommend standards of performance for the Board, its committees and individual directors. In the event of the expansion of the Board or replacement of current directors, the Committee will be responsible for coordinating and managing the process of recruiting, interviewing and recommending candidates to the Board. As of the date hereof, the Committee is composed of Ms. Sheri Rempel, Mr. Kant Trivedi and Mr. Allan Larmour. All of the directors are independent directors by virtue of the fact that none of the directors receive compensation from the Company.

1. Board of Directors – Exercise of independent supervision over management, including the identity of directors who are independent and those that are not independent.

Mr. Allan Larmour, Ms. Sheri Rempel and Mr. Kant Trivedi are independent directors and do not exercise any management functions and are not involved in the day to day operations of the Company.

2. Directorships –

ALLAN LARMOUR	EMERGEO SOLUTIONS WORLDWIDE INC.	TSXV
SHERI REMPEL	NU2U RESOURCES CORP.	TSXV
	SERENGETI RESOURCES INC.	TSXV

3. Orientation and Continuing Education –Ms. Rempel and Mr. Trivedi were appointed on October 30, 2015 and Mr. Larmour was appointed on August 29, 2013. The Board does not provide any formal continuing education for directors other than as required to keep current with ongoing changes governing corporate and securities law. Any new board member if not experienced with securities and corporate law, will be required to complete available courses for directors of public companies.

4. Ethical Business Conduct – Code – The Board has adopted a written code of business conduct and ethics applicable to directors, officers and employees of the issuer to promote integrity and to deter wrongdoing with respect to the following issues:

- (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest which must be disclosed in writing to the board of director immediately upon becoming aware of the conflict;
- (b) protection and proper use of corporate assets and opportunities;
- (c) confidentiality of corporate information;
- (d) fair dealing with the issuer’s security holders, customers, suppliers, competitors and employees;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of any illegal or unethical behaviour.

Any waivers from the code that are granted for the benefit of the issuer’s directors or executive officers must be granted by the Board (excluding the director seeking the waiver).

Conduct by a director or executive officer, which constitutes a material departure from the code will likely constitute a “material change” within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* and the Company will issue a material change report to disclose a full description of the material change.

5. Nomination of Directors – As there are no plans to expand the Board at this time, Corporate Governance and Nominating Committee will be responsible for establishing new candidates for board nomination, including the process of identifying new candidates and the identification of new candidates.

6. Compensation – At this time, the directors are not paid any compensation for acting as directors and compensation is not contemplated at this time. Directors have been awarded incentive stock options – see page 10 “Incentive Plan Awards”. The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee.

7. **Other Board Committees** – The Board does not have standing committees other than the Audit Committee and the Corporate Governance and Nominating Committee.

8. **Assessments** – The Corporate Governance and Nominating Committee assumes the responsibility of assessing the effectiveness of the Board, the committees of the Board and the contribution and effectiveness of individual directors on an annual basis.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Approval of Stock Option Plan

On June 16, 2009, the Board of Directors of the Company adopted a new Stock Option Plan (the "Plan"). The purpose of the Plan is to attract and motivate directors, senior officers, employees, consultants and others providing services to the Company and its subsidiaries, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options. The Company is currently listed on the Canadian Securities Exchange (the "CSE") and has adopted a "rolling" stock option plan reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant. The Shareholders last approved the Plan on November 10, 2014. As a "rolling" stock option plan, the Plan is required to be re-approved by the Shareholders each year at the Company's Annual General Meeting.

The terms of the Plan authorize the Board of Directors to grant stock options to optionees on the following terms:

1. The aggregate number of shares that may be issued pursuant to options granted under the Plan, unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the issued and outstanding shares of the Company at the time of the grant.
2. The term of any stock option will not exceed ten years.
3. If the Optionee ceases to be an Officer, Director, Employee, Consultant or Service Provider for any reason other than such Optionee's death or disability, all Stock Options held by the Optionee shall be exercisable, to the extent that such Stock Options were exercisable on the date the Optionee ceased to fall under one of the foregoing categories (the "Termination Date") for a period of 30 days following the Termination Date.
4. If the Optionee ceases to be an Officer, Director, Employee, Consultant or Service Provider because of Optionee's death or disability all Stock Options held by the Optionee shall become immediately exercisable and shall be exercisable by the Optionee, the personal representative of the Optionee's estate, or the person(s) to whom the Stock Options are transferred pursuant to the Optionee's will in accordance with the laws of descent and distribution, as applicable, for a period of 12 months following the Termination Date.
5. An individual can receive Awards to purchase no more than 5% of the outstanding shares of Common Stock listed on the CSE on a yearly basis unless the Company has obtained disinterested shareholder approval.
6. An Award to an Employee conducting Investor Relations Activities or to a Consultant is restricted to an aggregate of 2% of the Company's issued shares in any 12 month period.
7. For any Stock Options granted to Employees, Consultants or Management Company Employees, the Company represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee as the case may be.
8. The Optionee must be a director, senior officer, employee, consultant or management company employee of the Company or a subsidiary of the Company at the time of grant.

9. All options are non-assignable and non-transferable.
10. An option may only be exercised while the optionee is a director, senior officer, employee, consultant or management company employee or within a period of 30 days thereafter.
11. Disinterested shareholder approval must be obtained for any reduction in the exercise price of an option if the optionee is an insider of the Company at the time of the proposed reduction.

A copy of the Plan may be inspected at the offices of the Company, Suite 610, 700 West Pender Street, Vancouver, B.C. V6C 1G8 during normal business hours at any time up to the Meeting and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any holder of common shares who requests a copy, in writing, from the Secretary of the Company at the address above.

Accordingly, Shareholders will be asked to pass an ordinary resolution, in substantially the following form, to re-approve the Plan:

BE IT RESOLVED, as an Ordinary Resolution passed by a majority of shareholders, THAT

1. The Company's Stock Option Plan be and is hereby approved, ratified and confirmed.
2. All issued and outstanding stock options previously granted be and are continued under the Plan and are hereby ratified, confirmed and approved;
3. The allocation by the directors of stock options for all unallocated common shares reserved or to be reserved under the Plan be and is hereby approved, ratified and confirmed; and
4. Any one (or more) director or officer of the Company be and is hereby authorized and directed to perform all such acts, deeds and things and execute all such documents and other writings as may be required to give effect to this resolution."

B. CONTINUANCE UNDER THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Summary

The federal laws of Canada under the Canada Business Corporations Act currently govern the Company. The Board of Directors has determined that due to Company's significant connections to British Columbia (including its head office and the primary residences of the majority of its directors) it is in its best interest to continue (transfer) (the "Continuance") its corporate existence from Canada, where it is governed by the Canada Business Corporations Act (Federal) (the "CBCA"), to British Columbia where it will be governed by the Business Corporations Act (British Columbia) (the "BCBCA"). Accordingly, the directors intend to seek shareholder approval for the Continuance at the Meeting.

Management believes the Continuance will not adversely affect the rights of the shareholders of the Company or the conduct of the business and affairs of the Company.

Procedure for the Continuance

In order for the Continuance to become effective:

1. The shareholders must authorize the Continuance by a special resolution (requiring approval of a sixty-six and two-thirds (66⅔%) percent majority of the votes cast at the Meeting);

2. The Company must receive a Letter of Satisfaction regarding the Continuance application from Corporations Canada;
3. The Company must file the Letter of Satisfaction with the BCBCA and once approved, obtain a Certificate of Continuance;
5. The Company must apply and receive a Certificate of Discontinuance from Corporations Canada; and
6. On the date shown on the Certificate of Continuance issued by Corporations Canada, the Company will become a corporation registered under the laws of British Columbia as if it had been incorporated in British Columbia.

Assuming that the Continuance Resolution is approved by the Company's shareholders at the Meeting, it is expected that an application for Continuance and the procedures outlined above will begin as soon as practicable thereafter in order to give effect to the Continuance.

As of the effective date of the Continuance, the election, duties, resignations and removal of the Company's directors and officers shall be governed by the laws of the Province of British Columbia, the Notice of Articles and the Articles of the Company (which will replace the current Articles and By-Laws respectively).

As of the effective date of the Continuance, the legal domicile of the Company will be the Province of British Columbia, and the Company will no longer be subject to the provisions of the CBCA.

By operation of law under the Province of British Columbia, as of the effective date of the Continuance, all of the assets, property, rights, liabilities and obligations of the Company immediately prior to the Continuance will continue to be the assets, property, rights, liabilities and obligations of the Company after the Continuance.

A comparison of the CBCA and BCBCA follows below.

The continuation application, which contains the new notice of articles for the Company (the "New Notice of Articles"), required for the Continuance of the Company into British Columbia is attached to this Information Circular as Schedule B. If the Continuance is approved, it is proposed that the Company file the continuation application with the British Columbia Registrar of Companies (the "Registrar"), which will result in the New Notice of Articles replacing the existing articles of incorporation as the charter document of the Company under the BCBCA. The New Notice of Articles are not substantively different than the current articles of incorporation of the Company (as they relate to matters that would be typically in the Notice of Articles of a corporation governed by the BCBCA).

In addition, the articles to be adopted by the Company after the Continuance (the "New Articles") are attached to this Information Circular as Schedule C.

Shareholder Approval

In accordance with the CBCA, the Continuance Resolution must be approved by a majority of not less than two-thirds of the votes cast at the Meeting on the resolution in respect of the same. The Continuance is also subject to the approvals of Corporations Canada and the Registrar under the BCBCA.

At the Meeting, Shareholders, will be asked to consider, and if deemed advisable, to approve the Continuance Resolution, with or without variation, as follows:

The complete text of the special resolution (the "Continuance Resolution") which management intends to place before the Meeting authorizing the Continuance is as follows:

BE IT RESOLVED, as a special resolution, THAT:

1. The continuance of the Company out of the federal jurisdiction of Canada and into the province of British Columbia under the Business Corporations Act (British Columbia) (the "BCBCA ") be and is hereby authorized and approved;
2. The application to the Director appointed under the Canada Business Corporations Act (the "CBCA ") for authorization to continue out of the federal jurisdiction of Canada and into the province of British Columbia under the BCBCA be and is hereby authorized and approved;
3. The application by the Company to the Registrar of Companies under the BCBCA for a certificate of continuance in order to continue out of the federal jurisdiction of Canada and into British Columbia under the BCBCA under the name "Lornex Capital Inc.", or such other name as the board of directors may approve, be and is hereby authorized and approved;
4. Effective upon issuance of the certificate of continuance, the Company is hereby authorized and directed adopt the New Notice of Articles and the New Articles in substantially the forms attached to the Company's management information circular dated January 12, 2016, with such amendments thereto as the board of directors of the Company may approve in order to comply with requirements of the BCBCA, in substitution for the current articles of incorporation and by-laws of the Company;
5. The New Articles are hereby ratified and confirmed;
6. Any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver, under corporate seal of the Company or otherwise, all such documents and instruments and to do all such acts and things as in his or her opinion may be necessary or desirable to give full effect to this special resolution; and
7. Notwithstanding any approval of the shareholders of the Company as provided herein, the board of directors may, in its sole discretion, revoke this special resolution and abandon the Continuance before it is acted upon without further approval of the shareholders."

Continuance into the Province of British Columbia and Adoption of New Notice of Articles and Articles

The corporate affairs of the Company are currently governed by the CBCA. The Director under the CBCA is prepared to allow a continuance out of the federal jurisdiction of Canada and into British Columbia upon receipt of an application for authorization to continue out, which confirms that the laws of British Columbia to which the continued corporation will be subject provide that certain rights, obligations, liabilities and responsibilities of the Company as set out in subsection 188(10) of the CBCA will remain unaffected as a result of the Continuance.

The Continuance does not create a new legal entity, nor does it prejudice or affect the continuity of the Company. The Company's authorized capital will continue to consist of an unlimited number of common shares and the Continuance and the adoption of the New Notice of Articles and New Articles will not result in any substantive changes to the constitution, powers or management of the Company, except as otherwise described herein.

The Continuance will, however, affect certain rights of the shareholders as they currently exist under the CBCA as briefly discussed herein. Shareholders should consult their legal advisors regarding implications of the Continuance, which may be of particular importance to them.

The adoption of the New Notice of Articles and New Articles of the Company has been approved by the board of directors, subject to the completion of the Continuance. Upon the Continuance becoming effective, the former articles of incorporation and by-laws of the Company will be replaced by the New Notice of Articles and New Articles included in Schedules B and C, respectively, of this Information Circular.

Comparison of the BCBCA and the CBCA

While the rights and privileges of shareholders of a BCBCA company are, in many instances, comparable to those rights and privileges of shareholders of a CBCA company, there are certain differences. The following is a summary of some of the principal differences and similarities between the CBCA and BCBCA; however, such summary is not intended to be exhaustive and should not be considered as legal advice to any particular shareholder.

Charter Documents

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 by-laws which govern the management of the corporation. The articles are filed with Corporations Canada and the by-laws are filed only at the registered office.

Under the BCBCA, the charter documents consist of: (i) the notice of articles, which sets forth certain prescribed information such as the name of the company, the company's registered and records office, the names and addresses of the directors of the company and the authorized share structure, and (ii) the articles, which govern the management of the company. The notice of articles is filed with the Registrar of Companies and the articles are filed only at the records office.

Directors

The BCBCA provides that a company must have at least one director unless it is a public company, in which case, it must have at least three directors. The CBCA also requires that a corporation must have one or more directors but a distributing corporation any of the issued securities of which remain outstanding and are held by more than one person, must have a minimum of three directors.

However, unlike the CBCA which requires that at least one-quarter of the directors be resident Canadians, the BCBCA does not impose any residency requirements on the directors.

Place of Meetings

Subject to certain exceptions, the CBCA provides that meetings of shareholders shall be held at the place within Canada provided in the by-laws. A meeting may be held outside Canada if the place is specified in the articles of incorporation or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

Under the BCBCA, general meetings of shareholders are to be held in British Columbia, or may be held at a location outside of British Columbia if:

- (a) the location is provided for in the articles;
- (b) the articles do not restrict the company from approving a location outside of British Columbia, the location is approved by the resolution required by the articles for that purpose (in the case of the Company, may be approved by directors' resolution), or if no resolution is specified then approved by ordinary resolution before the meeting is held; or
- (c) the location is approved in writing by the Registrar of Companies before the meeting is held.

The New Articles provide that general meetings of shareholders may be held anywhere in the world.

Quorum Requirement

Under the Company's existing bylaws, one person present in person being a shareholder entitled to vote or a duly appointed representative or proxyholder for an absent shareholder entitled to vote must be present at the Meeting before any action may validly be taken at the Meeting.

The New Articles provide for a similar quorum requirement, being that one person who is, or who represents by proxy, a shareholder of the Company must be present at a meeting of shareholders before any action may validly be taken at such meeting.

Requisition of Meetings

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

Form of Proxy and Information Circular

The BCBCA and CBCA both provide that the applicable form of proxy and information circular for reporting companies is that contained in the relevant parts of National Instrument 51-102 Continuous Disclosure Requirements such that the requirements are the same for public companies in both jurisdictions. In addition, under the CBCA a corporation must mail its annual audited financial statements to shareholders not less than 21 days before each annual meeting of shareholders unless they have indicated in writing that they do not wish to receive them. On the other hand, a BCBCA company is only required to send its annual financial statements to the shareholders who have asked to receive them or to mail them to all shareholders not more than 120 days after the fiscal year end.

Choice of Resolutions for Corporate Actions

Under the CBCA, most fundamental changes require a special resolution to amend the articles of the corporation passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the amendment 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 amendment than those of the holders of other classes or series of shares, a special resolution 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 a special resolution 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.

Under the BCBCA, substantive changes to the charter documents such as an alteration of the restrictions, if any, on the business carried on by a company, an increase or reduction of the authorized capital of a company or changes to the special rights and restrictions attached to shares issued by the company require the type of resolution specified by the BCBCA, or if the BCBCA does not specify the type of resolution, by the type of resolution specified by the articles or, if neither specify the type of resolution, a special resolution passed by the majority of votes that the articles of the company specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. The BCBCA provides that special rights and restrictions can be created and attached to issued shares or varied by the type of shareholders' resolutions specified by the articles, or if the articles do not specify the type of resolution, by a special resolution. A proposed amalgamation requires a special resolution approved by the holders of all shares issued, whether voting or not. A continuance of a company out of the jurisdiction or a sale of all or substantially all of the undertaking of the company requires a special resolution passed by holders of shares of each class entitled to vote at a general meeting of the company. The BCBCA provides that a company may, by

directors' resolution or ordinary resolution authorize an alteration of its notice of articles to adopt or change a translation of its name. Similarly, if the articles so provide, the name of the company may be changed by a directors' resolution, an ordinary resolution or a special resolution. In addition, certain changes to the Company's capital structure including, but not limited to, the creation or cancellation of one or more classes or series of shares, changing the authorized capital, consolidating or subdividing all or any of the Company's issued or unissued shares, and other alterations to the share capital and authorized capital may be effected by directors' resolution where permitted under the BCA. Where permitted by the BCBCA, the New Articles provide for substantive changes to the Company's charter documents to be effected by way of directors' resolution.

Sale of Undertaking

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 a special resolution for a sale, lease or exchange of all or substantially all of the property 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. Both statutes offer dissent rights in the case of such a transaction.

Under the BCBCA, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the company if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the percentage of votes that the articles of the company specify is required. The New Articles provide that a special resolution must be passed by at least two-thirds of the votes cast on the resolution.

Rights of Dissent and Appraisal

Both the CBCA and the BCBCA contain similar dissent rights for shareholders who dissent to certain actions taken by the Company, requiring the company to purchase shares held by such shareholder at the fair value of such shares upon the due exercise of such dissent rights. However, the procedures for exercise of the dissent remedies are different. See "Rights of Dissenting Shareholders" and Schedule D to the Information Circular for a description of the dissent rights under the CBCA applicable to the Continuance Resolution.

Oppression Remedies

An oppression remedy allows a shareholder to apply to a court if the company is being run in a manner which is oppressive or unfairly prejudicial to the interests of that shareholder. If the court finds that oppression exists, it can grant a variety of remedies, ranging from an order restraining the conduct complained of to an order requiring the company to repurchase the shareholder's shares or an order liquidating the company.

While the BCBCA will allow a court to grant relief where a prejudicial effect to the shareholder is merely threatened, the CBCA will only allow a court to grant relief if the effect actually exists (i.e. it must be more than merely threatened). Other than this distinction, the oppression remedies in the two statutes are relatively similar.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or director of a company, or any other person whom the court considers to be an appropriate person to make an application may, with leave of the court, 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 a right, duty or obligation. In the CBCA 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:

(a) 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;

(b) the complainant is acting in good faith; and

(c) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

Constitutional Jurisdiction

Finally, other significant differences in the statutes arise from the differences in the constitutional jurisdiction of the federal and provincial governments. For example, a CBCA corporation has the capacity to carry on business throughout Canada as of right. A BCBCA company is only allowed to carry on business in another province where that other province allows it to register to do so. A CBCA corporation is subject to provincial laws of general application, but a province cannot pass laws directed specifically at restricting a CBCA corporation's ability to carry on business in that province. If another province so chooses, however, it can restrict a BCBCA company ability to carry on business within that province. Also, a CBCA corporation will not have to change its name if it wants to do business in a province where there is already a corporation with a similar name, whereas, a BCBCA company may not be allowed to use its name in that other province.

Rights of Dissenting Shareholders

Section 190 of the CBCA gives registered shareholders who object to the Continuance of the Company out of the federal jurisdiction of Canada the right to dissent (the "Dissent Right") in respect of the Continuance and to be paid the fair value of their shares determined as of the day before the resolution approving the Continuance was passed. Non-Registered Shareholders who wish to dissent should contact their broker or other Intermediary for assistance with exercising the Dissent Right. The Dissent Right is briefly summarized below, but shareholders are referred to the full text of Section 190 of the CBCA attached to this Information Circular as Schedule C for a complete understanding of the Dissent Right under the CBCA.

Registered shareholders who intend to exercise the Dissent Right (each a "Dissenting Shareholder") should carefully consider and comply with the provisions of section 190 of the CBCA. Failure to comply with the provisions of section 190 and to adhere to the procedures established therein may result in the loss of all rights thereunder. Under section 190 of the CBCA, each registered holder of common shares is entitled, in addition to any other rights the holder may have, to dissent and to be paid by the Company the fair value of the common shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last business day before the day on which the Continuance Resolution was adopted. Only registered holders of common shares may dissent. Persons who are beneficial owners of common shares registered in the name of a broker, custodian, nominee or other Intermediary who wish to dissent should be aware that they may only do so through the registered owner of such shares. Accordingly, a non-registered owner of common shares desiring to exercise Dissent Rights must make arrangements for the common shares beneficially owned by that holder to be registered in the name of the shareholder prior to the time the written objection to the Continuance Resolution is required to be received by the Company or, alternatively, make arrangements for the registered holder of such shares to dissent on behalf of the holder. A Dissenting Shareholder must send to the Company a written objection to the Continuance Resolution, which written objection must be received by the Company, c/o Anita Algie, Suite 610 – 700 West Pender Street, Vancouver, B.C. V6C 1G8 [fax: (604) 669-9788], by 5:00 p.m. (Vancouver time) on Friday January 8, 2016 (or by 5:00 p.m. (Vancouver time) on the business day that is two business days prior to the date of the Meeting if it is not held on January 12, 2016). No Shareholder who has voted common shares in favour of the Continuance Resolution shall be entitled to exercise Dissent Rights with respect to such shares. A registered shareholder may not exercise the Dissent Right in respect of only a portion of such holder's shares and registered shareholders who validly exercise Dissent Rights will only be entitled to be paid fair value, in accordance with the provisions of Section 190 of the CBCA, if each of the Continuance Resolution has been approved and the Continuance becomes effective. It is an express term of the Continuance Resolution that the board of directors may, in its sole

discretion, revoke the Continuance Resolution and abandon the Continuance before it is acted upon without further approval of the shareholders.

Either the Company or a Dissenting Shareholder may apply to the applicable court (the "Court") to fix the fair value of the Dissenting Shareholder's common shares. If such an application to the Court is made by either the Company or a Dissenting Shareholder, the Company must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay such person an amount considered by the Company to be the fair value of the Common Shares held by such Dissenting Shareholders. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if the Company is the applicant, or within 10 days after the Company is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined. In such circumstances, a Dissenting Shareholder may make an agreement with the Company for the purchase of its common shares in the amount of the Company's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the common shares. A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against the Company and in favour of each of those Dissenting Shareholders, and fixing the time within which the Company must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a Shareholder until the date of payment. On the Continuance becoming effective, or upon the making of an agreement between the Company and the Dissenting Shareholder as to the payment to be made by the Company to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of such Shareholder's Common Shares in the amount agreed to between the Company and the Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Shareholder may withdraw its dissent, or if the Continuance has not yet become effective the Company may rescind the Continuance Resolution, and in either event the dissent and appraisal proceedings in respect of that Shareholder will be discontinued. The Company shall not make a payment to a Dissenting Shareholder if there are reasonable grounds for believing that the Company is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of the Company would thereby be less than the aggregate of its liabilities. In such event, the Company shall notify each Dissenting Shareholder that it is lawfully unable to pay Dissenting Shareholders for their Common Shares in which case the Dissenting Shareholder may, by written notice to the Company within 30 days after receipt of such notice, withdraw its written objection, in which case such Shareholder will be reinstated to their full rights as a shareholder. If the Dissenting Shareholder does not withdraw its written objection, it retains its status as a claimant against the Company to be paid as soon as the Company is lawfully entitled to do so or, in liquidation, to generally be ranked subordinate to creditors but prior to its common shareholders. The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seeks payment of the fair value of their shares. Section 190 of the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who is considering exercising Dissent Rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Schedule C to this Information Circular and consult their own legal advisor.

In the event that shareholders seek to exercise their rights as Dissenting Shareholders, the Board may elect not to proceed with the Continuance of the Company into British Columbia.

Recommendation of the Board

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

Unless a shareholder directs that his or her Shares are to be voted against the Continuance Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Continuance Resolution.

C. CHANGE OF NAME AND SYMBOL

At the meeting, shareholders will be asked to consider and, if thought fit, to approve the name and symbol change of Lornex Capital Inc. to “Norsemont Capital Inc.” and “NOM” or any other name that Lornex’s Board of Directors may deem appropriate and advisable. The Board intends to apply to the Canadian Securities Exchange (the “Exchange”), for this alteration and will ensure compliance with the requirements of the Exchange in addition to the applicable regulatory bodies.

Accordingly, shareholders will be asked at the meeting to pass a resolution in substantially the following form:

BE IT RESOLVED, as a special resolution, that:

- (a) The name of the Company be changed as the Board of Directors in its discretion deems available, and the Articles of the Company be altered accordingly;
- (b) Any director or officer of the Company is authorized to execute and deliver all such documents and instruments, including Articles of Amendment, and to do such further acts as may be necessary to give full effect to this resolution or may be required to carry out the full intent and meaning of this resolution; and
- (c) Notwithstanding the passage of this resolution by the shareholders of Lornex or the approval of the Exchange, the Board of Directors of Lornex may decide not to proceed with the name and symbol change or, subject to the approval of the Exchange, to otherwise give effect to this resolution at any time before it is acted upon without further notice to or approval of the shareholders of Lornex.

Additional information

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional financial information concerning the Company may be obtained by any security holder of the Company free of charge by writing to the Secretary of the Company at the Company’s head office.

BOARD APPROVAL

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

DATED at Vancouver, British Columbia, the 16th day of December 2015.

ON BEHALF OF THE BOARD,

“Sheri Rempel”

SHERI REMPEL
Director

SCHEDULE A
AUDIT COMMITTEE CHARTER
(SEE ATTACHED)

SCHEDULE "A"

Charter of the Audit Committee of the Board of Directors of Lornex Capital Inc. (the "Company")

Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Company (the "Board") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the

particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

Article 3 – External Advisors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company; and
 - (i) receive from the external auditors timely reports of:
 - (i) all critical accounting policies and practises to be used;
 - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
 - (iii) other material written communications between the external auditors and management.

Article 5 – Legal Compliance

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - Complaints

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation for a complaint made in good faith.

SCHEDULE B
CONTINUANCE APPLICATION
(See Attached)



Telephone: 1 877 526-1526
www.bcregistryservices.gov.bc.ca

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

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment.

If you are continuing a company into BC and want the BC incorporation number as its name, you will need to file this form on paper. Complete this form and mail to the Corporate Registry, along with a letter from the corporation's home jurisdiction authorizing the continuation in.

A NAME OF COMPANY - Choose one of the following:

- The name Norsemont Capital Inc. is the name reserved for the foreign corporation to be continued in. The name reservation number is: 5755146, OR
The foreign corporation is to be continued in with a name created by adding "B.C. Ltd." after the incorporation number of the company.

B FOREIGN CORPORATION'S CURRENT JURISDICTION

- 1. Corporate number assigned by the foreign corporation's jurisdiction 379065-7
2. Corporation's name in the foreign corporation's jurisdiction Lornex Capital Inc.
3. Foreign corporation's date of incorporation or the most recent date of amalgamation or continuation 2000/07/26
4. Foreign corporation's jurisdiction of incorporation, amalgamation or continuation Federal

C AUTHORIZATION FOR CONTINUATION

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

- ATTACHED ALREADY FILED

D REGISTRATION AS AN EXTRAPROVINCIAL COMPANY

Is the foreign corporation currently registered in BC as an extraprovincial company?

- YES NO

If YES, enter the BC registration number and name of the extraprovincial company below:

Extraprovincial Registration Number in BC
Extraprovincial Company Name in BC
(Including assumed name, if any, approved for use in BC)

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

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

Anita Algje

SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

X

DATE SIGNED

YYYY / MM / DD

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item A of the Continuation Application.

Norsemont Capital Inc.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

N/A

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME		
Rempel	Sheri			
DELIVERY ADDRESS 610-700 West Pender Street, Vancouver		PROVINCE/STATE BC	COUNTRY Canada	POSTAL CODE/ZIP CODE V6C1G8
MAILING ADDRESS same as delivery address		PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Trivedi	Kant			
DELIVERY ADDRESS 610-700 West Pender Street, Vancouver		PROVINCE/STATE BC	COUNTRY Canada	POSTAL CODE/ZIP CODE V6C1G8
MAILING ADDRESS same as delivery address		PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
Larmour	Allan			
DELIVERY ADDRESS 610-700 West Pender Street, Vancouver		PROVINCE/STATE BC	COUNTRY Canada	POSTAL CODE/ZIP CODE V6C1G8
MAILING ADDRESS same as delivery address		PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
DELIVERY ADDRESS		PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS		PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

610-700 West Pender Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6C1G8

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

610-700 West Pender Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6C1G8

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

700-1199 West Hastings Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6E3T5

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

700-1199 West Hastings Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6E3T5

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)
common shares	✓		✓				✓

SCHEDULE C
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)
ARTICLES
OF
LORNEX CAPITAL INC.
(See Attached)

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BUSINESS CORPORATIONS ACT

ARTICLES

of

LORNEX CAPITAL INC.

PART 1 – INTERPRETATION

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

- (a) "board of directors" or "board" or "directors" means the directors or the sole director of the Company for the time being;
- (b) "Business Corporations Act" means the Business Corporations Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) "registered address" of a shareholder means his address as recorded in the central securities register to be kept pursuant to the Business Corporations Act; and
- (d) "solicitor of the Company" means any partner or associate of the law firm retained by the Company in respect of the matter in connection with which the term is used.

1.2 Expressions Referring to Writing. Expressions referring to writing shall be construed as including references to printing, lithography, typewriting, telex, telegram, photography and other modes of representing or reproducing words in a visible and usable form.

1.3 Expressions Referring to Signing. Expressions referring to signing or consenting to in writing shall be construed as including facsimile, printed or mechanically reproduced signatures and the receipt of messages by cable, telegram, telex, or any other method of transmitting writing and indicating thereon that the requisite instrument is signed, notwithstanding that no actual original or copy of an original signature appears thereon.

1.4 Constructions of Words. Words importing the singular include the plural and vice versa and words importing a male person include a female person and a corporation.

1.5 Interpretation Act Applicable. The rules of construction contained in the Interpretation Act (British Columbia) shall apply, with the necessary changes and so far as applicable, to the interpretation of these Articles.

1.6 Business Corporation Act Definitions Applicable. The definitions contained in the Business Corporations Act shall, with the necessary changes and so far as applicable, apply to these Articles.

1.7 Conflicts. If there is a conflict between a definition in the Business Corporations Act and a definition or rule in the Interpretation Act relating to a term used in these Articles, the definition in the Business Corporations Act will prevail in relation to the use of the term in these Articles. If there is conflict between these Articles and the Business Corporations Act, the Business Corporations Act will prevail.

PART 2 - SHARES AND SHARE CERTIFICATES

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

2.2 Form of Certificates. Every share certificate issued by the Company shall be in such form as the directors approve and shall comply with the Business Corporations Act.

2.3 Shareholder Entitled to Certificate. Each shareholder is entitled, without charge, to one certificate representing the share or shares of each class or series of shares held by the shareholder, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery of Certificates. Any share certificate may be mailed by registered mail, postage prepaid, to the shareholder entitled thereto at his registered address and the Company shall not be liable for any loss occasioned to the shareholder if that share certificate is lost or stolen. In respect of a share held jointly by several persons, delivery of a certificate for that share to one of several joint holders or to his duly authorized agent shall be sufficient delivery to all.

2.5 Replacement of Lost or Defaced Certificates.

If a share certificate:

- (a) is worn out or defaced, the directors shall, upon production to them of that certificate and upon such other terms, if any, as they may think fit, order the certificate to be cancelled and shall issue a new certificate in lieu thereof;
- (b) is lost, stolen or destroyed, then upon proof thereof to the satisfaction of the directors and upon such indemnity and security therefor, if any, as the directors deem adequate being given, a new share certificate in place thereof shall be issued to the person entitled to the lost, stolen or destroyed certificate; or
- (c) represents more than one share and the registered owner thereof surrenders it to the Company with a written request that the Company issue, registered in his name, two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company shall cancel the certificate so surrendered and issue in place thereof certificates in accordance with the request.

2.6 Consolidation of Certificates. If two or more certificates are surrendered by the registered owner thereof to the Company together with a written request that the Company issue one certificate registered in his name representing the aggregate of the shares represented by the certificates so surrendered, the Company shall cancel the certificates so surrendered and issue in place thereof one certificate in accordance with the request.

2.7 Fee for Certificates. There shall be paid to the Company in respect of the issue of any certificate pursuant to Articles 2.5 or 2.6 hereof such sum, if any, as the directors may from time to time prescribe.

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

PART 3 - ALLOTMENT AND ISSUE OF SHARES

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

3.2 Commissions and Brokerage. The directors may pay a reasonable commission or allow a reasonable discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in the Company.

3.3 Conditions of Issue. No share may be issued until it is fully paid and the Company shall have received the full consideration therefor in cash, property or past services actually performed for the Company. The value of property or services for the purpose of this Article shall be an amount determined by the directors to be, in all circumstances of the transaction, no greater than the fair market value thereof.

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

PART 4 - SHARE REGISTERS

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

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

PART 5 - SHARE TRANSFERS

5.1 Transferability and Instrument of Transfer. Subject to the restrictions, if any, set forth in these Articles or in the Notice of Articles of the Company, any shareholder may transfer his shares by instrument in writing executed by or on behalf of that shareholder and delivered to the Company or its transfer agent. The instrument of transfer of any share of the Company shall be in the form, if any, provided on the back of the Company's form of share certificate or in any other form which the directors may approve. If the directors so require, each instrument of transfer shall be in respect of only one class of share.

5.2 Submission of Instruments of Transfer. Every instrument of transfer shall be executed by the transferor and left at the registered office of the Company or at the office of its transfer agent or registrar for registration together with the share certificate for the shares to be transferred and such other evidence, if any, as the directors or the transfer agent or registrar may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer where the transfer is registered shall be retained by the Company or its transfer agent or registrar and any instrument of transfer, where the transfer is not registered, shall be returned to the person depositing it together with the share certificate which accompanied it when tendered for registration.

5.3 Authority in Instrument of Transfer. The signature of a shareholder or of his duly authorized attorney on the instrument of transfer constitutes an authority to the Company to register the shares specified in the instrument of transfer as transferee or if no person is so named, then in any name designated in writing by the person depositing the share certificate and the instrument of transfer with the Company or its transfer agent or registrar.

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

5.5 Transfer Fee. There shall be paid to the Company in respect of the registration of any transfer such sum, if any, as the directors may from time to time prescribe.

5.6 Transfer Agent. The Company may appoint one or more trust companies or agents as its transfer agent for the purpose of issuing, countersigning, registering, transferring and certifying the shares and share certificates of the Company.

PART 6 - TRANSMISSION OF SHARES

6.1 Personal Representative Recognized on Death. In the case of the death of a shareholder, the survivor or survivors where the deceased was a joint registered holder, and the legal personal representative of the deceased where he was the sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Before recognizing any legal personal representative the directors may require him to deliver to the Company the original or a court-certified copy of a grant of probate or letters of administration in British Columbia or such other evidence and documents as the directors consider appropriate in order to establish the right of the personal representative to such title to the interest in the shares of the deceased shareholder.

6.2 Death or Bankruptcy. Upon the death or bankruptcy of a shareholder, his personal representative or trustee in bankruptcy, although not a shareholder, shall have the same rights, privileges and obligations that attach to the shares formerly held by the deceased or bankrupt shareholder if the documents required by the Business Corporations Act shall have been deposited with the Company. This Article does not apply on the death of a shareholder with respect to shares registered in his name and the name of another person in joint tenancy.

6.3 Persons in Representative Capacity. Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder shall, upon such documents and evidence being produced to the Company as the Business Corporations Act requires or who becomes entitled to a share as a result of an order of a Court of competent jurisdiction or a statute, have the right either to be registered as a shareholder in his representative capacity in respect of such share, or, if he is a personal representative, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

PART 7 – ALTERATIONS

7.1 Alteration of Authorized Share Structure. Subject to Article 7.2 and the Business Corporations Act, the Company may:

- (a) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
 - (i) create one or more classes of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares;
 - (ii) create one or more series of shares within a class or, if none of the shares of a series of shares are allotted or issued, eliminate that series of shares;
 - (iii) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(iv) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(v) if the Company is authorized to issue shares of a class of shares with par value:

(A) decrease the par value of those shares; or

(B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(vi) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(vii) alter the identifying name of any of its shares; or

(b) by ordinary resolution or special resolution otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act.

7.2 Special Rights and Restrictions. Subject to the Business Corporations Act, the Company may:

(a) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights and restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued; and

(b) by special resolution of the shareholders of the class or series affected, do any of the acts in (a) above, if any of the shares of the class or series of shares have been issued.

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

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

(a) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control and authority; and

(b) if the Business Corporations Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 8 - PURCHASE AND REDEMPTION OF SHARES

8.1 Company Authorized to Purchase or Redeem Shares. Subject to Article 8.2, the special rights and restrictions attached to the shares of any class or series and the Business Corporations Act, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

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

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

8.3 Sale and Voting of Purchased Shares. If the Company retains a share purchased, redeemed or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

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

PART 9 - BORROWING POWERS

9.1 Powers of Directors. The directors may from time to time at their discretion authorize the Company to:

- (a) borrow any sum of money;
- (b) guarantee the repayment of any sum of money borrowed by any person or corporation; and
- (c) guarantee the performance of any obligation of any person or corporation;

and may raise or secure the repayment of any sum of money so borrowed or guaranteed or any obligation so guaranteed in any manner and upon any terms and conditions as they may think fit and in particular and without limiting the generality of the foregoing by the issue of bonds, debentures or other debt obligations or by the granting of any mortgages or other security on the undertaking or whole or any part of the property of the Company, both present and future.

9.2 Negotiability of Debt Obligations. The directors may make any bonds, debentures or other debt obligations issued by the Company by their terms assignable free from any equities between the Company and the person to whom they may be issued or any other person who lawfully acquires them by assignment, purchase or otherwise.

9.3 Special Rights on Debt Obligations. The directors may authorize the issue of any bonds, debentures or other debt obligations of the Company at a discount, premium or otherwise and with special or other rights or privileges as to redemption, surrender, drawings, allotment of or conversion into or exchange for shares, attending at general meetings of the Company and otherwise as the directors may determine at or before the time of issue.

9.4 Execution of Debt Obligations. If the directors so authorize or if any instrument under which any bonds, debentures or other debt obligations of the Company are issued so provides, any bonds, debentures or other debt obligations of the Company, instead of being manually signed by the directors or officers authorized in that behalf, may have the facsimile signatures of those directors or officers printed or otherwise mechanically reproduced thereon and in such case any bonds, debentures, or other debt obligations so signed shall be as valid as if signed manually and every bond, debenture or other debt obligation so bearing facsimile signatures of directors or officers of the Company shall be manually signed, countersigned or certified by or on behalf of a registrar, branch registrar, transfer agent or branch transfer agent of the Company duly authorized by the directors or the instrument under which such bonds, debentures or other debt obligations are issued so to do. Notwithstanding that any person whose facsimile signature is so used shall have ceased to hold the office that he is stated on any bond, debenture or other debt obligation to hold at the date of the actual issue thereof, that bond, debenture or other debt obligation shall be valid and binding on the Company.

PART 10 - GENERAL MEETINGS

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

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

applicable annual general meeting.

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

10.4 Location of Meetings. A general meeting of the Company may be held anywhere in the world as determined by the directors.

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

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

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

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

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

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

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

10.9 Notice of Special Business at Meetings of Shareholders. If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

PART 11 - PROCEEDINGS AT GENERAL MEETINGS

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

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting; and

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(ix) any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

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

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

11.4 One Shareholder may Constitute Quorum. If there is only one shareholder entitled to vote at a meeting of shareholders,

(a) the quorum is one person who is, or who represents by proxy, that shareholder; and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

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

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

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

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

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

11.9 Chair. The following individuals are entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if no chair of the board exists or is present and willing to act as chair of the meeting, the president of the Company, if any; or

(c) if the chair of the board, and the president of the Company are absent or unwilling to act as chair of the meeting, the solicitor of the Company.

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

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

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

11.13 Decisions by Show of Hands, Verbal Statements, or Poll. Subject to the Business Corporations Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy. In determining the result of a vote by show of hands, shareholders present by telephone or other communications medium in which all shareholders and proxy holders entitled to attend and participate in voting at the meeting are able to communicate with each other, may indicate their vote verbally or, otherwise in such manner as clearly evidences their vote and is accepted by the chair of the meeting.

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

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

11.16 Casting Vote. In case of an equality of votes either on a show of hands or on a poll, the chair of a meeting of shareholders will have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a

shareholder.

11.17 Manner of Taking Poll. Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

- (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
- (ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment. A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

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

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

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

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

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

11.24 Meetings by Telephone or Other Communications Medium. A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Article 11.24 shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting a shareholders in a manner contemplated by this Article 11.24,

(a) each such shareholder or proxy holder shall be deemed to be present at the meeting, and (b) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

PART 12 - VOTES OF SHAREHOLDERS

12.1 Number of Votes Per Share or Member. Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3 herein, on a show of hands every shareholder present in person, by proxy or by authorized representative shall have one vote and on a poll every shareholder entitled to vote on that poll shall have one vote for every share he holds.

12.2 Trustee of Shareholder May Vote. A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or satisfies all of the directors present at the meeting, that the person is a trustee for a shareholder who

is entitled to vote on the resolution.

12.3 Votes by Joint Holders. Where there are joint shareholders registered in respect of any share, any one of the joint shareholders may vote at any meeting in person, by proxy or by authorized representative in respect of the share as if he were solely entitled to it. If more than one of the joint shareholders is present at any meeting in person, by proxy or by authorized representative, the joint shareholder so present whose name stands first on the central securities register in respect of the share shall alone be entitled to vote in respect of that share. For the purpose of this Article 12.3, two or more trustees of a shareholder in whose sole name any share is registered shall be deemed joint shareholders.

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

(a) for that purpose, the instrument appointing a representative must:

(i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 2 business days before the day set for the holding of the meeting, or

(ii) be provided, at the meeting, to the chair of the meeting, and

(b) if a representative is appointed under this Article 12.4:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder, and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

12.5 When Proxy Provisions do not Apply. Articles 12.6 to 12.12 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.6 Appointment of Proxy Holders. Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than three) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

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

12.8 When Proxy Holder Need Not Be A Shareholder. A person who is appointed as a proxy holder need not be a shareholder of the Company.

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

(Name of Company)

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

Signed this day of,
.....
Signature of shareholder

12.10 Provision of Proxies. A proxy for a meeting of shareholders must:

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

12.11 Revocation of Proxies. Subject to Article 12.12, every proxy may be revoked by an instrument in writing that is:

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

12.12 Revocation of Proxies must be Signed. An instrument referred to in Article 12.11 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her trustee;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.4.

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

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

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

12.15 Counterpart Resolutions. Ordinary and special resolutions of the Company consented to in writing by shareholders of the Company may be in counterparts each consented to in writing by one shareholder or more than one shareholder, which together shall be deemed to constitute one resolution.

PART 13 - DIRECTORS

13.1 Number of Directors. If the Company is not a pre-existing company under the Business Corporations Act, the persons designated as directors of the Company in the Notice of Articles are the first directors. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

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

(ii) the number of directors set under Article 14.4;

(c) if the Company is not a public company, the most recently set of:

(i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors. If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

(a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board up to that number; and

(b) if, contemporaneously with setting that number, the shareholders do not elect or appoint the number of directors needed to fill vacancies in the board up to that number, then the directors may appoint, or failing which the shareholders may elect or appoint, directors to fill those vacancies.

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

13.4 Remuneration and Expenses of Directors. The remuneration of the directors as such may from time to time be determined by the directors or, if the directors shall so decide, by the shareholders. Such remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such who is also a Director. The directors shall be repaid such reasonable travelling, hotel and other expenses as they incur in and about the business of the Company and if any director shall perform any professional or other service for the Company that in the opinion of the directors is outside the ordinary duties of a director or shall otherwise be specially occupied in or about the Company's business, he may be paid a remuneration to be fixed by the Board, or, at the option of such Director, by the Company in general meeting, and such remuneration may be either in addition to, or in substitution for any other remuneration that he may be entitled to receive. The directors on behalf of the Company, unless otherwise determined by ordinary resolution, may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

13.5 Qualification of Directors. A director shall not be required to hold a share in the capital of the Company as qualification for his office but shall be qualified as required by the Business Corporations Act to become or act as a Director.

PART 14 - ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at General Meeting. At every annual general meeting of the Company and in every unanimous resolutions contemplated in Article 10.2:

(a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors set under these Articles from time to time; and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

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

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

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(c) with respect to first directors, the designation is otherwise valid under the Business Corporations Act .

14.3 Failure to Elect or Appoint Directors. Where the Company fails to hold an annual general meeting in accordance with the Business Corporations Act and all the shareholders who are entitled to vote an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2 on or before the date by which the annual general meeting is required to be held under the Business Corporations Act or if the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors, the directors then in office shall continue to hold office until the earlier of:

(a) the date on which his or her successor is elected or appointed; and

(b) the date on which he or she otherwise ceases to hold office under the Business Corporations Act or these Articles.

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

14.5 Directors may fill Casual Vacancies. Any casual vacancy occurring in the board of directors may be filled by the remaining directors or Director.

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

14.7 Shareholders May Fill Vacancies. If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, then failing the filling of any vacancies as set forth in Article 14.6, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors. Notwithstanding Articles 13.1 and 13.2, between successive annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors shall have power to appoint one or more additional directors but the number of additional directors so appointed shall not be more than:

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

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

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

14.9 Alternate Directors. Any director may by instrument in writing delivered to the Company appoint any person to be his alternate to act in his place at meetings of the directors at which he is not present unless the directors shall have reasonably disapproved the appointment of such person as an alternate director and shall have given notice to that effect to the director appointing the alternate director within a reasonable time after delivery of such instrument to the Company. Every such alternate shall be entitled to notice of meetings of the Directors, to attend and vote as a director at a meeting at which the person appointing him is not personally present, to sign consent resolutions pursuant to Article 17.8, and, if he is a Director, to have a separate vote on behalf of the director he is representing in addition to his own vote. A director may at any time by instrument, telegram, telex or any method of transmitting

legibly recorded messages delivered to the Company revoke the appointment of an alternate appointed by him. The remuneration payable to such an alternate shall be payable out of the remuneration of the director appointing him.

14.10 Termination of Directorship. A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a solicitor for the Company; or
- (d) the director is removed from office pursuant to Articles 14.11 or 14.12.

14.11 Removal of Director by Shareholders. The Company may by special resolution remove any director before the expiration of his period of office and may by ordinary resolution elect or appoint another person in his stead. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

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

PART 15 - POWERS AND DUTIES OF DIRECTORS

15.1 Management of Affairs and Business. Subject to the Business Corporations Act and these Articles, the directors shall manage, or supervise the management of, the affairs and business of the Company and shall have the authority to exercise all such powers of the Company as are not, by the Business Corporations Act or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney. The directors may from time to time by power of attorney or other instrument, under the common seal of the Company if required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the powers of the directors relating to the constitution of the Board and of any of its committees and the appointment or removal of officers and the power to declare dividends) and for such period, with such remuneration and subject to such conditions as the directors may think fit, and any such appointment may be made in favour of any of the directors or any of the shareholders of the Company or in favour of any corporation, or of any of the shareholders, directors, nominees or managers of any corporation, firm or joint venture and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.

PART 16 - DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Disclosure of Conflicting Interest. A director or senior officer who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Company or who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to materially conflict with his duty or interest as a director or senior officer shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict with his duty and interest as a director or senior officer, as the case may be, in accordance with the provisions of the Business Corporations Act .

16.2 Voting and Quorum. A director who holds a disclosable interest (as that term is used in the Business Corporations Act) in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution. A director who holds such a disclosable interest may, however, be counted in the quorum present at the meeting at which such vote is taken.

16.3 Director Holding Other Office in the Company. A director may hold any office or place of profit with the Company (other than the office of auditor of the Company) in conjunction with his office of director for such period and on such terms (as to remuneration or otherwise) as the directors may determine and no director or intended director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, and, subject to compliance with the provisions of the Business Corporations Act, no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested shall be voided by reason thereof nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established.

16.4 Professional Services by Director or Officer. Subject to compliance with the provisions of the Business Corporations Act, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company (except as auditor of the Company) and he or such person shall be entitled to remuneration for professional services as if he were not a director or officer.

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

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

PART 17 - PROCEEDINGS OF DIRECTORS

17.1 Chair and Alternate. The chairman of the board, if any, or in his absence, the president, if any, if the president is a director, shall preside as chairman at every meeting of the directors, or if there is no chairman of the board or no president, who is a director, or neither the chairman of the board or the president, if a director, is present within fifteen minutes of the time appointed for holding the meeting or is willing to act as chairman, or, if the chairman of the board if any, and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting, the directors present shall choose one of their number to be chairman of the meeting.

17.2 Meetings of Directors. The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by majority of votes. In case of an equality of votes the chairman shall not have a second or casting vote. Meetings of the board held at regular intervals may be held at such place, at such time and upon such notice (if any) as the Board may by resolution from time to time determine.

17.3 Meetings by Telephone or Other Communications Medium. A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.3 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.4 Notice of Meeting. A director may, and the secretary or an assistant secretary, if any, upon request of a director shall, call a meeting of the board at any time. Reasonable notice of such meeting specifying the place, day and hour of such meeting shall be given by mail, postage prepaid, addressed to each of the directors and alternate directors at this address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose, or by leaving it at his prescribed address or at any other address provided to the Company by the director for this purpose, or orally, by delivery of written notice or by telephone, voice mail, email, fax or any method

of legibly transmitting messages. It shall not be necessary to give notice of a meeting of directors if such meeting is to be held immediately following a general meeting at which such director shall have been elected or is the meeting of directors at which such director is appointed. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any director or alternate director shall not invalidate the proceedings at the meeting.

17.5 Waiver of Notice of Meetings. Any director may file with the Company a document executed by him waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw such waiver with respect to meetings held thereafter. After filing such waiver with respect to future meetings and until such waiver is withdrawn no notice need be given to such director or, unless the director otherwise requires by notice in writing to the Company or to his alternate director of any meeting of directors and all meetings of the directors so held shall be deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

17.6 Quorum. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and if not so fixed shall be a majority of the directors. If there is only one director, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

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

17.8 Consent Resolutions in Writing. A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.8 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the Business Corporations Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18 - EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment of Executive Committee. The directors may by resolution appoint an executive committee to consist of such director or directors as they think fit, which committee shall have, and may exercise during the intervals between the meetings of the board, all the powers vested in the board except the power to fill vacancies in the board, the power to remove a director, the power to change the membership of, or fill vacancies in, said committee or any other committee of the board, and except such other powers, if any, as may be specified in the resolution or any subsequent resolution. The said committee shall keep regular minutes of its transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the board of directors at such times as the board of directors may from time to time require. The board shall have the power at any time to revoke, alter or override the authority given to or acts done by the executive committee except as to acts done before such revocation, alteration or overriding and to terminate the appointment or change the membership of such committee and to fill vacancies in it. The executive committee, in the exercise of the powers delegated to it, must conform to any rules that may from time to time be imposed on it by the directors. A majority of the directors of said committee shall constitute a quorum thereof.

18.2 Appointment of Other Committees. The directors may by resolution appoint one or more committees (other than the executive committee) consisting of such director or directors as they think fit and may delegate to any such committee such powers of the board (except the power to fill vacancies in the board, the power to remove a director, the power to change the membership of or fill vacancies in any committee of the board, the power to appoint or remove officers appointed by the directors) subject to such conditions as may be prescribed in such resolution or any subsequent resolution, and all committees so appointed shall keep regular minutes of their transactions and shall cause them to be recorded in books kept for that purpose, and shall report the same to the board of directors at such times as the board of directors may from time to time require. The directors shall also have power at any time to revoke, alter or override any authority given to or acts to be done by any such committees except as to acts done

before such revocation, alteration or overriding and to terminate the appointment or change the membership of a committee and to fill vacancies in it. Any committee, in the exercise of the powers delegated to it, must conform to any rules that may from time to time be imposed on it by the directors. A majority of the directors of a committee shall constitute a quorum thereof.

18.3 Procedure at Meetings. Subject to such rules as may from time to time be imposed on it by the directors and unless the directors otherwise provided in the resolution appointing it or any subsequent resolution, the executive committee and any other committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the directors of the committee present, and in case of an equality of votes the chairman shall not have a second or casting vote. A resolution approved in writing by all the directors of the executive committee or any other committee shall be as valid and effective as if it had been passed at a meeting of such committee duly called and constituted. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the committee and shall be effective on the date started thereon or on the latest date stated in any counterpart.

PART 19 - OFFICERS

19.1 Directors May Appoint Officers. The directors may, from time to time, appoint a president, secretary or any other officer that it considers necessary, and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers. The directors may, for each officer:

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

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

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

PART 20 - INDEMNIFICATION

20.1 Definitions. In this Article 20:

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

20.2 Mandatory Indemnification of Directors and Former Directors. Subject to the Business Corporations Act , the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and personal and other legal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons. Subject to any restrictions in the Business Corporations Act, the Company may indemnify any person.

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

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

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity; against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

PART 21 – SEAL

21.1 Who May Attest Seal. Except as provided in Articles 21.2 and 21.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

21.2 Sealing Copies. For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 21.1, the impression of the seal may be attested by the signature of any director or officer.

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

has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 22 - DIVIDENDS

22.1 Declaration of Dividends. Subject to the Business Corporations Act and the rights, if any, of shareholders holding shares with special rights as to dividends, the directors may from time to time declare and authorize payment of dividends and fix the date of record therefor and the date for payment thereof. No date of record for any dividend shall precede the date of payment thereof by more than the maximum number of days permitted by the Business Corporations Act. No notice need be given of the declaration of any dividend. If no valid date of record is fixed, the date of record shall be deemed to be 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.2 Dividends to be Paid in Accordance with Number of Shares. Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held. If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.3 Dividends Bear No Interest. No dividend shall bear interest against the Company.

22.4 Payment in Species and Fractional Interests. The directors may direct payment of any dividend wholly or partly by the distribution of specific assets or of paid-up shares or bonds, debentures or other debt obligations of the Company or in any one or more of those ways and where any difficulty arises in regard to the distribution the directors may settle the same as they think fit. The directors may fix the value for distribution of specific assets and may vest any of those specific assets in trustees upon such trusts for the persons entitled thereto as the directors think fit. Notwithstanding the foregoing, if any dividend results in any shareholder being entitled to a fraction of a share, bond, debenture or other debt obligation of the Company, the directors may pay that shareholder in place of that fraction of a share, bond, debenture or other debt obligation the cash equivalent thereof. The directors may arrange through a fiscal agent or otherwise for the sale, consolidation or other disposition of fractions of shares, bonds, debentures or other debt obligations of the Company on behalf of shareholders entitled thereto.

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

22.6 Payment of Dividends. Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder first named on the central securities register or to such person or to such address as any shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority. If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

PART 23 - DOCUMENTS, RECORDS AND REPORTS

23.1 Accounts to be Kept. The Company shall cause to be kept proper books of account and accounting records in respect of all financial and other transactions of the Company in order properly to record the financial affairs and condition of the Company and to comply with the Business Corporations Act.

23.2 Inspection of Accounts. Unless the directors determine otherwise, or unless otherwise determined by an ordinary resolution, no shareholder of the Company shall be entitled to inspect or obtain a copy of the accounting records of the Company.

PART 24 - NOTICES

24.1 Unless the Business Corporations Act or these Articles provides otherwise, a notice, statement, report or other record required or permitted under the Business Corporations Act or these Articles to be sent by or to a

person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient; and

(f) delivery in such other manner as may be approved by the directors and reasonably evidenced.

24.2 Deemed Receipt of Mailing. A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending. A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

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

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

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner

in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 25 - PROHIBITIONS

25.1 Transfers Restricted. If and for so long as the Company is not a public company, no share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors shall not be required to give any reason for refusing to consent to any such sale, transfer or other disposition.

25.2 Definitions. For the purposes of Article 25.1:

(a) "designated security" means:

(i) a voting security of the Company;

(ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph

(i) or (ii);

(b) "security" and "voting security" have the meanings assigned to such terms in the Securities Act (British Columbia).

Full name and Signature of Director	Date of Signing
_____ Sheri Rempel	

LORNEX CAPITAL INC.

(the "Corporation")

ADVANCE NOTICE POLICY

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote.

The purpose of this Advance Notice Policy (the "Policy") is to provide shareholders, directors and management of the Corporation with direction on the nomination of directors. This Policy is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

It is the position of the Corporation that this Policy is beneficial to shareholders and other stakeholders. This policy will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "Board") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the British Columbia *Business Corporations Act* (the "Act"), or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a "Nominating Shareholder"):
 - (i) who, at the close of business on the date of the giving of the notice provided for below in this Policy and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (ii) who complies with the notice procedures set forth below in this Policy.

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.

3. To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date

(the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

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

4. To be in proper written form, a Nominating Shareholder’s notice to the Secretary of the Corporation must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

(i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person;

(iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and

(iv) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. For purposes of this Policy:

(a) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

(b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments,

policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of this Policy, notice given to the Secretary of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on December 10, 2015 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after the continuance into British Columbia is approved by the Shareholders of the Company.

GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.

SCHEDULE D

DISSENT RIGHTS

(See attached)

SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

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.