

RUSSELL BREWERIES INC.

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INFORMATION CIRCULAR

as at May 21, 2013 (unless otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of RUSSELL BREWERIES INC. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on Friday, June 28, 2013 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. These officers and employees will receive no compensation other than their regular salaries but will be reimbursed for their reasonable expenses, which it is expected will not exceed \$1,000 in the aggregate.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are Andrew Harris, the President and a director of the Company and Perpinder S. Patrola, a director of the Company. **A shareholder eligible to vote at the Meeting has the right to appoint a person, who need not be a shareholder, to attend and act for the shareholder and on the shareholder's behalf at the Meeting other than either of the persons designated in the accompanying form of proxy, and may do so either by inserting the name of that other person in the blank space provided in the accompanying form of proxy or by completing another suitable form of proxy.**

Shareholders are requested to date, sign and return the accompanying form of proxy for use at the Meeting if they are not able to attend the Meeting personally. To be effective, forms of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (namely, by 3:00 p.m., Vancouver time, on Wednesday, June 26, 2013) or any adjournment thereof at which the proxy is to be used. Proxies delivered by regular mail should be addressed to Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Proxies delivered by facsimile must be sent to Computershare Investor Services Inc., Attention: Proxy Department, at 416-263-9524 or toll free 1-866-249-7775. To vote by Internet, visit the website address shown on the form of proxy provided. Follow the online voting instructions given to you and vote over the Internet referring to your holder account number and proxy access number provided on the form of proxy that was delivered to you. To vote by telephone, call the toll-free number shown on the form of proxy. Using a touch-tone telephone to select your voting preferences, follow the instructions of the “vote voice” and refer to your holder account number and proxy access number provided on the proxy that was delivered to you. Note that voting by telephone is not available if you wish to appoint a person as a proxy other than someone named on the form of proxy.

A shareholder who has given a proxy may revoke it by an instrument in writing duly executed and delivered either to Computershare Investor Services Inc. or to the registered office of the Company at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or of any reconvening thereof, or in any other manner provided by law. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

NON-REGISTERED HOLDERS

These security holder materials are being sent to both registered and non-registered owners of Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

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 Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and directors or administrators of self-administered RRSPs, RRIAs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 (“**NI 54-101**”) of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, Information Circular and form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. The Corporation does not intend to pay for delivery of the Meeting Materials to objecting beneficial holders (as defined in NI 54-101), and as a result objecting beneficial holders will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will 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 Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with Computershare Investor Services Inc.** as provided above; 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 (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

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

EXERCISE OF DISCRETION

On a poll the nominees named in the accompanying form of proxy will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If a shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified; and
- (b) any other matter, including amendments to any of the foregoing, as may properly come before the Meeting or any adjournment thereof.

In respect of a matter for which a choice is not specified in the proxy, or unless otherwise provided for in the proxy, the nominees named in the accompanying form of proxy will vote Common Shares represented by the proxy for the approval of such matter.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting each nominee intends to vote thereon in accordance with the nominee's best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share structure of the Company consists of 400,000,000 Common Shares without par value. As of May 21, 2013, the Company had outstanding 78,350,455 Common Shares, each carrying the right to one vote.

Only shareholders of record at the close of business on May 21, 2013, who either attend the Meeting personally or complete and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of May 21, 2013, no person or entity beneficially owned or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights.

ELECTION OF DIRECTORS

At the Meeting, Shareholders will be asked to elect five (5) directors to succeed the present directors whose term of office will expire at the conclusion of the Meeting. Each director elected will hold office until the conclusion of the next annual general meeting of the Company at which a director is elected, unless the director's office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of management's nominees for election as directors, each nominee's municipality, province and country of residence, all offices in the Company each nominee now holds, the year of initial appointment of each nominee as a director of the Company, the number of Common Shares beneficially owned or controlled or directed, directly or indirectly, by each nominee, as at May 21, 2013, and each nominee's principal occupation or employment.

Name, Residence and Office Held with the Company	Year of Appointment as a Director	Shares Beneficially Owned or Controlled ⁽¹⁾	Principal Occupation or Employment ⁽¹⁾
Andrew Harris Vancouver, BC, Canada President and a Director	2003	2,610,000	President of the Company
Gary Liu ⁽²⁾ Vancouver, BC, Canada Chief Financial Officer	Nominee	2,300,000	Chief Financial Officer of the Company

Name, Residence and Office Held with the Company	Year of Appointment as a Director	Shares Beneficially Owned or Controlled⁽¹⁾	Principal Occupation or Employment⁽¹⁾
Perpinder Singh Patrola ⁽³⁾ Delta, BC, Canada Director	2012	1,500,000	Lawyer; Principal of Patrola Law Corporation since May 2011
(Derrick) Dongbing Ma ⁽²⁾⁽⁴⁾ Vancouver, BC, Canada Director	2013	5,000,000 ⁽⁶⁾	Partner at FVI Capital Inc. since August 2011
(Benjamin) Li Yu ⁽²⁾⁽⁵⁾ Vancouver, BC, Canada Director	2013	5,000,000 ⁽⁶⁾	Partner at FVI Capital Inc. since February 2012

⁽¹⁾ The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The number Common Shares beneficially owned or controlled does not include options to purchase Common Shares held by directors and officers.

⁽²⁾ Member of the Audit Committee.

⁽³⁾ Perpinder Singh Patrola was appointed a director of the Company effective November 26, 2012.

⁽⁴⁾ (Derrick) Dongbing Ma was appointed a director of the Company effective May 15, 2013.

⁽⁵⁾ (Benjamin) Li Yu was appointed a director of the Company effective May 15, 2013.

⁽⁶⁾ These shares are beneficially controlled through FVI Capital Inc., a company in which (Derrick) Dongbing Ma and (Benjamin) Li Yu are Partners.

Perpinder Singh Patrola

Mr. Patrola is a business lawyer practicing in the area of corporate/commercial and securities law. Mr. Patrola has represented companies on complex corporate matters, including initial and secondary public offerings, public and private mergers/acquisitions, and restructurings. Prior to launching his own law firm, Mr. Patrola worked at two of Canada's leading business law firms, in Toronto and in Vancouver (Fraser Milner Casgrain LLP from May 2007 to November 2008) and was a self-employed lawyer during the period from November 2008 to May 2011. Mr. Patrola earned his undergraduate degree from the University of British Columbia and a law degree from the University of New Brunswick.

(Derrick) Dongbing Ma

(Derrick) Dongbing Ma is a Partner at Vancouver based FVI Capital Inc. since August 2011. He is also founder and Chairman of the Board of the Anyi Group, a Shanghai based private equity company affiliated with FVI Capital since 2007. Derrick is a successful serial entrepreneur and investor. He founded multiple businesses in China since 1995, and took several of them public in China and Hong Kong. Derrick has a Bachelor of Commerce degree from the Anhui University of Finance and Economics in China.

(Benjamin) Li Yu

(Benjamin) Li Yu is a Partner at Vancouver based FVI Capital Inc. since February 2012. He also serves as a Partner for International Business at the Anyi Group, a Shanghai based private equity company since 2008. Ben brings a wealth of multinational knowledge and experience in areas of investment and finance, as well as sales and marketing. Prior to FVI Capital, he held key management and consulting positions at companies in Germany and Canada for over ten years. Ben has a MBA degree from the University of British Columbia, and a Master's degree in Computer Science from the University of Stuttgart in Germany.

Gary Liu

Mr. Liu is the Chief Financial Officer of Russell Breweries Inc. since November 9, 2010; a director of Luxor Industrial Corporation since June 2001; the President of Mt. Pacific Financial Corp. since June 1993; a director of Sun Entertainment Holding Corporation from March 20, 1998 to April 30, 2013; and the Chief Financial Officer of Barksdale Capital Corp. (formerly, Iciena Ventures Inc.) from May 3, 2011 to September 24, 2012.

Andrew Harris

Andrew Harris co-founded Russell Breweries Inc. in January 2004 as President and Chief Operating Officer. Mr. Harris has a wide range of experience in brewery operations, successful product and brand development and sales execution. Mr. Harris co-founded i2Telecom, a Nasdaq reporting company (NASDAQ:ITUI) operating in the VOIP telecom space, and held the role of

VP of business development. Prior to that Mr. Harris spent 10 years in the food and beverage industry in senior management positions, as well as owning, opening and operating his own successful restaurants in Vancouver. Additionally, Mr. Harris was director of Food and Beverage for the Arts Club Theatre Company and was a senior manager at the Rainforest Café (Nasdaq:RAIN) where he was part of the opening management team for London, England, Vancouver, Canada and Hong Kong properties. Mr. Harris has a strong network in the food and beverage industry in British Columbia.

Management recommends that the Company's shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the nominees named in this Information Circular.**

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Company:

- (a) is, as of the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or
- (b) is, at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

Except as follows:

1. Mr. Liu was the Chief Financial Officer of Barksdale Capital Corp. (formerly, Iciena Ventures Inc.) ("**Barksdale**") from May 3, 2011 to September 24, 2012. Barksdale was issued the following cease trade orders during the period from August 9, 2005 to present:
 - a. The British Columbia Securities Commission (the "**BCSC**") issued a cease trade order on August 9, 2005 in connection with the failure to file financial statements and related documents; this order was subsequently revoked on August 29, 2005;
 - b. BCSC issued a cease trade order on August 9, 2006 in connection with the failure to file financial statements and related documents; this order was subsequently revoked on September 12, 2006;
 - c. BCSC issued a cease trade order on August 9, 2008 in connection with the failure to file financial statements and related documents; this order was subsequently revoked on November 21, 2008; and
 - d. BCSC issued a cease trade order on August 5, 2010 and the Alberta Securities Commission (the "**ASC**") issued a cease trade order on January 1, 2011 in connection with the failure to file financial statements and related documents; the BCSC amended the cease trade order on November 20, 2012 and January, 29, 2013; both the BCSC and the ASC subsequently revoked the orders on February 22, 2013.

Mr. Liu was not involved with Barksdale at the time any of the above noted cease trade orders were issued. Mr. Liu's involvement with Barksdale commenced after the cease trade orders were issued. During Mr. Liu's time with Barksdale, he assisted Barksdale with the preparation of quarterly reports and assisted with the year-end audit.

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable security holder in deciding to vote for a proposed director.

APPOINTMENT AND REMUNERATION OF AUDITORS

The directors propose to nominate Manning Elliott LLP, Chartered Accountants ("**Manning Elliott**"), of Vancouver, British Columbia, the present auditors, as the auditors of the Company to hold office until the close of the next annual general meeting of the shareholders and that the remuneration to be fixed by the directors of the Company. Manning Elliott were first appointed auditors of the Company effective January 16, 2008. Prior to the appointment of Manning Elliott, Lancaster & David, Chartered Accountants, acted as auditors of the Company since 2000.

Management recommends that the Company's shareholders vote in favour of the ordinary resolution to the appointment of Manning Elliott as the Company's auditor for the ensuing year and vote in favour of the ordinary resolution to grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Manning Elliott to act as the Company's auditor until the close of our next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the Auditor.**

RE-APPROVAL OF STOCK OPTION PLAN

The shareholders approved a stock option plan (the "**Plan**") at the extraordinary general meeting of the Company held on August 10, 2007. The Plan has been established to further the Company's policy of motivating officers, directors and employees of the Company and its subsidiaries to participate in the growth and development of the Company. Under the Plan, the Company may grant stock options pursuant to which Common Shares may be purchased by directors, officers, employees and consultants of the Company up to a maximum of 10% of the issued and outstanding capital of the Company. As of May 21, 2013, the Company had 2,000,000 stock options outstanding. Pursuant to the policies of the TSX Venture Exchange (the "**Exchange**"), shareholders are required, on a yearly basis, to approve stock option plans which have a "rolling plan" ceiling. At the request of the Exchange, the Plan has been amended to include provisions relating to the Company obtaining disinterested shareholder approval in certain instances.

A copy of the Plan may be obtained upon request from the Company at #202 - 13018 80th Avenue, Surrey, British Columbia, V3W 3B2.

The Plan

The Plan complies with the requirements of the Exchange's Policy 4.4 *Incentive Stock Options* as it relates to Tier 2 issuers. The following is a summary of the principal terms of the Plan.

The aggregate number of Common Shares authorized for issuance to any one person within a one-year period is limited to 5% of the outstanding Common Shares. The exercise price of the options granted under the Plan shall be not less than the Discounted Market Price as defined in the policies of the Exchange.

An option may be exercised for a period of up to five years from the date of the granting of the option. If the option holder resigns or is terminated for just cause, all unexercised options previously granted to such option holder are cancelled. In any other circumstance, the option holder retains the right to exercise all options granted to such holder in accordance with their terms.

The Plan is administered by the Board of Directors of the Company, and subject to regulatory requirements in that regard, may be amended by the Board of Directors without further shareholder approval.

At the Meeting, the shareholders of the Company will be asked to consider and, if thought advisable, to pass, with or without modification, the following:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION that subject to regulatory approval:

- (a) the Company's stock option plan (the "**Plan**") be and is hereby approved;
- (b) the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding common shares of the Company as at the time of the grant; and
- (c) the directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under the seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."

Management recommends that the Company's shareholders vote in favour of the ordinary resolution to re-approval the Company's Plan. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the re-approval of the Company's Plan.**

INCREASE IN AUTHORIZED CAPITAL, REMOVAL OF PRE-EXISTING COMPANY PROVISIONS AND ADOPTION OF NEW ARTICLES

On March 29, 2004, the *Company Act* (British Columbia) was replaced by the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). Accordingly, the Company is now subject to the BCBCA and is no longer governed by the *Company Act*. There are a number of differences between the BCBCA and the old *Company Act*, which include changes requested by the business community to make the laws governing British Columbia corporations more consistent with other Canadian and U.S. jurisdictions and to provide shareholders with greater choice of effective governance structures. To take full advantage of the legislative opportunities offered by the BCBCA, management and the Board of Directors of the Company have reviewed the current articles of the Company and the BCBCA to determine what changes, if any, can provide a benefit to the Company and its shareholders. As a result of that review, management and the Board of Directors believe that it would be in the best interest of the Company to do the following:

- (a) Increase the Company's authorized capital from 400,000,000 Common Shares without par value to an unlimited number of Common Shares without par value;
- (b) Remove the Pre-Existing Company Provisions (as provided for in the BCBCA) that apply to the Company that relate to the restrictions contained in the old *Company Act* and that are no longer required under the BCBCA; and
- (c) Adopt a new set of articles (the "**New Articles**") to replace the Company's current articles (the "**Existing Articles**").

Increase in Authorized Capital

As now permitted under the BCBCA, the Company proposes to amend its Notice of Articles to increase the Company's authorized capital from 400,000,000 Common Shares without par value to an unlimited number of Common Shares without par value. Management believes that having unlimited authorized capital will provide the Company with greater flexibility for future corporate activities. The Company will remain subject to the policies of the Exchange in respect of any new issuance of shares.

At the Meeting, the shareholders of the Company will be asked to consider and, if thought advisable, to pass, with or without modification, the following:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION that:

- (a) the Notice of Articles of the Company be altered to increase the number of Common Shares authorized to be issued to an unlimited number of Common Shares without par value;
- (b) the directors be authorized to revoke this resolution before it is acted upon without requiring further approval by the shareholders of the Company in that regard; and
- (c) any one director or officers of the Company be and is hereby authorized and directed, for and on behalf of the Company, to perform all such acts and deeds and things and execute, under the corporate seal of the Company or otherwise, delivery and file all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidences by the execution and delivery of any such documents or instruments and the taking of any such actions.”

Management recommends that the Company’s shareholders vote in favour of the ordinary resolution increasing the Company’s authorized capital to an unlimited number of Common Shares without par value. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the increase in the Company’s authorized capital.**

Removal of Pre-Existing Company Provisions

As a pre-existing company under the old *Company Act*, the Company is subject to provisions contained in the BCBCA, called the “Pre-Existing Company Provisions” or “PCPs”. Under the BCBCA, the Company has the options of no longer being subject to these PCPs, if the shareholders of the Company approve this change. Given the Company’s status as a public company and the provisions of its proposed New Articles, only two provisions of the PCPs would apply to the Company under the BCBCA. The applicable provisions of the PCPs are the requirements under the old *Company Act* that:

- (a) three-quarters ($\frac{3}{4}$) of the votes cast at a general meeting must vote in favour of a proposed special resolution in order for the resolution to be passed; and
- (b) if the company offers to purchase any of its own securities, it must extend the offer on a proportionate basis to all shareholders holding the same class or series of shares that are subject to the offer, subject to certain exceptions.

As opposed to the three-quarter ($\frac{3}{4}$) approval threshold in the old *Company Act*, the BCBCA reduces that approval threshold for special resolutions to two-thirds ($\frac{2}{3}$) of the votes cast at a general meeting. Accordingly, removal of the PCPs will reduce the level of approval for special resolutions to two-thirds ($\frac{2}{3}$) of the votes cast at a general meeting, which is consistent with the corporate statutes in other Canadian jurisdictions and will allow special resolutions to be passed in a timely and efficient manner.

Under the old *Company Act*, if a company offers to purchase any of its own shares, it must extend the offer on a proportionate basis to all shareholders holding the same class or series of shares that are subject to the offer, subject to certain exceptions. The BCBCA does not contain similar provisions. While the exceptions to this proportionate purchase requirement will, in the vast majority of cases, allow the Company to purchase its Common Shares without having to extend the offer to purchase to all shareholders holding those Common Shares, management and the Board of Directors of the Company believe that this requirement may be overly restrictive in future transactions where the ability, where the ability to purchase some, but not all, of its Common Shares from shareholders may be necessary or desirable. Accordingly, if shareholders approve the removal of the application of the PCPs, this requirement will no longer apply to the Company.

In order to take full advantage of the flexibility offered by the BCBCA, management and the Board of Directors of the Company believe that it would be in the best interest of the Company to remove the application of the PCPs.

In order to remove the application of the PCPs, the shareholders of the Company will be asked to consider and, if thought advisable, to pass, with or without modification, the following special resolution of the Company authorizing the removal of the Pre-Existing Company Provisions:

“BE IT RESOLVED AS A SPECIAL RESOLUTION that:

- (a) the Notice of Articles of the Company be altered to remove the application of the Pre-Existing Company Provisions (as defined in the *Business Corporations Act* (British Columbia));
- (b) the directors be authorized to revoke this resolution before it is acted upon without requiring further approval by the shareholders of the Company in that regard; and
- (c) any one director or officers of the Company be and is hereby authorized and directed, for and on behalf of the Company, to perform all such acts and deeds and things and execute, under the corporate seal of the Company or otherwise, delivery and file all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidences by the execution and delivery of any such documents or instruments and the taking of any such actions.”

A special resolution of the Company requires that three-quarters (¾) of the votes cast for the resolution are in favor of the resolution.

Management and the Board of Directors of the Company recommend that the Company’s shareholders vote in favour of the special resolution removing the application of the Pre-Existing Company Provisions. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the special resolution removing the application of the Pre-Existing Company Provisions.**

Adoption of New Articles

In reviewing the Company’s Existing Articles to determine what changes are necessary as a result of BCBCA, management and the Board of Directors of the Company have sought to modernize the Company’s governing rules and to provide a more effective governance structure, while maintaining as many of the existing governing provisions as possible. As a result, many of the changes to the Existing Articles contained in the New Articles do not reflect substantive changes to the content of the Existing Articles. Rather, the proposed changes reflect the adoption of terminology or provisions that are mandated by the BCBCA.

In addition to the foregoing changes, the New Articles introduce new provisions requiring advance notice of nominations of directors of the Company (the “**Advance Notice Provisions**”). The purpose of the Advance Notice Provisions is to provide the Company’s shareholders, the Board of Directors of the Company and management of the Company with a clear framework for director nominations to help ensure orderly business at shareholder meetings and effectively prevents a shareholder from director nominations from the floor of a meeting without prior notice. Among other things, the Advance Notice Provisions fix a deadline by which you must submit director nominations to the Company prior to any annual or special meeting of the Company’s shareholders. They also specify the information that a nominating shareholder must include in the notice to the Company in order for any director nominee to be eligible for election at any annual or special meeting of the Company’s shareholders. No person nominated by a shareholder of the Company will be eligible for election as a director of the Company unless nominated in accordance with the Advance Notice Provisions.

In the case of an annual meeting of shareholders, notice to the secretary of the Company must be made not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that an annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the tenth day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

A copy of the New Articles is attached as Schedule A to this Information Circular. Shareholders are encouraged to review these changes.

In order to adopt the New Articles, shareholders will be asked to consider and, if thought advisable, to pass, with or without modification, the following special resolution of the Company adopting the New Articles of the Company:

“BE IT RESOLVED AS A SPECIAL RESOLUTION that:

- (a) the existing articles of the Company be cancelled and the new form of articles made available to the shareholders of the Company prior to the annual general and special meeting and submitted to the annual general and special meeting for approval, including the special rights and restrictions contained therein, be adopted as the articles of the Company in substitution for, and to the exclusion of, the existing articles;
- (b) the directors be authorized to revoke this resolution before it is acted upon without requiring further approval by the shareholders of the Company in that regard; and
- (c) any one director or officers of the Company be and is hereby authorized and directed, for and on behalf of the Company, to perform all such acts and deeds and things and execute, under the corporate seal of the Company or otherwise, delivery and file all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidences by the execution and delivery of any such documents or instruments and the taking of any such actions.”

A special resolution of the Company requires that three-quarters (¾) of the votes cast for the resolution are in favor of the resolution.

Management and the Board of Directors of the Company recommend that the Company’s shareholders vote in favour of the special resolution adopting the New Articles. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the special resolution adopting the New Articles.**

For full particulars, please refer to the text of the Existing Articles, which can be found on SEDAR at www.sedar.com, and the proposed New Articles, a copy of which is attached as Schedule A to this Information Circular.

RATIFICATION AND APPROVAL OF ADVANCE NOTICE POLICY

On April 24, 2013, the Board of Directors approved the terms of an advance notice policy requiring advance notice of nominations of directors of the Company (the “**Policy**”). The purpose of the Policy is to provide the Company’s shareholders, the Board of Directors of the Company and management of the Company with a clear framework for director nominations to help ensure orderly business at shareholder meetings and effectively prevents a shareholder from director nominations from the floor of a meeting without prior notice. Among other things, the Policy fixes a deadline by which you must submit director nominations to the Company prior to any annual or special meeting of the Company’s shareholders. It also specifies the information that a nominating shareholder must include in the notice to the Company in order for any director nominee to be eligible for election at any annual or special meeting of the Company’s shareholders. No person nominated by a shareholder of the Company will be eligible for election as a director of the Company unless nominated in accordance with the Policy.

In the case of an annual meeting of shareholders, notice to the secretary of the Company must be made not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that an annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the tenth day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION that:

- (a) the Company's advance notice policy, as approved by the Board of Directors of the Company on April 24, 2013, be ratified and approved;
- (b) the directors be authorized to revoke this resolution before it is acted upon without requiring further approval by the shareholders of the Company in that regard; and
- (c) any one director or officers of the Company be and is hereby authorized and directed, for and on behalf of the Company, to perform all such acts and deeds and things and execute, under the corporate seal of the Company or otherwise, delivery and file all documents and instruments and take such other actions as such director or officer may determine to be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions."

Management and the Board of Directors of the Company recommend that the Company's shareholders vote in favour of the ordinary resolution to ratify and approve the Policy. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the ratification and approval of the Policy.**

For full particulars, please refer to the text of the Policy, which can be found on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE

Effective June 20, 2005, the Canadian Securities Administrators adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Instrument 58-201 *Corporate Governance Guidelines* ("NI 58-201"). NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NI 58-201 provides guidance on corporate governance practices. In addition, the Company is subject to National Instrument 52-110 *Audit Committees* ("NI 52-110"), which has been adopted by the Canadian Securities Administrators and which prescribes certain requirements in relation to audit committees. A full description of each of the corporate governance practices of the Company with respect to NI 58-101 is set out in Schedule B to this Information Circular.

COMMITTEES OF THE BOARD

The Corporation currently has an Audit Committee. A description of the Audit Committee, its mandate and its activities is set out in Schedule C to this Information Circular. The Audit Committee reviews its mandate annually and changes to its mandate are approved by the Board.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

NI 52-110 requires the Company, 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 auditors, which is set forth below.

The Audit Committee's Charter

The Company's Audit Committee is governed by an audit committee charter, the text of which is set out in Schedule C of this Information Circular.

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three directors, Brian Harris, (Derrick) Dongbing Ma and (Benjamin) Li Yu. Following the Meeting, it is anticipated that Gary Liu will replace Brian Harris as a member of the Audit Committee. Two members, Mr. Ma and Mr. Yu, are considered to be independent members of the Audit Committee pursuant to the meaning of "independent" provided in NI 52-110. All three members are considered financially literate as provided for in NI 52-110.

Relevant Education and Experience

This section describes the education and experience of the Company's Audit Committee members that is relevant to the performance of their responsibilities in that role, which includes:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Brian Harris

Brian Harris has over 25 years' experience leading junior companies in raising capital, developing successful go-to-market strategies, launching new products and services and acting in various director and senior officer roles, including those of Chief Financial Officer and Chief Executive Officer. Mr. Harris also has considerable experience in the management of public companies on the Canadian, United States and Australian Stock Exchanges and is a founder of a number of technology-based companies. Mr. Harris was an executive with General Foods and Film Corporation of America. Mr. Harris has a Bachelor of Commerce degree from the University of Alberta.

(Derrick) Dongbing Ma

(Derrick) Dongbing Ma has over 20 years of experience founding, managing and investing in multiple businesses in China and Canada. Mr. Ma is a founder and Chairman of the Board of the Shanghai based private equity company Anyi Group. Under Mr. Ma's leadership, Anyi Group provided early to late stage financing to over 30 different companies in China and Canada since 2007, and successfully brought several companies through their IPO processes. Mr. Ma also started Anran Gas and Guotong Pipe in the oil & gas sector, and grew the companies to publicly traded companies with sizable operations. Mr. Ma has a Bachelor of Commerce degree from the Anhui University of Finance and Economics in China.

(Benjamin) Li Yu

(Benjamin) Li Yu has over 15 years of experience leading and consulting companies that range from start-up businesses to global Fortune 500 companies in Canada and China. Mr. Yu has recently been a Partner at Vancouver based FVI Capital Inc, as well as a Partner for International Business at the Anyi Group, a Shanghai based private equity company, overseeing the group's international investments in the oil & gas, and customer goods segments. Mr. Yu has also been a principal consultant in the sales and marketing area to a global Fortune 500 company for over 7 years. Mr. Yu has a MBA degree from the University of British Columbia and a Master's degree in Computer Science from the University of Stuttgart in Germany.

Gary Liu

Mr. Gary Liu holds a BBA in accounting and IT from the Southern Alberta Institute of Technology. He has served as a director and an officer of several public companies over the past 10 years. Currently, he is serving on the board of directors of Luxor Industrial Corporation. Mr. Liu has over 15 years' experience in accounting, financial information systems integration, administrative and regulatory affairs with both public and private companies. Mr. Liu is also the owner of Mt. Pacific Financial Corp., a consulting company providing accounting services to public companies.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year ended June 30, 2012, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year ended June 30, 2012, the Company has not relied on the exemptions contained in Section 2.4 *"De Minimis Non-Audit Services"* or Part 8 (*Exemptions*) of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulator authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The following table sets forth the fees billed by the Company's external auditor, Manning Elliot, for services rendered for the 2012 and 2011 financial years.

	<u>2012</u>	<u>2011</u>
Audit Fees ⁽¹⁾	\$95,000	\$76,820
Audit-Related Fees ⁽²⁾	\$3,900	Nil
Tax Fees ⁽³⁾	\$5,000	Nil
All Other Fees	Nil	Nil

⁽¹⁾ "Audit Fees" comprise the aggregate professional fees paid to the Company's auditors for the audit of the annual consolidated financial statements and other regulatory audits and statutory filings.

⁽²⁾ "Audit Related Fees" comprise the aggregate fees paid to the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the consolidated financial statements and are not reported under the Audit fees item above.

⁽³⁾ "Tax Fees" comprise the aggregate fees paid to the Company's auditor for professional services related to tax compliance, tax advice and tax planning.

Exemptions

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

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("**Named Executive Officers**") listed in the Summary Compensation Table that follows. During its financial year ended June 30, 2012, the following individuals were Named Executive Officers (as defined in applicable securities legislation) of the Company, namely Andrew Harris, President and former Chief Operating Officer, Gary Liu, Chief Financial Officer and Brian Harris, Chief Executive Officer.

Compensation Objectives and Principles

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long term success and to motivate and encourage executives to further the development of the Company and its operations. The compensation program is designed to reward the achievement of both short and long term strategic and operational objectives.

Compensation Process

The Company does not have a formal compensation program. However, the administration over the process to determine the compensation of the Company's Named Executive Officers is handled by the Board of Directors. Named Executive Officers and directors are compensated in a form and amount which is appropriate for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director and executive compensation.

The compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board of Directors recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well align the compensation level of each executive to that executive's level of responsibility. In general, Named Executive Officers compensation is comprised of a base amount and variable bonus compensation where applicable and stock option grants. The combination of base compensation and variable bonus structure is provided to align the executives with the Corporations interests for both the short-term and long-term.

Elements of Executive Compensation

Currently, the principal components of the Company's executive compensation packages are base remuneration, long-term incentive in the form of stock options, and a discretionary annual incentive cash bonus. The Company targets base remuneration, bonuses, and option based awards towards the average range relative to peer companies for similarly experienced executives performing similar duties. Generally, awards are made within this range, although compensation is awarded above or below in cases of exceptional or poor corporate and/or individual performance or other individual factors relating to a Named Executive Officer. The Company benchmarks against mid-level compensation because benchmarking allows the Company to attract and retain executives, provides an incentive for executives to strive for better than average performance to earn better than average compensation and helps the Company to manage the overall cost of management compensation while taking into account the Company's overall financial strength.

Base Salary

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company. The salaries are set on a basis of a review and comparison of salaries paid to executives with similar qualifications and responsibilities who are employed by companies the same or similar industry and corresponding size. The Board of Directors use comparables from similar public companies of size and complexity. Both the Chief Executive Officer and President discuss compensation for all employees reporting to them excluding their own compensation. The Board of Directors approves compensation for the Chief Executive Officer, President and Chief Financial Officer and any other key executives.

Option-Based Awards

The granting of incentive stock options provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: the number and terms of outstanding incentive stock options held by the Named Executive Officer; current and expected future performance of the Named Executive Officer; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Company's stock option plan. Pursuant to the Plan, the Board of Directors of the Company, at its discretion, determines all grants of stock options to Named Executive Officers. Such grants are considered incentives intended to align the Named Executive Officers' and shareholders' interests in the long term. The grant of stock options is not influenced by the number of options outstanding or in-the-money value of outstanding options. A summary of the Company's Plan is provided under the heading "Re-approval of Stock Option Plan".

Bonuses

Finally, the board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through project innovations and awards, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

During the financial year ended June 30, 2012, Andrew Harris, Brian Harris and Gary Liu were each awarded a bonus in the amount of \$25,000 in recognition of their respective efforts on behalf of the Company. Among other things, these awards were in recognition of the project innovations and awards, the formation of new strategic or joint venture relationships and capital raising efforts during the year.

Summary Compensation Table

The following table sets forth information concerning the annual and long term compensation for services rendered to the Company during the Company's three most recently completed financial years in respect of the individuals who were (or who acted in a similar capacity as) as of June 30, 2012 or at any time during the financial year, the Chief Executive Officer and the Chief Financial Officer, being the Named Executive Officers. There were no other executive officers or consultants of the Company, or any of its subsidiaries, whose total compensation during such period exceeded \$150,000.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans ⁽²⁾			
Andrew Harris ⁽³⁾ President, former Chief Operating Officer and Director	2012	120,000 ⁽⁶⁾	N/A	35,000	25,000	N/A	N/A	Nil	180,000
	2011	98,000	N/A	Nil	30,625	N/A	N/A	Nil	128,625
	2010	63,600	N/A	Nil	N/A	N/A	N/A	Nil	63,600
Brian Harris ⁽⁴⁾ Chief Executive Officer and Director	2012	120,000 ⁽⁷⁾	N/A	35,000	25,000	N/A	N/A	Nil	180,000
	2011	98,000	N/A	Nil	30,625	N/A	N/A	Nil	128,625
	2010	65,000	N/A	Nil	N/A	N/A	N/A	Nil	65,000
Gary Liu ⁽⁵⁾ Chief Financial Officer	2012	100,000 ⁽⁸⁾	N/A	25,000	25,000	N/A	N/A	Nil	150,000
	2011	84,240	N/A	Nil	23,558	N/A	N/A	Nil	107,798
	2010	N/A	N/A	Nil	N/A	N/A	N/A	Nil	Nil

⁽¹⁾ This is the grant date fair value of options to purchase Common Shares granted during the financial year ended June 30, 2011 estimated with the *Black-Scholes* option pricing model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's Shares and expected life of the options.

⁽²⁾ The Company does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its Named Executive Officers, but may award discretionary bonus payments from time to time.

⁽³⁾ Andrew Harris resigned as Chief Financial Officer effective November 9, 2010.

⁽⁴⁾ Brian Harris's salary in his capacity as Chief Executive Officer of the Company is paid through management fees.

⁽⁵⁾ Gary Liu was appointed Chief Financial Officer effective November 9, 2010.

⁽⁶⁾ Management services were provided by Andrew Harris at a fee of \$10,000 per month until December 31, 2011. Since January 1, 2012, the services have been provided by Wicked Consulting Inc. ("**Wicked**") at a fee of \$10,000 per month. Wicked is a British Columbia non-reporting company wholly-owned by Andrew Harris.

⁽⁷⁾ Management services were provided by Brian Harris at a fee of \$10,000 per month until November 30, 2011. Since December 1, 2011, the services have been provided by Marketing Services International ("**MSI**") at a fee of \$10,000 per month. MSI is a British Columbia non-reporting company wholly-owned by Brian Harris.

⁽⁸⁾ Accounting services were provided by Mt. Pacific Financial Corporation ("**Mt. Pacific**") at a fee of \$8,333 per month. Mt. Pacific is a British Columbia non-reporting company controlled by Gary Liu.

Brian Harris and Andrew Harris do not receive additional compensation for their roles as directors as they are both considered executive management.

Incentive Plan Awards

During the financial year ended June 30, 2012, 3,000,000 stock options were granted pursuant to the Plan. As of May 21, 2013 2,000,000 stock options were issued and outstanding under the Plan.

Outstanding Share-Based Awards and Option-Based Awards

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 shares that have not vested (\$)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out of distributed (\$)
Andrew Harris	700,000	0.10	March 9/17	Nil	N/A	N/A	N/A
	300,000	0.10	June 19/13	Nil			
	70,000	0.10	Aug. 29/12	Nil			
Brian Harris	700,000	0.10	March 9/17	Nil	N/A	N/A	N/A
	185,000	0.10	June 19/13	Nil			
	70,000	0.10	Aug. 29/12	Nil			
Gary Liu	500,000	0.10	March 9/17	Nil	N/A	N/A	N/A
	50,000	0.10	June 19/13	Nil			

⁽¹⁾ The value of unexercised “in-the-money options” at the financial year end is the difference between the option exercise price and the market value of the underlying the Common Shares on the Exchange on June 30, 2012. Market price for this purpose \$0.03, being the closing price of the Common Shares on June 29, 2012, the last day in which the Common Shares traded prior to the financial year ended on June 29, 2012.

Incentive Plan Awards — Value Vested or Earned During the Year

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 (\$)
Andrew Harris	Nil	N/A	N/A
Brian Harris	Nil	N/A	N/A
Gary Liu	Nil	N/A	N/A

⁽¹⁾ The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

Employee Share Purchase Plan

Shareholders approved an employee share purchase plan (the “ESPP”) at the Company’s annual and special meeting held on December 16, 2010. The Company subsequently obtained the approval of the Exchange and proceeded with the implementation of the ESPP. The ESPP has been established to encourage employees to invest in Common Shares through employee savings and to allow the Company to provide contributions as an incentive to employees. A copy of the ESPP may be obtained upon request from the Company at #202 - 13018 80th Avenue, Surrey, British Columbia, V3W 3B2.

Under the ESPP, employees of the Company are provided with an opportunity to purchase Common Shares, therefore aligning the employees’ interests with the financial success of the Company. The ESPP is a voluntary plan open to all eligible employees. All permanent and part time employees are considered to be eligible employees and are allowed to participate in the ESPP once they have completed a three-month probationary period.

A participant may contribute a maximum of 10% of the participant’s semi-monthly salary towards the purchase of Common Shares. The Company will contribute an additional amount equal to 50% of the participant’s semi-monthly contribution. Common Shares will be purchased, with the aggregate contributions, through the Exchange by Raymond James Ltd. on a semi-monthly basis. Participants will have title to all Common Shares purchased with his or her contributions immediately. Participants will receive Common Shares purchased with the Company’s contributions when they are fully vested, which occurs on December 31 of each calendar year.

Pension Plan Benefits

The Company does not have a defined benefit plan, defined contribution plan or deferred compensation plan.

Management Agreements & Termination and Change of Control Benefits

The Company has management contracts with the Chief Executive Officer, President & Chief Operating Officer and Chief Financial Officer of the Company.

The Company and its subsidiaries are not parties to any further contracts, and have not entered into any plans or arrangements which require compensation to be paid to any other of their directors, officers or employees of the Company in the event of:

- (a) resignation, retirement or any other termination of employment with the Company or one of its subsidiaries;
- (b) a change of control of the Company or one of its subsidiaries; or
- (c) a change in the director, officer or employee's responsibilities following a change of control.

Management Agreements

Brian Harris, Chief Executive Officer, Andrew Harris, President & Chief Operating Officer and Gary Liu, Chief Financial Officer have management contracts with the Company that commenced on January 1, 2011 and have 3-one year terms. These contracts are in the normal course of conducting business and ensuring long term commitment to the Company and its shareholders.

Change of Control

In the event of a merger, acquisition or sale transaction by the Company which causes a Change of Control of the Company (the "**Trigger Event**"), any stock options or similar securities held beneficially by the key management shall automatically become fully vested.

In the event key management is terminated by the Company subsequent to a merger, acquisition or sale transaction by the Company causing the Trigger Event, the key management will also be granted an additional severance pay equal to one year's pay, and any stock, options or similar securities held beneficially by the service provider shall automatically become 100% vested and the service provider shall be entitled to an additional number of options equal to 30% of the key management's total ISO Plan position at the time of the Trigger Event. Such additional shares shall be priced at the then prevailing value of the Common Shares vested as determined by the Company's Board of Directors.

Termination

The Company's contracts with the Chief Executive Officer, President and Chief Financial Officer contain provisions for termination benefits in the event of a termination with and without cause. The Maximum compensation is for a maximum of one year or the lessor of the remaining initial term or subsequent term. The length of time on each management contract is 3 - one year consecutive terms.

Director Compensation

The following table sets out certain information respecting the compensation paid to directors of the Company who were not Named Executive Officers during the Company's most recently completed financial year:

Name ⁽¹⁾	Fees earned (\$)	Share-based awards (\$)	Option- based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paul Robertson ⁽³⁾	12,000	N/A	7,500	N/A	N/A	Nil	19,500
Robert Murray ⁽⁴⁾	9,000	N/A	Nil	N/A	N/A	Nil	9,000
Richard Shier ⁽⁵⁾	12,000	N/A	35,000	N/A	N/A	21,000	68,000

⁽¹⁾ The relevant disclosure for Andrew Harris and Brian Harris has been provided in the "Summary Compensation Table" above.

⁽²⁾ The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

⁽³⁾ Paul Robertson resigned as a director of the Company effective November 22, 2012.

⁽⁴⁾ Robert Murray resigned as a director of the Company effective November 26, 2012.

⁽⁵⁾ Richard Shier resigned as a director of the Company effective November 26, 2012.

The Board of Directors reviews and determines directors' compensation once a year. The Board of Directors takes into account the types of compensation and the amounts paid to the directors of comparable publicly traded Canadian companies. During the most recently completed financial year ended June 30, 2012, a monthly retainer of \$1,000 was paid to non-management directors of the Company. During the financial year ended June 30, 2011, Mr. Robertson accrued fees in the amount of \$25,000 for past service to the Company and Mr. Shier accrued fees in the amount of \$50,000 for past service to the Company all of which was paid to Mr. Robertson and Mr. Shier during the financial year ended June 30, 2012. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase Common Shares of the Company.

Directors who are also officers and receive a salary from the Company do not receive any additional remuneration from the Company for serving as a director. All of the directors are entitled to reimbursement of any out-of-pocket expenses incurred in performing duties as a director and are entitled to participate in the Option Plan (see "Outstanding Option-Based Awards" below).

Outstanding Share-Based Awards and Option-Based Awards

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 shares that have not vested (\$)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out of distributed (\$)
Paul Robertson ⁽²⁾	150,000	0.10	March 9/17	Nil	N/A	N/A	N/A
	100,000	0.10	Oct 20/15	Nil			
Robert Murray ⁽³⁾	150,000	0.10	March 9/17	Nil	N/A	N/A	N/A
Richard Shier ⁽⁴⁾	700,000	0.10	March 9/17	Nil	N/A	N/A	N/A
	20,000	0.10	June 19/13	Nil			

⁽¹⁾ The value of unexercised "in-the-money options" at the financial year end is the difference between the option exercise price and the market value of the underlying the Common Shares on the Exchange on June 30, 2012. Market price for this purpose \$0.03, being the closing price of the Common Shares on June 29, 2012, the last day in which the Common Shares traded prior to the financial year ended on June 29, 2012.

⁽²⁾ Paul Robertson resigned as a director of the Company effective November 22, 2012.

⁽³⁾ Robert Murray resigned as a director of the Company effective November 26, 2012.

⁽⁴⁾ Richard Shier resigned as a director of the Company effective November 26, 2012.

Director Incentive Plan Awards — Value Vested or Earned During the Year

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 (\$)
Paul Robertson ⁽²⁾	Nil	N/A	N/A
Robert Murray ⁽³⁾	Nil	N/A	N/A
Richard Shier ⁽⁴⁾	Nil	N/A	N/A

⁽¹⁾ The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

⁽²⁾ Paul Robertson resigned as a director of the Company effective November 22, 2012.

⁽³⁾ Robert Murray resigned as a director of the Company effective November 26, 2012.

⁽⁴⁾ Richard Shier resigned as a director of the Company effective November 26, 2012.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all equity compensation plans of the Company as of June 30, 2012.

Table of Equity Compensation Plan Information as of June 30, 2012

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under the Equity Compensation Plans
Equity Compensation Plans Approved by Security holders	4,077,500 Common Shares	\$0.10	2,145,556 Common Shares
Equity Compensation Plans Not Approved By Security holders	N/A	N/A	N/A
Total	4,077,500 Common Shares	\$0.10	2,145,556 Common Shares

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers and employees and former directors, executive officers, and employees is, as of May 21, 2013, indebted to either the Company or any of its subsidiaries nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

No director or executive officer of the Company, no proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has at any time since the beginning of the Company's last completed financial year been indebted to the Company or any of its subsidiaries nor have any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, except as described herein, no director or executive officer of the Company, no person who beneficially owns, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company (each of the foregoing being an "Informed Person"), no director or executive officer of an entity that is itself an Informed Person or a subsidiary of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the knowledge of management of the Company, other than as described herein, no director or executive officer of the Company at any time since the beginning of the last completed financial year of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

MANAGEMENT CONTRACTS

The management functions of the Company and its subsidiaries are not performed to any substantial degree by any person or company other than the directors and executive officers of the Company or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Financial information regarding the Company is provided in the Company's annual audited comparative consolidated financial statements for the financial year ended June 30, 2012 and the auditors' report thereon together with the corresponding management discussion and analysis. Copies of the annual audited comparative consolidated financial statements, as well as additional copies of this Information Circular, may be obtained upon request from the Company at #202 – 13018 80th Avenue, Surrey, British Columbia, V3W 3B2, telephone (604) 599-1190.

APPROVAL OF DIRECTORS

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board of Directors of the Company.

DATED at Surrey, British Columbia, this 24th day of May, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Brian Harris"*

Brian Harris
Chief Executive Officer

SCHEDULE A

**RUSSELL BREWERIES INC.
PROPOSED NEW ARTICLES**

ARTICLES
RUSSELL BREWERIES INC.

(the "Company")

The Company has as its Articles the following Articles.

	Date of Signing
<hr/> Authorized Signatory	<hr/>

Incorporation Number: _____

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
1.1 Definitions	1
1.2 Statutory Definitions Applicable	1
ARTICLE 2 SHARES AND SHARE CERTIFICATES	1
2.1 Authorized Share Structure	1
2.2 Form of Share Certificate	1
2.3 Shareholder Entitled to Certificate or Acknowledgment	2
2.4 Delivery by Mail	2
2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgment	2
2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment	2
2.7 Splitting Share Certificates	2
2.8 Certificate Fee	3
2.9 Recognition of Trusts	3
ARTICLE 3 ISSUE OF SHARES	3
3.1 Directors Authorized	3
3.2 Commissions and Discounts	3
3.3 Brokerage	3
3.4 Conditions of Issue	3
3.5 Share Purchase Warrants and Rights	4
ARTICLE 4 SHARE REGISTERS	4
4.1 Central Securities Register	4
4.2 Closing Register	4
4.3 Branch Registers	4
ARTICLE 5 SHARE TRANSFERS	4
5.1 Registering Transfers	4
5.2 Form of Instrument of Transfer	5

5.3	Transferor Remains Shareholder.....	5
5.4	Signing of Instrument of Transfer	5
5.5	Enquiry as to Title Not Required	5
5.6	Transfer Fee	5
ARTICLE 6	TRANSMISSION OF SHARES.....	6
6.1	Recognition on Death.....	6
6.2	Rights of Legal Personal Representative or Trustee in Bankruptcy	6
ARTICLE 7	PURCHASE OF SHARES	6
7.1	Company Authorized to Purchase Shares	6
7.2	Purchase When Insolvent.....	6
7.3	Sale and Voting of Purchased Shares	6
ARTICLE 8	BORROWING POWERS	7
8.1	Borrowing Powers	7
8.2	Special Privileges for Debt Obligations.....	7
8.3	Signing of Debt Obligations.....	7
ARTICLE 9	ALTERATIONS.....	8
9.1	Alteration of Authorized Share Structure.....	8
9.2	Special Rights and Restrictions.....	8
9.3	Change of Name	9
9.4	Other Alterations	9
ARTICLE 10	MEETINGS OF SHAREHOLDERS	9
10.1	Annual General Meetings.....	9
10.2	Resolution Instead of Annual General Meeting	9
10.3	Calling of Meetings of Shareholders	9
10.4	Notice for Meetings of Shareholders	9
10.5	Record Date for Notice.....	10
10.6	Record Date for Voting.....	10
10.7	Failure to Give Notice and Waiver of Notice.....	10
10.8	Notice of Special Business at Meetings of Shareholders.....	10
ARTICLE 11	PROCEEDINGS AT MEETINGS OF SHAREHOLDERS.....	11
11.1	Special Business	11
11.2	Special Majority.....	11
11.3	Quorum	11
11.4	One Shareholder May Constitute Quorum	12
11.5	Other Persons May Attend.....	12
11.6	Requirement of Quorum	12
11.7	Lack of Quorum.....	12
11.8	Lack of Quorum at Succeeding Meeting	12
11.9	Chair	12
11.10	Selection of Alternate Chair	13
11.11	Adjournments	13
11.12	Notice of Adjourned Meeting	13
11.13	Decisions by Show of Hands or Poll.....	13
11.14	Declaration of Result.....	13
11.15	Motion Need Not be Seconded.....	13
11.16	Casting Vote	14
11.17	Manner of Taking Poll	14
11.18	Demand for Poll on Adjournment	14
11.19	Chair Must Resolve Dispute	14
11.20	Casting of Votes	14
11.21	No Demand for Poll.....	14
11.22	Demand for Poll Not to Prevent Continuance of Meeting	14
11.23	Retention of Ballots and Proxies	14
11.24	Ordinary Resolution	15

ARTICLE 12 VOTES OF SHAREHOLDERS	15
12.1 Number of Votes by Shareholder or by Shares	15
12.2 Votes of Persons in Representative Capacity	15
12.3 Votes by Joint Holders.....	15
12.4 Legal Personal Representatives as Joint Shareholders.....	15
12.5 Representative of a Corporate Shareholder	16
12.6 Appointment of Proxy Holders.....	16
12.7 Alternate Proxy Holders	16
12.8 Who May Act as Proxy Holder.....	16
12.9 Deposit of Proxy	17
12.10 Validity of Proxy Vote.....	17
12.11 Form of Proxy.....	17
12.12 Revocation of Proxy	18
12.13 Revocation of Proxy Must be Signed.....	18
12.14 Production of Evidence of Authority to Vote	18
ARTICLE 13 DIRECTORS.....	19
13.1 First Directors; Number of Directors	19
13.2 Change in Number of Directors.....	19
13.3 Directors' Acts Valid Despite Vacancy.....	19
13.4 Qualifications of Directors.....	20
13.5 Remuneration of Directors.....	20
13.6 Reimbursement of Expenses of Directors	20
13.7 Special Remuneration for Directors	20
13.8 Gratuity, Pension or Allowance on Retirement of Director	20
ARTICLE 14 ELECTION AND REMOVAL OF DIRECTORS	20
14.1 Election at Annual General Meeting	20
14.2 Consent to be a Director	21
14.3 Failure to Elect or Appoint Directors	21
14.4 Places of Retiring Directors Not Filled.....	21
14.5 Directors May Fill Casual Vacancies	21
14.6 Remaining Directors Power to Act	22
14.7 Shareholders May Fill Vacancies	22
14.8 Additional Directors	22
14.9 Ceasing to be a Director	22
14.10 Removal of Director by Shareholders	22
14.11 Removal of Director by Directors	23
14.12 Nomination of Directors.....	23
ARTICLE 15 ALTERNATE DIRECTORS.....	25
15.1 Appointment of Alternate Director.....	25
15.2 Notice of Meetings.....	25
15.3 Alternate for More Than One Director Attending Meetings.....	25
15.4 Consent Resolutions.....	26
15.5 Alternate Director Not an Agent	26
15.6 Revocation of Appointment of Alternate Director	26
15.7 Ceasing to be an Alternate Director.....	26
15.8 Remuneration and Expenses of Alternate Director.....	26
ARTICLE 16 POWERS AND DUTIES OF DIRECTORS	27
16.1 Powers of Management	27
16.2 Appointment of Attorney of Company.....	27
ARTICLE 17 DISCLOSURE OF INTEREST OF DIRECTORS.....	27
17.1 Obligation to Account for Profits	27
17.2 Restrictions on Voting by Reason of Interest	27
17.3 Interested Director Counted in Quorum	27
17.4 Disclosure of Conflict of Interest or Property.....	28
17.5 Director Holding Other Office in the Company	28
17.6 No Disqualification	28

17.7	Professional Services by Director or Officer	28
17.8	Director or Officer in Other Corporations	28
ARTICLE 18 PROCEEDINGS OF DIRECTORS.....		28
18.1	Meetings of Directors.....	28
18.2	Voting at Meetings.....	29
18.3	Chair of Meetings.....	29
18.4	Meetings by Telephone or Other Communications Medium.....	29
18.5	Calling of Meetings.....	30
18.6	Notice of Meetings.....	30
18.7	When Notice Not Required	30
18.8	Meeting Valid Despite Failure to Give Notice	30
18.9	Waiver of Notice of Meetings	30
18.10	Quorum	30
18.11	Validity of Acts Where Appointment Defective	30
18.12	Consent Resolutions in Writing	31
ARTICLE 19 EXECUTIVE AND OTHER COMMITTEES.....		31
19.1	Appointment and Powers of Executive Committee	31
19.2	Appointment and Powers of Other Committees.....	31
19.3	Obligations of Committees.....	32
19.4	Powers of Board	32
19.5	Committee Meetings	32
ARTICLE 20 OFFICERS.....		33
20.1	Directors May Appoint Officers.....	33
20.2	Functions, Duties and Powers of Officers	33
20.3	Qualifications	33
20.4	Remuneration and Terms of Appointment	33
ARTICLE 21 INDEMNIFICATION		33
21.1	Definitions.....	33
21.2	Mandatory Indemnification of Eligible Party	34
21.3	Indemnification of Other Persons	34
21.4	Non-Compliance with the <i>Act</i>	34
21.5	Company May Purchase Insurance	35
ARTICLE 22 DIVIDENDS		35
22.1	Payment of Dividends Subject to Special Rights	35
22.2	Declaration of Dividends	35
22.3	No Notice Required	35
22.4	Record Date.....	35
22.5	Manner of Paying Dividend.....	36
22.6	Settlement of Difficulties	36
22.7	When Dividend Payable	36
22.8	Dividends to be Paid in Accordance With Number of Shares.....	36
22.9	Receipt by Joint Shareholders	36
22.10	Dividend Bears No Interest	36
22.11	Fractional Dividends.....	36
22.12	Payment of Dividends	36
22.13	Capitalization of Surplus.....	37
ARTICLE 23 FINANCIAL RECORDS AND AUDITS.....		37
23.1	Recording of Financial Affairs.....	37
23.2	Inspection of Accounting Records.....	37
23.3	Remuneration of Auditor	37
ARTICLE 24 NOTICES		37
24.1	Method of Giving Notice	37
24.2	Deemed Receipt of Mailing.....	38
24.3	Certificate of Sending.....	38
24.4	Notice to Joint Shareholders	38

24.5	Notice to Trustees	39
ARTICLE 25 SEAL		39
25.1	Who May Attest Seal.....	39
25.2	Sealing Copies	39
25.3	Mechanical Reproduction of Seal.....	39
ARTICLE 26 PROHIBITIONS.....		40
26.1	Definitions	40
26.2	Application	40
26.3	Consent Required for Transfer of Shares or Designated Securities	41

ARTICLE 1

INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

“Act” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended from time to time, as well as any successor legislation, and includes any regulations made thereunder.

“board of directors”, “directors” and **“board”** mean the directors or sole director of the Company for the time being.

“Interpretation Act” means the *Interpretation Act*, R.S.B.C. 1996, c. 238, as amended from time to time, as well as any successor legislation, and includes any regulations made thereunder.

“legal personal representative” means the personal or other legal representative of the shareholder.

“registered address” of a shareholder means the shareholder’s address as recorded in the central securities register.

“seal” means the seal of the Company, if any.

1.2 Statutory Definitions Applicable

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

ARTICLE 2

SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

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

2.3 Shareholder Entitled to Certificate or Acknowledgment

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

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgment

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

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

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

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

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

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

2.9 Recognition of Trusts

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

ARTICLE 3

ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property; or

- (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *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.

ARTICLE 4

SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Act*, appoint an agent to maintain the central securities register or any branch securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register or any branch 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.

4.3 Branch Registers

The Company may keep or cause to be kept one or more branch securities registers.

ARTICLE 5

SHARE TRANSFERS

5.1 Registering Transfers

In addition to any other restrictions set forth in these Articles, a transfer of a share of the Company must not be registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company or its agent;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company or its agent;

- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company or its agent; and
- (d) such other evidence, if any, as the Company or its agent may require to prove the title of the transferor or the transferor's right to transfer the shares and the right to the transferee to have the transfer registered.

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

Except to the extent that the Act otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company as the registered owner of the transferred shares.

5.4 Signing of Instrument of Transfer

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

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

5.5 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

ARTICLE 6

TRANSMISSION OF SHARES

6.1 Recognition on Death

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

6.2 Rights of Legal Personal Representative or Trustee in Bankruptcy

The legal personal representative or trustee in bankruptcy of a shareholder, as the case may be, has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Act* and the directors have been deposited with the Company.

ARTICLE 7

PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

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

7.3 Sale and Voting of Purchased Shares

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

- (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.

ARTICLE 8

BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

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

8.2 Special Privileges for Debt Obligations

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

8.3 Signing of Debt Obligations

Every bond, debenture or other debt obligation of the Company shall be signed manually by at least one director or officer of the Company or by or on behalf of the agent or trustee for the bond, debenture, or other debt obligation appointed by the Company or under any instrument under which the bond, debenture, or other debt obligation is issued and any additional signatures may be printed or otherwise mechanically reproduced thereon and, in such event, a bond, debenture, or other debt obligation so signed is as valid as if signed manually notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he or she is stated on such bond, debenture, or other debt obligation to hold at the date of issue thereof.

ARTICLE 9

ALTERATIONS

9.1 Alteration of Authorized Share Structure

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

- (a) by special resolution:
 - (i) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - (ii) if the Company is authorized to issue shares of a class of shares with par value, decrease the par value of those shares;
 - (iii) 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; or
 - (iv) alter the identifying name of any of its shares;
- (b) by ordinary resolution:
 - (i) 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;
 - (ii) if the Company is authorized to issue shares of a class of shares with par value, if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (iii) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; or
 - (iv) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Act*.

9.2 Special Rights and Restrictions

Subject to the *Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Change of Name

The Company may, by a resolution of the directors, authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

If the *Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

ARTICLE 10

MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *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 at such time and place, within or outside British Columbia, as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, 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; or
- (b) otherwise, 10 days.

10.5 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 *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; or
- (b) otherwise, 10 days.

If no record date is set, the record date is 5:00 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.

10.6 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 *Act*, by more than four months. If no record date is set, the record date is 5:00 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 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.

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must state the general nature of the special business. If the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, then, in lieu of attaching a copy of the document to the notice of meeting, the notice may state that a copy of the document will be available for inspection by shareholders who are entitled to vote at the meeting:

- (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
- (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

ARTICLE 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

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

11.2 Special Majority

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

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least 10% of the issued shares of the Company entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

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

- (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 chief executive officer (if any), the president (if any), the secretary (if any), the assistant secretary (if any and only in the absence of the secretary), the auditor of the Company (if any), 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 otherwise 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 individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any;
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the vice chair of the board, if any;

- (c) if the vice chair of the board is absent or unwilling to act as chair of the meeting, the chief executive officer, if any;
or
- (d) if the chief executive officer is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board, vice chair of the board, chief executive officer or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board, vice chair of the board, chief executive officer and president are unwilling to act as chair of the meeting, or if the chair of the board, vice chair of the board, chief executive officer and president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present may 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 must, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

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

11.13 Decisions by Show of Hands or Poll

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

11.14 Declaration of Result

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

11.15 Motion Need Not be Seconded

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

11.16 Casting Vote

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

11.17 Manner of Taking Poll

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

- (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 No 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 at its record office each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three-month period, the Company may destroy such ballots and proxies.

11.24 Ordinary Resolution

Unless the Act or these Articles otherwise provide, any action that must or may be taken or authorized by the shareholders may be taken or authorized by ordinary resolution.

ARTICLE 12

VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

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

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

- (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 the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
 - (ii) if the notice so provides, be provided at the meeting to the chair of the meeting or to a person designated by the chair of the meeting;
- (b) if a representative is appointed under this Article 12.5:
 - (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.

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

12.6 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy, including specifying the number of shares each proxy holder shall be entitled to vote.

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 Who May Act as Proxy Holder

Any person having attained the age of majority may act as proxy holder whether or not he or she is entitled on his or her own behalf to be present and to vote at the meeting at which he or she acts as proxy holder. The proxy may authorize the person so appointed to act as proxy holder for the appointor for the period, at any meeting or meetings and to the extent permitted by the Act.

12.9 Deposit of Proxy

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, two business days before the day set for the holding of the meeting; or
- (b) if the notice so provides, be provided at the meeting to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages and by using available internet or telephone services as may be approved by the directors.

12.10 Validity of Proxy Vote

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

- (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of revocations, 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.

12.11 Form of Proxy

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

[Name of Company]

(the "Company")

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

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

Signed [month, day, year]

[Signature of Shareholder]

[Name of Shareholder - printed]

12.12 Revocation of Proxy

Subject to Article 12.13, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of revocations, 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;
- (b) provided, at the meeting, to the chair of the meeting before any vote in respect of which the proxy used shall have been taken; or
- (c) in any manner provided by law.

12.13 Revocation of Proxy Must be Signed

An instrument referred to in Article 12.12 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 legal personal representative or trustee in bankruptcy; and
- (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 12.5.

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.

ARTICLE 13

DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Act. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to Articles 13.1(b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (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; and
- (c) if the Company is not a public company, the greater of one 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.

13.2 Change in Number of Directors

If the number of directors is set under Article 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 of directors up to that number; and
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

ARTICLE 14

ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

- (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 for the time being set under these Articles; and

- (b) all the directors cease to hold office immediately before the election or appointment of directors under Article 14.1(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 *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 *Act*.

14.3 Failure to Elect or Appoint Directors

If:

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

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

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

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors Power to Act

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

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

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

- (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 Ceasing to be a Director

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 in the manner required by the *Act*; or
- (d) the director is removed from office pursuant to Article 14.10 or 14.11.

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

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

14.12 Nomination of Directors

Subject only to the Act and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors 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 of directors, 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 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 Article 14.12 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 Article 14.12:

- (a) 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 Company at the principal executive offices of the Company in accordance with this Article 14.12.
- (b) To be timely, a Nominating Shareholder's notice to the secretary of the Company must be made:
 - (i) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders. However, in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (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
 - (ii) 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.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph (b).

- (c) 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.

- (d) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Company must set forth:
- (i) As to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company that are controlled or that 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 (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

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

- (e) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12. However, nothing in this Article 14.12 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 this Article 14.12 and, if any proposed nomination is not in compliance with this Article 14.12, to declare that such defective nomination shall be disregarded.
- (f) For purposes of this Article 14.12,
- (i) "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 Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (ii) "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.

- (g) Notwithstanding any other provision of the Articles of the Company, notice given to the secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of such 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 Company. However, if such delivery or electronic communication is made on a day that is not a business day or later than 5:00 p.m. (Vancouver time) on a day that 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.
- (h) The invalidity or unenforceability of any provision of this Article 14.12 will not affect the validity or enforceability of the remaining provisions of this Article 14.12.

ARTICLE 15

ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

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

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

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

15.6 Revocation of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director in the manner required by the *Act*;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

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

ARTICLE 16

POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

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

ARTICLE 17

DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

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

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval

may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

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

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

ARTICLE 18

PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the vice chair of the board, if any;
- (c) in the absence of the vice chair of the board, the chief executive officer, if any, provided the chief executive officer is a director, unless the board has determined otherwise;
- (d) in the absence of the chief executive officer, the president, if any, provided the president is a director, unless the board has determined otherwise; or
- (e) any other director chosen by the directors if:
 - (i) neither the chair of the board, the vice chair of the board, the chief executive officer (if a director, unless the board has determined otherwise), nor the president (if a director, unless the board has determined otherwise), is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) neither the chair of the board, the vice chair of the board, the chief executive officer (if a director, unless the board has determined otherwise), nor the president (if a director, unless the board has determined otherwise), is willing to chair the meeting; or
 - (iii) the chair of the board, the vice chair of the board, the chief executive officer (if a director, unless the board has determined otherwise), and the president (if a director, unless the board has determined otherwise), have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

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

18.5 Calling of Meetings

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

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors at least 48 hours before the time appointed for holding the meeting or such lesser time as may be reasonable under the circumstances, by any method set out in Article 24.1 or orally in person or by telephone.

18.7 When Notice Not Required

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

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

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

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

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

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

ARTICLE 19

EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

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

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under Article 19.2(a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

- (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in Article 19.2(b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

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

- (a) conform to any rules that may from time to time be imposed on it by the directors;
- (b) report every act or thing done in exercise of those powers at such times as the directors may require; and
- (c) keep minutes of all meetings of the committee.

19.4 Powers of Board

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

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

19.5 Committee Meetings

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

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee;
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote; and
- (e) the committee may make rules for the conduct of its business and may seek such assistance as it may deem necessary.

ARTICLE 20

OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (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.

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

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

ARTICLE 21

INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (a) “associated corporation” means a corporation or entity referred to in paragraph (ii) or (iii) of the definition of “eligible party”;

- (b) “eligible party” means an individual who:
 - (i) is or was a director or alternate director of the Company;
 - (ii) is or was a director or alternate director of another corporation,
 - (A) at a time when the corporation is or was an affiliate of the Company; or
 - (B) at the request of the Company; or
 - (iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director or alternate director of a partnership, trust, joint venture or other unincorporated entity;
- (c) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (d) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which 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 or an associated corporation:
 - (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; and
- (e) “expenses” has the meaning set out in the *Act*.

21.2 Mandatory Indemnification of Eligible Party

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

21.3 Indemnification of Other Persons

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

21.4 Non-Compliance with the *Act*

The failure of an eligible party to comply with the *Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Article 21.

21.5 Company May Purchase Insurance

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

- (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; or
- (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 by reason of being or having been such a director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

ARTICLE 22

DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

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

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance With Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the

shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus

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

ARTICLE 23

FINANCIAL RECORDS AND AUDITS

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

23.3 Remuneration of Auditor

The directors may set the remuneration of the Company's auditor (if any).

ARTICLE 24

NOTICES

24.1 Method of Giving Notice

Unless the *Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *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; and

- (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; and
 - (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 e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient; or
- (f) as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

24.2 Deemed Receipt of Mailing

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

24.3 Certificate of Sending

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

24.4 Notice to Joint Shareholders

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

24.5 Notice to Trustees

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

- (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 Article 24.5(a)(ii) 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.

ARTICLE 25

SEAL

25.1 Who May Attest Seal

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

- (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.

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *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.

ARTICLE 26

PROHIBITIONS

26.1 Definitions

In this Article 26:

- (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 Article 26.1(a)(i) or (ii);
- (b) “security” has the meaning assigned in the *Securities Act* (British Columbia); and
- (c) “voting security” means a security of the Company that:
 - (i) is not a debt security; and
 - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

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

26.3 Consent Required for Transfer of Shares or Designated Securities

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

SCHEDULE B

RUSSELL BREWERIES INC. CORPORATE GOVERNANCE COMPLIANCE TABLE

The following table sets out the corporate governance practices of the Company with respect to NI 58-101. The Company constantly monitors evolving best practices for corporate governance.

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
1.	Board of Directors (a) Disclose the identity of the directors who are independent.	<p>The Board is currently comprised of five directors, two of the directors are independent and three are not independent. The Board considers that (Derrick) Dongbing Ma and (Benjamin) Li Yu are independent directors.</p> <p>The Board meets on a regular basis individually and as a Board. The Board requests both financial and operational updates from management that are provided on a timely basis when requested. As well, the Board has direct access to any employee in the organization if further explanation of performance metrics is required.</p>
	(b) Disclose the identity of the directors who are not independent, and describe the basis for that determination.	<p>The Board considers that Andrew Harris, Brian Harris and Perpinder Patrola are not independent directors. Andrew Harris is not an independent director because of his position as President of the Company. Brian Harris is not an independent director because of his position as Chief Executive Officer of the Company. Perpinder Patrola is not independent because he is the principal of a company that provides legal services to the Company. If elected, Gary Liu will not be an independent director because of his position as Chief Financial Officer of the Company.</p> <p>The Board is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Company and its subsidiaries. Those directors who do not meet the meaning of independence as provided in NI 58-101 were deemed to not be independent directors. More information about each director can be found on pages 3 through 6 of this Information Circular.</p>
2.	Directorship If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	<p>None of the directors currently serve on the Board of any other reporting issuer(s) (or equivalent).</p>
3.	Orientation and Continuing Education Describe what steps, if any, the Board takes to orient new board members and describe what measures, if any, the Board takes to provide continuing education for directors.	<p>Board turnover is relatively rare. As a result, the Board provides ad hoc orientation for new directors. On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Company, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise.</p>
4.	Ethical Business Conduct Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	<p>The Board has not yet adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct; but does promote ethical business conduct through the nomination of Board members it considers ethical and through avoiding and minimizing conflicts of interest.</p>

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
5.	<p>Nomination of Directors</p> <p>Describe what steps, if any, are taken to identify new candidates for Board nomination, including:</p> <p>(a) who identifies new candidates, and</p> <p>(b) the process of identifying new candidates.</p>	<p>The Board considers its size when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.</p> <p>The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. It reviews the composition of the Board members, on a periodic basis, makes recommendations regarding Board composition, analyzes the need for new nominees when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.</p>
6.	<p>Compensation</p> <p>Describe what steps, if any are taken to determine compensation for the directors and CEO, including:</p> <p>(a) who determines compensation; and</p> <p>(b) the process of determining compensation.</p>	<p>The Board has determined that the directors and officers should be compensated in a form and amount which is appropriate for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director and executive compensation.</p> <p>For more information regarding compensation paid to directors and executives, see pages 13 through 19 of this Information Circular.</p>
7.	<p>Other Board Committees</p> <p>If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board does not have any other standing committees other than the audit committee.</p>
8.	<p>Assessments</p> <p>Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>Currently, the Board takes responsibility for monitoring and assessing the effectiveness of the Board and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and quality and adequacy of information provided by management.</p>

SCHEDULE C

RUSSELL BREWERIES INC. AUDIT COMMITTEE CHARTER

A. OVERVIEW AND PURPOSE

The Audit Committee of Russell Breweries Inc. (the “**Company**”) has been formed to enable the Board of Directors of the Company to perform its obligations with respect to compliance with applicable securities laws and the rules of the TSX Venture Exchange.

The Audit Committee is responsible to the Board of Directors of the Company. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

- (a) disclosure of financial and related information;
- (b) the relationship with and expectations of the external auditors of the Company, including the establishment of the independence of the external auditors;
- (c) the oversight of the Company’s internal controls; and
- (d) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors of the Company chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

B. ORGANIZATION

1. Size and Membership Criteria

The Audit Committee will consist of three or more Directors of the Company.

A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding common shares of the Company or other securities which are exchangeable into common shares of the Company, which could, or could reasonably be perceived to, materially interfere with the director’s ability to act in the best interests of the Company.

All members of the Audit Committee should be financially literate and be able to read and understand basic financial statements. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

2. Appointment and Vacancies

The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of the Company. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of the Company or ceases to be a Director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee the Board of Directors of the Company may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

C. MEETINGS

1. Frequency

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee may also meet at least once per year with management and the

external auditors of the Company in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

2. Chair

The Board of Directors of the Company or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chair from amongst their number. If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the Chair of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary who need not be a Director of the Company.

3. Time and Place of Meetings

The time and place of meetings of the Audit Committee and the procedure at such meetings will be determined from time to time by the members of the Audit Committee, provided that:

- (a) a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and
- (b) notice of the time and place of every meeting will be given in writing or facsimile to each member of the Audit Committee, the internal auditors, the external auditors and the corporate secretary of the Company at least 24 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (and attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

A meeting of the Audit Committee may be called by the corporate secretary of the Company on the direction of the Chief Executive Officer of the Company, by any member of the Audit Committee or the external auditors. Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of the meeting of the Audit Committee.

4. Agenda

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors and corporate secretary of the Company in advance of the meeting of the Audit Committee not later than three business days prior to each meeting.

5. Resources

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee, and to set the pay and compensation for such consultants. The Audit Committee may request any officer or employee of the Company or its subsidiaries or the legal counsel to the Company or the external auditors of the Company to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

D. DUTIES AND RESPONSIBILITIES

The Board of Directors of the Company has delegated the following duties and responsibilities to the Audit Committee, and the Audit Committee shall have the sole authority and responsibility to carry out these duties and responsibilities.

1. Review and Reporting Procedures

The Audit Committee will make regular reports to the Board of Directors of the Company. The Audit Committee will review and re-assess the Audit Committee Charter on an annual basis and make recommendations for changes to this Charter. The Audit Committee will also periodically perform a self-assessment of its performance against its mandate.

2. Financial Reporting

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of the Company the following financial statements and related information prior to filing or public dissemination:

- (a) annual audited financial statements of the Company, including notes;
- (b) interim financial statements of the Company;
- (c) management discussion and analysis ("MD&A") relating to each of the annual audited financial statements and the interim financial statements of the Company;
- (d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of the Company, including the use of non-GAAP earnings measures;
- (e) the annual report of the Company;
- (f) all financial-related disclosure to be included in management proxy circulars of the Company in connection with meetings of shareholders; and
- (g) all financial-related disclosure to be included in or incorporated by reference into any prospectus or other offering documents that may be prepared by the Company.

As part of this review process, the Audit Committee will meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the relevant financial information.

The Audit Committee will also review the following items in relation to the above listed documents:

- (a) significant accounting and reporting issues or plans to change accounting practices or policies and the financial impact thereof;
- (b) any significant or unusual transactions;
- (c) significant management estimates and judgments; and
- (d) monthly financial statements.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders.

3. External Auditors

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of the Company (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing its audit report or performing other audit review or attest services. As a result, the Audit Committee will review and recommend the appointment of the external auditors and the remuneration of the external auditors.

The Audit Committee will review on an annual basis the performance of the external auditors of the Company. The Audit Committee will discuss with the external auditors any disclosed relationships or non-audit services that the external auditors propose to provide to the Company or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of the Company for the coming financial year.

Prior to the release of the annual financial statements of the Company, the Audit Committee will discuss certain matters required to be communicated to the Audit Committee by the external auditors in accordance with the standards established by the Canadian Institute of Chartered Accountants. The Committee will also consider the external auditors' judgment about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

4. Legal and Compliance

The Audit Committee is responsible for reviewing with management of the Company the following:

- (a) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company and its subsidiaries which would have a material current or future effect on the financial condition of the Company;
- (b) major risk exposures facing the Company and the steps that management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies;
- (c) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and its subsidiaries and the manner in which these matters have been disclosed in the financial statements; and
- (d) the quarterly and annual certificates of the Chief Executive Officer and the Chief Financial Officer of the Company certifying the Company's quarterly and annual financial filings in compliance with Multilateral Instrument 52-109 of the Canadian Securities Administrators.

5. Internal Controls

The Audit Committee is responsible for reviewing the adequacy of the Company's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee is responsible for establishing procedures for the following:

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

The Audit Committee will review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors. The Audit Committee will also review the letters from the external auditors of the Company outlining the material weaknesses in internal controls noted from their audit, including relevant drafts of such letters.