

SECOVA METALS CORP.
Suite 700, 510 West Hastings Street
Vancouver, British Columbia V6B 1L8
Telephone: (604) 687-7130 Fax: (604) 608-9110

MANAGEMENT PROXY CIRCULAR
as of October 7, 2013 (*except as otherwise indicated*)

MANAGEMENT SOLICITATION OF PROXIES

This Management Proxy Circular is furnished in connection with the solicitation of proxies by management of Secova Metals Corp. (the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on November 14, 2013 at the time and place for purposes set forth in the accompanying notice of the Meeting.

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to Secova Metals Corp. “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

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 Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so using one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number; and

in all cases the proxy must be received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial owners - those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners).

The Corporation is taking advantage of provisions of National Instrument 54-101, which allow it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from Computershare, our transfer agent. VIFs are to be completed and returned to Computershare following the instructions using one of the methods detailed on the VIF. Computershare tabulates results of VIFs received from NOBOs and provides appropriate instructions at the Meeting concerning Common Shares represented by VIFs they received prior to the Meeting.

Securityholder materials are sent to both registered and non-registered owners of the Corporation's securities. If you are a non-registered owner, and the Corporation or its agent sent these materials directly to you, your name,

address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions.

If you are an OBO please follow the instructions of your intermediary carefully to ensure your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“Broadridge”) in Canada and the United States. Broadridge mails a VIF in lieu of a proxy provided by the Corporation. The VIF will name the same persons as the Corporation’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge following Broadridge’s instructions using one of the methods detailed on the VIF. Broadridge then tabulates results of all instructions received and provides appropriate instructions concerning voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted as per your instructions, or (b) to have an alternate representative you have chosen, if any, duly appointed to attend and vote your Common Shares on your behalf at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and are being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Canada Business Corporations Act* (the “CBCA”), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it as follows:

- (a) sign a proxy bearing a later date or sign a valid notice of revocation, either of the foregoing to be signed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and deliver the proxy bearing a later date to Computershare, or to the address of the registered office of the Corporation at 1500 Royal Centre, 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the

Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

- (b) the registered shareholder may attend the Meeting in person and vote their Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The board of directors (the "Board") has fixed October 7, 2013 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign 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.

The Common Shares of the Corporation are listed for trading on the TSX Venture Exchange (the "TSXV"). As of October 7, 2013, there were 12,645,456 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all issued and outstanding Common Shares of the Corporation as at October 7, 2013.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended June 30, 2013, report of the auditor and related management discussion and analysis will be placed before the Meeting.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of one and a maximum of nine. The term of office of each of the four current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the CBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following table sets out the names of management’s three nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at October 7, 2013.

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled⁽¹⁾
Bradley Scharfe ⁽²⁾ President and Chief Executive Officer Director British Columbia, Canada	Since November 10, 2010	839,330 ⁽³⁾
Jason Wesley Scharfe ⁽²⁾ Director British Columbia, Canada	Since February 13, 2012	20,115 ⁽⁴⁾
Michael Mulberry Director British Columbia, Canada	Since June 25, 2013	Nil
Rob Geisthardt ⁽²⁾ Director Nominee British Columbia, Canada	Nil	Nil

Notes:

- (1) The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) Member of the Audit Committee. Mr. Geisthardt will be appointed to the Audit Committee following the Meeting.
- (3) 3,379 of these Common Shares are held indirectly by 0819774 B.C. Ltd., a private company controlled by Bradley Scharfe, 63,500 are held in an RRSP and 739,475 of these Common Shares are held indirectly by Scharfe Holdings Inc., a private company controlled by Bradley Scharfe. Mr. Bradley Scharfe also holds options to purchase 40,000 Common Shares.
- (4) Mr. Jason Scharfe also holds options to purchase 10,000 Common Shares.

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

Occupation, Business or Employment of Director Nominees

The following disclosure sets out each nominee’s principal occupation, business or employment within the five preceding years. The information as to principal occupation, business or employment is not within the knowledge of management of the Corporation and has been furnished by the respective nominees.

Bradley Scharfe – President and Chief Executive Officer and Director

Mr. Bradley Scharfe has been focused on venture capital situations throughout his career and has successfully worked with multiple companies in the areas of capital requirements, public market concerns and personnel. Bradley is a founder and partner of Skanderbeg Capital Partners Inc. and was the Chief Executive Officer of Parkit Enterprise Inc. (“Parkit”) from March 2012 to November 2012 and a director of Parkit, a company listed on the TSXV, since March 2012. Bradley was a director of Fibre-Crown Manufacturing Inc., a company listed on the TSXV, from October 2007 to January 2012. Bradley was a partner of Calneva Financial Partners from 2004 to 2009 and he was previously a venture capital stock broker with Canaccord Capital Corporation for 12

years, earning Chairman's Club status during this time. Bradley holds a Bachelor of Arts degree from the University of Toronto, with a major in Commerce and Economics.

Jason Wesley Scharfe - Director

Mr. Jason Scharfe served as Vice President of Marketing of the Corporation since July 2009 to February 13, 2012 and he has been a Managing Director of Marsh Canada Limited since January 1994. Jason has been a director of Yankee Hat Minerals Ltd., a company listed on the TSXV, since June 2010. Jason was appointed as a director of Jager Resources Inc. ("Jager"), a company listed on the CNSX, in October 2013. Jason was a director of Eagle Hill Exploration Corporation, a company listed on the Frankfurt Stock Exchange, TSXV and OTCBB, from July 2006 to February 2010. Jason received his Chartered Insurance Professional certificate from the Insurance Institute of Canada in December, 1998. Jason holds a Diploma in Financial Management from British Columbia Institute of Technology and received his Bachelor of Arts degree from the University of British Columbia in April 1991.

Michael Mulberry – Director

Mr. Mulberry is current President and CEO of Copper Cowboy Resources Inc., a company listed on the Canadian National Stock Exchange ("CNSX"). For the last 20 years Mr. Mulberry has been involved with the mineral exploration industry both in finance and exploration. Mr. Mulberry has focused on managing field operations for the past decade and he was President of World Organics Inc. from 2002 to 2012, a company listed on the NEX of the TSXV. Mr. Mulberry was also President and Chief Executive Officer of Encore Renaissance Resources (now Westkam Gold Corp.) from 2008 to 2012, a company listed on the TSXV. Mr. Mulberry was a director of Remington Resources Inc. from 2004 to 2005, a company listed on the TSXV. Mr. Mulberry was President and Chief Executive Officer of North American Gem Inc. (now Victory Mountain Ventures Ltd.), a company listed on the TSXV, in 2003. Mr. Mulberry received a Bachelor of Arts from the University of Western Ontario in 1987.

Rob Geisthardt – Director Nominee

Mr. Geisthardt is a Chartered Accountant and he has 14 years' experience in corporate reporting and finance. Mr. Geisthardt is an incorporated partner of Quantum Advisory Partners LLP, a professional services firm that provides accounting, tax, internal audit and consulting services to private and public companies in Canada and the United States. Prior to his involvement with Quantum Advisory Partners LLP, he was employed at Ernst & Young LLP. Mr. Geisthardt was a director of Parkit from February 2012 to June 2013. Mr. Geisthardt also served as Chief Financial Officer of Parkit from November 2010 to June 2013. Mr. Geisthardt was Chief Financial Officer of Jager from January 2010 to April 2012. Mr. Geisthardt was a director of Primary Petroleum Corporation, a company listed on the TSXV, from September 2009 to May 2011. He has a Bachelor of Science Degree in Mathematics from the University of Victoria in British Columbia (1998) and has a Chartered Accountants (CA) designation from the British Columbia Institute of Chartered Accountants in 2002.

Cease Trade Orders and Bankruptcy

No proposed director is, as at the date of this Management Proxy Circular, or has been, within ten (10) years before the date of this Management Proxy Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation in respect of which this Management Proxy Circular is being prepared) that:

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

No proposed director is, as at the date of this Management Proxy Circular, or has been, within ten (10) years before the date of this Management Proxy Circular, a director or executive officer of any company (including the Corporation in respect of which this Management Proxy Circular is being prepared) 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.

Other than as set out below, no proposed director has, within the ten (10) years before the date of this Management Proxy 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.

Penalties and Sanctions

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

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Accountants, Suite 1200 – 609 Granville Street, Vancouver, British Columbia will be nominated at the Meeting for reappointment as auditor of the Corporation at remuneration to be fixed by the directors.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Corporation, as a venture issuer, to disclose annually in its Management Proxy Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Audit Committee’s Charter

The Audit Committee has a charter, a copy of which is attached as Schedule “A” to the Management Proxy Circular for the Corporation’s 2012 annual general and special meeting and which was filed on www.sedar.com on October 12, 2012.

Composition of the Audit Committee

The members of the Audit Committee are Jason Scharfe and Bradley Scharfe. Following the Meeting, Rob Geisthardt will be appointed to the Audit Committee and will be Chairman of the Audit Committee. Jason Scharfe and Rob Geisthardt will be the independent members of the Audit Committee as defined under section 1.4 of NI 52-110. Bradley Scharfe is the President and Chief Executive Officer of the Corporation therefore he is a non-independent member of the Audit Committee. All members of the Audit Committee are financially literate as required under section 1.6 of NI 52-110.

Relevant Education and Experience

See disclosure under heading “Occupation, Business or Employment of Director Nominees” for relevant education and experience for each member of the Audit Committee.

Each member of the audit committee has:

- (a) an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson & Company LLP, Chartered Accountants.

Reliance on Certain Exemptions

The Corporation has not relied on any exemptions under section 2.4 *De Minimis Non-Audit Services* of NI 52-110 or an exemption granted under Part 8 (Exemptions) of NI 52-110, during its most recently completed financial year.

Pre-Approval Policies and Procedures

Effective October 5, 2012, the Corporation has adopted specific policies and procedures for the engagement of non-audit services in its Audit Committee Charter. Pursuant to section 4.4 of the Audit Committee Charter, all non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the Audit Committee. The Audit Committee may delegate to one or more independent members of the Audit Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Audit Committee at its next scheduled meeting. The Audit Committee may satisfy the requirement for the pre-approval of non-audit services if: (i) the aggregate amount of all non-audit services that were non-pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Corporation to the external auditor during the fiscal year in which the services are provided; or (ii) the services are brought to the attention of the Audit Committee and approved, prior to completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP, Chartered Accountants to the Corporation to ensure auditor independence. Fees incurred with Davidson & Company LLP, Chartered Accountants for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended June 30, 2013	Fees Paid to Auditor in Year Ended June 30, 2012
Audit Fees ⁽¹⁾	\$15,000	\$15,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$15,000	\$15,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the year ended June 30, 2013. This exemption exempts a "venture issuer" from the requirement to have 100% of the members of its audit committee independent, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board meets formally on an as needed basis to review and discuss the Corporation's business activities, and to consider and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per quarter between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Corporation's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings and through committees of the Board. At present, the Board has an Audit Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Corporation, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

The independent members of the Board are Jason Wesley Scharfe and Michael Mulberry. Rob Geisthardt will be appointed at the Meeting as the third independent member. The non-independent member of the Board is Bradley Scharfe who is President and Chief Executive Officer of the Corporation following the Meeting.

Directorships

The following directors are presently serving on the boards of other reporting companies or equivalent as follows:

Name	Name of Reporting Issuer	Exchange Listed
Bradley Scharfe	Jager Resources Inc. Parkit Enterprise Inc.	CNSX TSXV
Jason Wesley Scharfe	Yankee Hat Minerals Ltd.	TSXV
Michael Mulberry	Copper Cowboy Resources Inc. Westkam Gold Corp.	CNSX TSXV

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation's industry, business and operations and the responsibilities of directors. Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board considers its size each year 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. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole.

Compensation

The Board, as a whole, annually reviews and determines compensation for the directors and its Chief Executive Officer.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board regularly monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and committees.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officer

In this section “Named Executive Officer” (an “NEO”) means the Chief Executive Officer (the “CEO”), the Chief Financial Officer (the “CFO”) and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year ended June 30, 2013.

Carson Seabolt, former President and CEO, Jonathan Richards, CFO, Michael Moore, COO and former President and CEO, and Robert Maddigan, former President and CEO, are each an NEO of the Corporation for the purposes of the following disclosure.

Compensation Discussion and Analysis

The Board has not considered the implications of the risks associated with the Corporation’s compensation program. In 2014, the Corporation intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Corporation’s compensation program and how it might mitigate those risks.

The Corporation has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Corporation, none of the executive officers or directors have purchased such financial instruments.

Philosophy and Objectives

The Corporation is a natural resource corporation engaged in the acquisition and exploration of resource properties. The compensation program for the senior management of the Corporation is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Corporation’s shareholders.

In compensating its senior management, the Corporation has employed a combination of base salary and equity participation through its share option plan. Recommendations for senior management compensation are presented to the Board for review.

Base Salary

In the Board’s view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Corporation operates is a first step to attracting and retaining qualified and effective executives.

Bonus Incentive Compensation

The Corporation’s objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Corporation meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Chief Executive Officer.

Equity Participation

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Corporation's limited financial resources, the Corporation emphasises the provisions of option grants to maintain executive motivation.

Actions, Decisions or Policies Made After June 30, 2013

Given the nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

On July 24, 2013 the Company completed a non-brokered private placement and issued 950,000 units at a price of \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.10 per share until July 24, 2015.

Mr. Carson Seabolt resigned as President and Chief Executive Officer of the Corporation on September 17, 2013. Mr. Bradley Scharfe replaced Mr. Seabolt as President and Chief Executive Officer on September 18, 2013. Mr. Seabolt resigned as a director of the Corporation on September 18, 2013.

Option-Based Awards

The Corporation has a share option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The share option plan is administered by the directors of the Corporation and provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation.

Summary of Compensation

The compensation paid to the NEOs during the Corporation's three most recently completed financial years of June 30, 2013, 2012 and 2011 is as set out below and expressed in Canadian dollars unless otherwise noted.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Carson Seabolt ⁽¹⁾ former President and CEO	2013	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000
Jonathan Richards ⁽²⁾ CFO	2013	Nil	Nil	Nil	Nil	Nil	Nil	53,290	53,290
	2012	Nil	Nil	Nil	Nil	Nil	Nil	37,500	37,500
	2011	Nil	Nil	9,128	Nil	Nil	Nil	30,000	39,128

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Robert Maddigan ⁽³⁾ former President and CEO	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	50,000	50,000
Michael P. Moore ⁽⁴⁾ Chief Operating Officer and former President CEO	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	15,500	15,500
	2011	Nil	Nil	3,651	Nil	Nil	Nil	33,000	36,651

Notes:

- (1) Mr. Sebolt was appointed President, CEO and a director of the Corporation on July 3, 2012 and he resigned as President and CEO September 17, 2013 and resigned as a director on September 18, 2013.
- (2) Red Fern Consulting Ltd., a Company which Mr. Richards is a shareholder, provides CFO, accounting, bookkeeping and administrative services to the Company.
- (3) Mr. Maddigan was appointed President and CEO on February 13, 2012 and resigned on July 3, 2012.
- (4) Mr. Moore was President and CEO from July 16, 2009 to February 13, 2012. Mr. Moore was appointed Chief Operating Officer on February 13, 2012.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets out all share-based awards and option-based awards outstanding as at June 30, 2013, for each NEO.

Name	Option –based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of share or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jonathan Richards	10,000	\$1.00	May 25, 2014	Nil	N/A	N/A
	25,000	\$1.00	June 7, 2016	Nil	N/A	N/A
Michael P. Moore ⁽²⁾	30,000	\$1.00	May 25, 2014	Nil	N/A	N/A
	15,000	\$1.50	July 7, 2014	Nil	N/A	N/A
	10,000	\$1.00	June 7, 2016	Nil	N/A	N/A

Notes:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of June 30, 2013, which was \$0.075, and the exercise or base price of the option.
- (2) Mr. Moore resigned as President and CEO on February 13, 2012 and he was appointed Chief Operating Officer on February 13, 2012.

Pension Plan Benefits

The Corporation has no pension plans for its directors, officers or employees.

Termination and Change of Control Benefits

The Corporation has no provisions for any termination or change of control.

Director Compensation

The following table sets forth information with respect to all amounts of compensation provided to the directors that are not NEOs of the Corporation for the most recently completed financial year end.

Name	Fees earned (\$)	Share based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jason Wesley Scharfe	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bradley Scharfe	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Mulberry ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Williams ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yana Bobrovskaya ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Mulberry was appointed a director on June 25, 2013.
- (2) Mr. Williams was appointed a director on July 16, 2009 and resigned on July 3, 2012.
- (3) Ms. Bobrovskaya was appointed a director on February 13, 2012 and resigned on July 3, 2012.

Outstanding Option-Based Awards and Share-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 share or units of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Jason Wesley Scharfe	10,000	\$1.00	May 25, 2014	Nil	Nil	Nil
Bradley Scharfe	40,000	\$1.50	July 7, 2014	Nil	Nil	Nil

Notes:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of June 30, 2013, which was \$0.075, and the exercise or base price of the option.

There was no value vested or earned on options during the year ended June 30, 2012, by any director or officer as the Common Shares were trading below the exercise price.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at June 30, 2013, the only equity compensation plan which the Corporation had in place was the Corporation's share option plan. See heading "Option Based Awards".

The following table sets out equity compensation plan information as at the end of the financial year ended June 30, 2013:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)
Equity compensation plans approved by securityholders	135,000	\$1.19	1,034,546
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	135,000	\$1.19	1,034,546

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction since the commencement of the Corporation's most recently completed financial year which has materially affected or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTER TO BE ACTED ON

A. Amendment of Articles

The Articles of the Corporation presently does not permit the Board to appoint additional directors between meetings of shareholders unless a vacancy has occurred among the directors previously elected by the shareholders.

The CBCA provides that the directors of a corporation may, if the articles of the corporation so provide, appoint one or more directors as long as the total number of directors so appointed does not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of the shareholders.

As a result, it is not possible to recruit and invite qualified individuals to join the Board between annual meetings of the shareholders unless, for some reason, an existing director has resigned. This limitation may significantly restrict the Corporation's ability to enhance the effectiveness and contribution of the Board. The authority to do so would provide the Board with greater flexibility to appoint additional directors as the need arises.

At the Meeting shareholders will be asked to consider and, if thought advisable, adopt a special resolution amending the Articles of the Corporation. A special resolution requires the affirmative vote of not less than two-thirds (2/3) of the votes cast by the holders of Shares who vote in person or by proxy at the Meeting.

The shareholders of the Corporation will be asked to pass the following special resolution:

“IT IS RESOLVED THAT, AS A SPECIAL RESOLUTION THAT:

- A. The Articles be amended to add the following paragraph to item 7 of the Corporation’s Articles:

“7. The directors may, between annual meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting of shareholders, but the number of additional directors so appointed shall not at any time exceed one-third (1/3) of the number of directors elected at the previous annual general meeting of the Corporation.”

- B. Any director or officer of the Corporation is authorized and directed to sign all documents and to do all things necessary or desirable to effect such amendment including the delivery of articles of amendment in prescribed form to the Director under the Canada Business Corporations Act.”

B. Ratification of By-Laws

The Board approved amendments to the Corporation’s by-laws to include advance notice provisions (the “Advance Notice Provisions”) which require that advance notice be provided to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to: (i) a requisition of a meeting of shareholders made pursuant to the provisions of the CBCA; or (ii) a shareholder proposal made pursuant to the provisions of the CBCA.

The purpose of the Advance Notice Provisions is to foster a variety of interests of the shareholders and the Corporation by ensuring that all shareholders — including those participating in a meeting by proxy rather than in person — receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Provisions should assist in facilitating an orderly and efficient meeting process. The Advance Notice Provisions provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. Among other things, the Advance Notice Provisions fix a deadline by which holders of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

In the case of an annual meeting of shareholders, notice to the Corporation must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event the annual meeting is to be held on a date that is less than 40 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 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation 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.

For purposes of the Meeting, in accordance with the terms of the Advance Notice Provisions, the Board has determined that notice of nominations of persons for election to the Board at the Meeting pursuant to section 4.03A of the by-laws must be made by October 15, 2013. Such notice must be in the form, and given in the manner, prescribed by the Advance Notice Provisions. A copy of the Corporation’s by-laws is attached as Schedule “A”.

The shareholders of the Corporation will be asked to pass the following special resolution:

‘IT IS RESOLVED THAT:

1. the by-laws of the Corporation substantially in the form attached as Schedule “A” to the Corporation’s Management Proxy Circular dated October 11, 2013 be and are hereby ratified, confirmed and approved as the by-laws of the Corporation; and
2. any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such documents and instruments and to do all other things as in the opinion of such director or officer may 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 document or instrument, or the taking of any such action.”

C. Share Option Plan

A number of Common Shares equal to ten (10%) percent of the issued and outstanding Common Shares in the capital stock of the Corporation from time to time are reserved for the issuance of stock options pursuant to the Corporation’s 2012 Share Option Plan dated for reference October 5, 2012 (the “Plan”). The Plan was approved by shareholders at the Corporation’s last annual general and special meeting held on November 8, 2012. As the Plan is a rolling plan, under TSXV policy, the Plan must be presented to shareholders for approval by ordinary resolution at every annual general meeting of the Corporation to authorize continuation of the Plan.

The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the CEO and CFO of the Corporation. The Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Plan also provides that the number of Common Shares issuable under the Plan, together with all of the Corporation’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. Pursuant to the Plan all options expire on a date not later than 10 years after the date of grant of an option.

Pursuant to the TSXV Policies, the Corporation wishes to seek shareholder approval to the Plan.

Details of the Plan are further described in the management proxy circular for the November 8, 2012 annual general and special meeting as filed on www.sedar.com on October 12, 2012. A copy of the Plan will be available for inspection at the Meeting.

Shareholder Approval

At the Meeting, shareholders will be asked to consider and vote on the ordinary resolution to ratify and approve the continuation of the Plan, as follows:

“RESOLVED that the Share Option Plan dated for reference October 5, 2012 be ratified and approved until the next annual meeting of the Corporation.”

The Board recommends shareholders vote in favour of the above resolution.

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

The Board is of the view that the Plan provides the Corporation with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. A copy of the Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Plan by contacting the Corporation at Telephone No. 604-687-7130 or Fax No. 604-608-9110.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Corporation for the year ended June 30, 2013 and in the related management discussion and analysis and filed on www.sedar.com. A copy of the financial statements will be available at the Meeting.

Additional information relating to the Corporation is filed on www.sedar.com and upon request from the Corporation's Corporate Secretary at Suite 700 – 510 West Hastings Street, Vancouver, British Columbia, telephone number 604-687-7130, fax: 604-608-9110. Copies of documents will be provided free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a securityholder of the Corporation, who requests a copy of any such document.

OTHER MATERIAL FACTS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Management Proxy Circular.

SHAREHOLDER PROPOSALS

Pursuant to Canadian law, shareholder proposals to be considered for inclusion in the management proxy circular for the 2014 annual meeting of the Corporation (expected to be held in November 2014) must be received by Bradley Scharfe, Director of the Corporation, on or before the close of business on August 15, 2014.

DIRECTORS' APPROVAL

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board of the Corporation.

DATED at Vancouver, British Columbia, October 11, 2013.

BY ORDER OF THE BOARD

“Bradley Scharfe”

Bradley Scharfe

President and Chief Executive Officer

SCHEDULE "A"

**SECOVA METALS CORP.
(the "Corporation")**

BYLAWS No. 2A

[see next page]

BY-LAW NO. 2A

of

SECOVA METALS CORP.

TABLE OF CONTENTS

	Page No.
SECTION 1 INTERPRETATION	1
1.01 Definitions	1
1.02 Additional Definitions	2
1.03 Interpretations	2
SECTION 2 BUSINESS OF THE CORPORATION	2
2.01 Corporate Seal	2
2.03 Financial Year	2
2.04 Execution of Instruments	2
2.05 Banking Arrangements	3
2.06 Voting Rights in Other Bodies Corporate	3
2.07 Withholding Information from Shareholders	3
SECTION 3 BORROWING AND SECURITY	3
3.01 Borrowing Power	3
3.02 Delegation	4
SECTION 4 DIRECTORS	4
4.01 Number of Directors and Quorum	4
4.02 Qualification	4
4.03 Election and Term	5
4.03A Nomination of Directors	5
4.04 Removal of Directors	9
4.05 Vacation of Office	9
4.06 Vacancies; Appointment of Additional Directors	10
4.07 Action by the Board	10
4.08 Canadian Residency	10
4.09 Meetings by Telephonic, Electronic or Other Communication Facility	10
4.10 Place of Meetings	11
4.11 Calling of Meetings	11
4.12 Notice of Meeting	11

4.13	First Meeting of New Board	12
4.14	Adjourned Meeting	12
4.15	Regular Meetings	12
4.16	Chairman	12
4.17	Votes to Govern	12
4.18	Conflict of Interest	12
4.19	Remuneration and Expenses	13
SECTION 5 COMMITTEES		13
5.01	Committee of Directors	13
5.02	Transaction of Business	13
5.03	Audit Committee	13
5.04	Advisory Committees	13
SECTION 6 OFFICERS		14
6.01	Appointment	14
6.02	Chairman of the Board	14
6.03	Vice-Chairman of the Board	14
6.04	President	14
6.05	Vice-President	14
6.06	Chief Financial Officer	15
6.07	Secretary	15
6.08	Treasurer	15
6.09	Powers and Duties of Other Officers	15
6.10	Variation of Powers and Duties	15
6.11	Term of Office	15
6.12	Terms of Employment and Remuneration	16
6.13	Conflict of Interest	16
6.14	Agents and Attorneys	16
6.15	Fidelity Bonds	16
SECTION 7 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS		16
7.01	Limitation of Liability	16
7.02	Indemnity	17
7.03	Advance of Costs	17
7.04	Derivative Actions	17
7.05	Insurance	17
7.06	Legal Proceedings	17

SECTION 8 SHARES	18
8.01 Allotment	18
8.02 Commissions	18
8.03 Registration of Transfer	18
8.04 Transfer Agents and Registrars	19
8.05 Lien for Indebtedness	19
8.06 Non-Recognition of Trusts	19
8.07 Share Certificates	19
8.08 Replacement of Share Certificates	20
8.09 Joint Shareholders	20
8.10 Deceased Shareholders	20
SECTION 9 DIVIDENDS AND RIGHTS	21
9.01 Dividends	21
9.02 Dividend Cheques	21
9.03 Non-Receipt of Cheques	21
9.04 Record Date for Dividends and Rights	21
9.05 Unclaimed Dividends	22
SECTION 10 MEETINGS OF SHAREHOLDERS	22
10.01 Annual Meetings	22
10.02 Special Meetings	22
10.03 Place of Meetings	22
10.04 Notice of Meetings	22
10.05 List of Shareholders Entitled to Notice	23
10.06 Record Date for Notice	23
10.07 Meetings without Notice	23
10.08 Chairman, Secretary and Scrutineers	24
10.09 Persons Entitled to be Present	24
10.10 Quorum	24
10.11 Right to Vote; Record Date for Voting	25
10.12 Proxies	25
10.13 Time for Deposit of Proxies	26
10.14 Joint Shareholders	26
10.15 Votes to Govern	26
10.16 Show of Hands	26
10.17 Electronic Meetings and Electronic Voting	26
10.18 Ballots	27
10.19 Adjournment	27
10.20 Resolution in Writing	27

10.21	Only One Shareholder	27
10.22	Notice of Record Dates	27
10.23	Availability of Shareholders Lists for Inspection	27
SECTION 11 DIVISIONS AND DEPARTMENTS		28
11.01	Creation and Consolidation of Divisions	28
11.02	Name of Division	28
11.03	Officers of Divisions	28
SECTION 12 NOTICES		28
12.01	Method of Giving Notice	28
12.02	Notice to Joint Shareholders	29
12.03	Computation of Time	29
12.04	Undelivered Notices	29
12.05	Omissions and Errors	29
12.06	Persons Entitled by Death or Operation of Law	29
12.07	Waiver of Notice	30
12.08	Electronic Documents	30
SECTION 13 EFFECTIVE DATE		30
13.01	Effective Date	30
13.02	Repeal	31

BY-LAW NO. 2A

A by-law relating generally to the transaction of the business
and affairs of

SECOVA METALS CORP.

BE IT ENACTED as a by-law of the Corporation as follows:

SECTION 1

INTERPRETATION

1.01 Definitions

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

“**Act**” means the *Canada Business Corporations Act* and the regulations thereto, and any statute that may be substituted therefor, as from time to time amended;

“**articles**” means the articles of the Corporation, as from time to time amended or restated;

“**board**” means the board of directors of the Corporation;

“**by-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“**Corporation**” means the corporation which adopts this by-law,

“**distributing corporation**” means a corporation, any of the issued securities of which are or were part of a distribution to the public and remain outstanding and are held by more than one person;

“**meeting of shareholders**” includes an annual meeting of shareholders and a special meeting of shareholders;

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

“**recorded address**” means in the case of a shareholder, the shareholder’s address as recorded in the securities register; and in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are

more than one; and in the case of a director, officer, auditor or member of a committee of the board, the latest address of such person as recorded in the records of the Corporation;

“**resident Canadian**” has the meaning ascribed thereto in the Act;

“**signing officer**” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.04 or by a resolution passed pursuant thereto; and

“**special meeting of shareholders**” includes a special meeting of all shareholders entitled to vote at an annual meeting of shareholders and a meeting of any class or classes of shareholders entitled to vote on the question at issue.

1.02 Additional Definitions

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein.

1.03 Interpretations

Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

SECTION 2

BUSINESS OF THE CORPORATION

2.01 Corporate Seal

Until changed by the board, the corporate seal of the Corporation, if any, shall be in the form impressed hereon.

2.02 Financial Year

The fiscal period end of the Corporation will be as the board determines.

2.03 Execution of Instruments

Deeds, transfers, assignments, bills of sale, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two directors or officers or any director together with any officer. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal, if any, to any instrument requiring the same.

2.04 Banking Arrangements

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

2.05 Voting Rights in Other Bodies Corporate

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

2.06 Withholding Information from Shareholders

Subject to the provisions of the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which, in the opinion of the board, could be inexpedient in the interests of the shareholders or the Corporation to communicate to the public. The board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any account, record or document of the Corporation except as conferred by the Act or authorized by the board.

SECTION 3

BORROWING AND SECURITY

3.01 Borrowing Power

Without limiting the borrowing powers of the Corporation as set forth in the Act, the board may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate bonds, debentures, notes or other evidence of indebtedness or guarantee of the Corporation, whether secured or unsecured;

- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in or charge upon all or any real or personal, movable or immovable property of the Corporation, owned or subsequently acquired, including book debts, rights, powers, franchises and undertakings by way of mortgage, hypothec, pledge or otherwise, to secure payment of any such evidence of indebtedness or guarantee whether present or future of the Corporation.

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

3.02 Delegation

The board may from time to time by resolution delegate to one or more directors, a committee of directors or one or more officers of the Corporation as may be designated by the board all or any of the powers conferred on the board by section 3.01 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

SECTION 4

DIRECTORS

4.01 Number of Directors and Quorum

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles. Subject to the Act and to section 4.08 hereof, the quorum for the transaction of business at any meeting of the directors shall consist of 50% of the directors then in office; PROVIDED THAT not less than one (1) independent director is included within such quorum, and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors present or in attendance by any means of electronic transmission or any other form of communication facility.

4.02 Qualification

A person shall not be qualified for election as a director if such person is less than 18 years of age; if such person is of unsound mind and has been so found by a court in Canada or elsewhere; if such person is not an individual; or if such person has the status of a bankrupt. A director need not be a shareholder. Any person who is elected or appointed to hold office as a director, even where otherwise qualified to be a director, shall be deemed not to be elected or appointed to hold office as a director unless:

- (a) such person was present at the meeting when the election or appointment took place and such individual did not refuse to hold office as a director; or
- (b) such person was not present at the meeting when the election or appointment took place and
 - (i) such person consented to hold office as a director in writing before the election or appointment or within ten days after it; or
 - (ii) such person has acted as a director pursuant to the election or appointment.

At least twenty-five percent (25%) of the directors shall be resident Canadians unless the Corporation has less than four directors in which case, at least one of the directors shall be a resident Canadian. For so long as the Corporation is a distributing corporation at least two directors shall not be officers or employees of the Corporation or its affiliates.

4.03 Election and Term

Directors shall be elected yearly to hold office until the close of the next annual meeting of shareholders or, in the case of directors named in the notice accompanying the articles of incorporation, until the first meeting of shareholders. Where directors fail to be elected at any such meeting of shareholders, then notwithstanding the preceding sentence, the incumbent directors shall continue in office until their successors are elected. The number of directors to be elected at any such meeting shall be the greater of the number (or the minimum number, as the case may be) of directors provided for in the articles and the number of directors then in office unless the directors or the shareholders otherwise determine. The election shall be by resolution.

4.03A Nomination of Directors

Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting), (a) by or at the direction of the board or an authorized officer of the Corporation, 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 section 4.03A 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 section 4.03A:

- (A) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (a) timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 4.03A and (b) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in, section 4.03A(D).
- (B) To be timely under section 4.03A(A)(a), a Nominating Shareholder's notice to the secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 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 tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the 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 section 4.03A(B).
- (C) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Corporation, under section 4.03A(A)(a), must set forth (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (iv) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 - Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (v) 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; and (b) as to the Nominating Shareholder giving the notice, (i) any 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, and (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder 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.

- (D) To be eligible to be a candidate for election as a director of the Corporation and to be duly nominated, a candidate must be nominated in the manner prescribed in this section 4.03A and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the secretary of the Corporation at the principal executive offices of the Corporation, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Corporation) that such candidate for nomination, if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, and insider trading policies and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the secretary of the Corporation shall provide to such candidate for nomination all such policies and guidelines then in effect).
- (E) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section 4.03A; provided, however, that nothing in this section 4.03A shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (F) For purposes of this section 4.03A:
- (a) "Affiliate", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- (b) "Applicable Securities Laws" means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories 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 commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
- (c) "Associate", when used to indicate a relationship with a specified person, shall mean (i) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (vi) any relative of such specified

person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person;

(d) “Derivatives Contract” shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Corporation or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Corporation or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(e) “Meeting of Shareholders” shall mean such annual shareholders meeting or special shareholders meeting at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(f) “owned beneficially” or “owns beneficially” means, in connection with the ownership of shares in the capital of the Corporation by a person, (i) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (iii) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (iii) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of

such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (iv) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities; and

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

- (G) Notwithstanding section 12, notice or any delivery given to the secretary of the Corporation pursuant to this section 4.03A may only be given by personal delivery, facsimile transmission or by email (provided that the secretary of the Corporation has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (H) 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 in section 4.03A(B) or the delivery of a representation and agreement as described in section 4.03A(D).

4.04 Removal of Directors

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

4.05 Vacation of Office

A person ceases to hold the office of director of the Corporation when such person dies; such person is removed from office by the shareholders; such person ceases to be qualified for election as a director; or such person's written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.06 Vacancies; Appointment of Additional Directors

Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure of the shareholders to elect the number or minimum number of directors. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the number or minimum number of directors, the board shall without delay call a special meeting of shareholders to fill the vacancy. If the board fails to call such meeting or if there are no such directors then in office, any shareholder may call the meeting. Any director appointed or elected to fill such vacancy holds office for the unexpired term of such director's predecessor. If the articles so provide, the directors may appoint one or more additional directors, who shall hold office until the close of the next annual meeting, but the total number of additional directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders of the Corporation.

4.07 Action by the Board

The board shall manage, or supervise the management of, the business and affairs of the Corporation. Subject to sections 4.08 and 4.09, the powers of the board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the directors who would have been entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office. Where the Corporation has only one director, that director may constitute the meeting.

4.08 Canadian Residency

The board shall not transact business at a meeting, other than filling a vacancy in the board, unless twenty-five percent (25%) of the directors present are resident Canadians (or, if the Corporation has fewer than four directors, at least one of the directors present is a resident Canadian), except where:

- (a) a resident Canadian director who is unable to be present approves in writing, or by telephonic, electronic or other communication facility, the business transacted at the meeting; and
- (b) the required number of resident Canadian directors would have been present had that director been present at the meeting.

4.09 Meetings by Telephonic, Electronic or Other Communication Facility

Subject to the Act, if all the directors consent, a director may participate in a meeting of the board or of a committee of the board by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting, and a director participating in such a meeting by such means is deemed to be present at that meeting. Any such consent shall be effective whether

given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board held while a director holds office.

4.10 Place of Meetings

Meetings of the board may be held at any place in or outside Canada.

4.11 Calling of Meetings

Meetings of the board shall be held from time to time and at such time at such place as the board, the chairman of the board, the vice-chairman of the board, the president or any two directors may determine.

4.12 Notice of Meeting

Notice of the time and place of each meeting of the board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, and for any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor or appoint additional directors;
- (c) issue securities;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares of the Corporation;
- (f) pay a commission for or in connection with the purchase from the Corporation of the Corporation's shares;
- (g) approve a management proxy circular;
- (h) approve a take-over bid circular or directors' circular;
- (i) approve any annual financial statements; or
- (j) adopt, amend or repeal by-laws.

A director may in any manner waive notice of or otherwise consent to a meeting of the board. Attendance of a director at a meeting of directors is a waiver of notice of the meeting except

where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4.13 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

4.14 Adjourned Meeting

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

4.15 Regular Meetings

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.16 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, vice-chairman of the board, president, or a vice-president who is a director. If no such officer is present, the directors present shall choose one of their number to be chairman.

4.17 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

4.18 Conflict of Interest

A director or officer who is a party to, or who is a director or officer or an individual acting in a similar capacity of or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or material transaction with the Corporation shall disclose the nature and extent of the individual's interest at the time and in the manner provided by the Act. Any contract or transaction or proposed contract or transaction in which a director or officer is interested shall be referred to the board for approval (unless the same is referred to the shareholders for approval) even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or the shareholders, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Act.

4.19 Remuneration and Expenses

Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

SECTION 5

COMMITTEES

5.01 Committee of Directors

The board may appoint from its members a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which, under the Act, a committee of directors has no authority to exercise.

Unless otherwise determined by the board, each committee of directors shall have the power to fix its quorum, to elect its chairman and to regulate its procedure.

5.02 Transaction of Business

Subject to the provisions of section 4.09, the powers of a committee of directors may be exercised by a meeting at which a quorum of the committee is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 Audit Committee

For so long as the Corporation is a distributing corporation, the board shall elect annually from among its number an audit committee to be composed of not fewer than 3 directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

5.04 Advisory Committees

The board may from time to time appoint such other committees as it may deem desirable, but the functions of any such other committees, in so far as such functions concern the powers of the directors that may not be delegated to any persons, shall be advisory only.

SECTION 6

OFFICERS

6.01 Appointment

The board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a chief financial officer, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.02 and 6.03, an officer may but need not be a director and one person may hold more than one office.

6.02 Chairman of the Board

The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to the individual any of the powers and duties that are by any provisions of this by-law capable of being assigned to the president; and the individual shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, the individual's duties shall be performed and the individual's powers exercised by the vice-chairman of the board, if any, or if there is no vice-chairman of the board, by a director selected by the board or by the president.

6.03 Vice-Chairman of the Board

The board may from time to time appoint a vice-chairman of the board who shall be a director. During the absence or disability of the chairman of the board, the chairman's duties shall be performed and his powers exercised by the vice-chairman of the board. The vice-chairman of the board shall, subject to the provisions of the Act, have such other powers and duties as the board may specify.

6.04 President

If appointed, the president shall be the chief operating officer, if a chief executive officer, has been or is to be otherwise appointed, and if not, the president shall be the chief executive officer, unless the board otherwise determines. Subject to the authority of the board and any limitations the board may prescribe, if the president is the chief executive officer, the president shall have general supervision of the business of the Corporation; and the president shall have such other powers and duties as the board may specify.

6.05 Vice-President

A vice-president shall have such powers and duties as the board or the chief executive officer may specify.

6.06 Chief Financial Officer

The chief financial officer will cause the preparation and maintenance of proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation and at the request of the board, will render an account of the Corporation's financial transactions and the financial position of the Corporation. The chief financial officer shall have such other powers and duties as the board or the chief executive officer of the Corporation may specify.

6.07 Secretary

The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; the secretary shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, the auditor and members of committees of the board; the secretary shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and the secretary shall have such other powers and duties as the board or the chief executive officer may specify.

6.08 Treasurer

In the absence of a chief financial officer, the treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; the treasurer shall render to the board whenever required an account of all of the treasurer's transactions as treasurer and of the financial position of the Corporation and the treasurer shall have such other powers and duties as the board or the chief executive officer may specify.

6.09 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.10 Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.11 Term of Office

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

6.12 Terms of Employment and Remuneration

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

6.13 Conflict of Interest

An officer shall disclose the officer's interest in any material contract or material transaction or any proposed material contract or proposed material transaction with the Corporation in accordance with section 4.18.

6.14 Agents and Attorneys

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

6.15 Fidelity Bonds

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

SECTION 7

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 Limitation of Liability

Every director and officer of the Corporation in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto, unless the same are occasioned by their own willful neglect or default; provided that, except as otherwise provided in the Act, nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

7.02 Indemnity

Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, if:

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, with a view to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

The Corporation shall also indemnify such person in such other circumstances as the Act permits or requires.

7.03 Advance of Costs

The Corporation, if authorized by the board, may advance moneys to a director, officer or other individual referred to in Section 7.02 for the costs, charges and expenses of a proceeding referred to in Section 7.02. The individual shall repay the moneys if the individual does not fulfil the conditions set out in paragraphs 7.02(a) and (b).

7.04 Derivative Actions

The Corporation may with the approval of a court authorized to give such approval by the Act, indemnify an individual referred to in Section 7.02, or advance moneys under Section 7.03, in respect of an action by or on behalf of the Corporation or other entity to procure a judgment in its favour, to which the individual is made a party because of the individual's association with the Corporation or other entity as described in Section 7.02, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfils the conditions set out in paragraphs 7.02(a) and (b).

7.05 Insurance

Subject to the limitations contained in the Act, the Corporation may purchase and maintain insurance for the benefit of any person referred to in section 7.02 hereof.

7.06 Legal Proceedings

The board is authorized from time to time to

- (a) retain and instruct legal counsel to commence or defend legal proceedings on behalf of the Corporation and to authorize any settlement, compromise, waiver of privilege, plea in criminal or quasi-criminal matters, proceedings or other steps whatsoever on behalf of the Corporation as the board considers expedient; and
- (b) to delegate to such directors, officers or employees of the Corporation as the board may designate, all or any of the foregoing powers to such extent and in such manner as the board may determine.

SECTION 8

SHARES

8.01 Allotment

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

8.02 Commissions

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

8.03 Registration of Transfer

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except:

- (a) upon presentation of the certificate representing such shares with a transfer endorsed thereon, or delivered therewith, or in the case of uncertificated shares, upon presentation of a transfer, in either case duly executed by the registered holder or by the registered holder's attorney or successor duly appointed;
- (b) upon the provision of such reasonable assurance or evidence of signature, identification and authority to transfer, if any, as the board (or the person of persons designated by the board from time to time to make such determination) may from time to time determine in any particular case or generally in respect of all transfers or a particular class of transfers;
- (c) where the Corporation has a duty to inquire into any adverse claims, if such duty has been discharged;

- (d) where it has been established, to the satisfaction of the board (or the person or persons designated by the board from time to time to make such determination) that the transfer is to a bona fide purchaser;
- (e) where it has not been established to the satisfaction of the board (or the person or persons designated by the board from time to time to make such determination) that the transfer is to a bona fide purchaser, the board (or the person or persons designated by the board from time to time to make such determination) is satisfied that there is no evidence that the transfer is not rightful;
- (f) upon payment of all applicable taxes and any fees prescribed by the board; and
- (g) upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.05.

8.04 Transfer Agents and Registrars

The board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers of transfers, but one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

8.05 Lien for Indebtedness

If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

8.06 Non-Recognition of Trusts

Subject to the provisions of the Act, the Corporation shall treat the registered owner of a security as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

8.07 Share Certificates

Shares of capital stock in the Corporation may be represented by uncertificated shares, but every holder of one or more shares of the Corporation shall be entitled, at the holder's option, to a share certificate, or to a non-transferable written acknowledgement of the holder's right to obtain a share certificate, stating the number and class or series of shares held by the holder as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with section 2.04 and need not be under the

corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically be reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.08 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or such person's discretion direct the issue of a new share certificate or uncertificated shares(s) in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken if the owner:

- (a) so requests before the Corporation has notice that the security has been acquired by a bona fide purchaser;
- (b) unless the board otherwise determines in a particular case, furnishes the Corporation with an indemnity bond sufficient, in the discretion of the board, to protect the Corporation; and
- (c) satisfies any other reasonable requisites imposed by the Corporation from time to time, whether generally or in any particular case.

8.09 Joint Shareholders

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate or written acknowledgment referred to in section 8.07 in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.10 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION 9

DIVIDENDS AND RIGHTS

9.01 Dividends

The board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid by issuing fully paid shares of the Corporation and, subject to the provisions of the Act, in money or property.

9.02 Dividend Cheques

A dividend payable in cash shall be paid by cheque of the Corporation, drawn on the Corporation's bankers or one of them or if the Corporation has appointed a disbursement agent, by cheque of the disbursement agent drawn on the disbursement agent's bankers or one of them (or by other means by which such agent effects such payments in the normal course of its business as a disbursement agent) to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the registered holder's recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.03 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.04 Record Date for Dividends and Rights

Subject to the Act and the rules of any stock exchange on which the shares of the Corporation are listed, the board may fix in advance within the period prescribed by the Act a date as a record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for any warrant or other evidence of right to subscribe for securities of the Corporation, provided that, unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register at the close of business on the day the directors fix the record date, the Corporation shall give notice of any such record date within the period prescribed by the Act, by newspaper advertisement in the manner provided in the Act and to each stock exchange in Canada on which the shares of the Corporation are listed. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend

or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

9.05 Unclaimed Dividends

Subject to the Act and other applicable laws, any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION 10

MEETINGS OF SHAREHOLDERS

10.01 Annual Meetings

The annual meeting of shareholders shall be held

- (a) not later than eighteen months after the Corporation comes into existence; and
- (b) subsequently, not later than fifteen months after holding the last preceding annual meeting but not later than six months after the end of the Corporation's preceding financial year,

for the purpose of receiving and considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.02 Special Meetings

The board shall have power to call a special meeting of shareholders at any time.

10.03 Place of Meetings

Meetings of shareholders, both annual and special, shall be held at the registered office of the Corporation or elsewhere in Canada as the board, or any person to whom such decision is delegated by the board, may from time to time determine. Any meeting of shareholders, either annual or special, may also be held at some place outside Canada, if the place at which such meeting is to be held is specified in the articles or if all of the shareholders entitled to vote thereat agree that the meeting is to be held at that place.

10.04 Notice of Meetings

For so long as the Corporation is a distributing corporation, notice of the time and place of each meeting of shareholders shall be given within the time period prescribed by the Act. If the Corporation is not a distributing corporation, notice of the time and place of each meeting of

shareholders shall be given not less than 10 days before the date when the meeting is to be held. In either case, such notice shall be given, in the manner provided in section 12.01, to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at or attend the meeting. Subject to the Act and any other applicable law, notice of a meeting of shareholders called for any purpose, other than receiving and considering the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor, shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.05 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the determination of shareholders entitled to notice of the meeting is fixed pursuant to section 10.06, the shareholders listed shall be those registered at the close of business on such record date. If no such record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, on the day on which the meeting is held. Such list shall be prepared, if a record date for the determination of shareholders entitled to notice of the meeting is fixed pursuant to section 10.06, no later than the tenth day following such record date and, if no such record date is fixed, on the day on which notice of the meeting is given, or where no such notice is given, on the day on which the meeting is held. Where a separate list of shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such meeting shall be deemed to be a list of shareholders.

10.06 Record Date for Notice

The board may fix in advance a date, within the period prescribed by Act, as a record date for the determination of the shareholders entitled to notice of the meeting. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be the close of business on the day immediately preceding the day on which the notice is given or if no notice is given, the day on which the meeting is held.

10.07 Meetings without Notice

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

- (a) if all the shareholders entitled to vote or to attend thereat are present in person or represented by proxy except where they attend the meeting for the express

purpose of objecting that the meeting is not duly called or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held; and

- (b) if the auditors and the directors are present except where they attend the meeting for the express purpose of objecting that the meeting is not duly called or waive notice of or otherwise consent to such meeting being held.

At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, and such place is not specified in the Corporation's articles, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.08 Chairman, Secretary and Scrutineers

The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting and prepared to act as chairman of the meeting: chairman of the board, vice-chairman of the board, president or a vice-president. If none of such officers is present within 15 minutes from the time fixed for holding the meeting or none of such officers that are present is prepared to act as chairman, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

10.09 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act, the articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.10 Quorum

A quorum for the transaction of business at a meeting of shareholders is at least two persons present at the commencement of the meeting holding, or representing by proxy, the holder or holders of shares carrying in the aggregate not less than five percent of the votes eligible to be cast at the meeting. 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 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.

If, at the adjourned meeting, a quorum is not present within one-half hour from the time set for the holding of the adjourned meeting, one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the adjourned meeting shall be deemed to constitute a quorum.

Individuals present at the commencement of the meeting holding, or representing by proxy the holder or holders of, shares carrying in the aggregate not less than five percent of the votes eligible to be cast at the meeting.

10.11 Right to Vote; Record Date for Voting

Subject to the Act, the board may establish a record date for the determination of those shareholders entitled to vote at a meeting of shareholders of the Corporation. If the board establishes such a record date, the Corporation shall not later than the tenth day thereafter prepare a list of shareholders of the Corporation holding shares entitled to be voted at such meeting arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. Subject to the provisions of the Act as to authorized representatives of any other body corporate, at the meeting of shareholders in respect of which the Corporation has established a record date for the determination of those shareholders entitled to vote thereat, every person who is named in the list prepared as a consequence of the establishment of such record date shall be entitled to vote the shares shown thereon opposite such person's name. If the Corporation has not established a record date for the determination of those shareholders entitled to vote thereat, every person who is named in the list prepared in accordance with Section 10.05 shall be entitled to vote the shares shown thereon opposite such person's name.

In the absence of a list prepared as aforesaid in respect of the establishment of a record date for the determination of those shareholders entitled to vote at a meeting of shareholders, every person shall be entitled to vote at the meeting whose name appears in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.12 Proxies

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. Unless the Act permits the appointment of a proxy by electronic means, each proxy, to be effective, must be in writing, executed by the shareholder or the shareholder's attorney and shall conform with the requirements of the Act. If the Act permits the appointment of a proxy by electronic means, a proxy may also be appointed in any electronic manner so permitted by the Act.

10.13 Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

10.14 Joint Shareholders

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

10.15 Votes to Govern

At any meeting of shareholders every question shall be determined by the majority of the votes cast on the question unless otherwise required by the articles or by-laws, by the Act or by an applicable stock exchange or regulatory requirement. In case of an equality of votes either upon a show of hands, a ballot, or by means of a telephonic, electronic or other communication facility, the chairman of the meeting shall be entitled to a second or casting vote.

10.16 Show of Hands

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

10.17 Electronic Meetings and Electronic Voting

Meetings of shareholders may be held entirely by means of telephonic, electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting. The board may establish procedures regarding the holding of meetings of shareholders by such means. Despite section 10.16, any vote referred to in section 10.16 may be held, in accordance with the Act, entirely by means of telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility.

10.18 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting, or the chairman of the meeting, may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.19 Adjournment

If a quorum is not present at the opening of a meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.20 Resolution in Writing

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it has been passed at a meeting of the shareholders, unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

10.21 Only One Shareholder

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

10.22 Notice of Record Dates

Unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register at the close of business on the day the directors fix the record date for the purpose of determining the shareholders entitled to notice of any meeting of shareholders or to vote thereat, the Corporation shall give notice of any such record date within the period prescribed by the Act, by newspaper advertisement in the manner provided in the Act and to each stock exchange in Canada on which the shares of the Corporation are listed.

10.23 Availability of Shareholders Lists for Inspection

Any list of shareholders prepared pursuant to sections 10.05 and 10.11 shall be available for examination by any shareholder during usual business hours at the registered office of the

Corporation or at the place where the securities register is maintained and at the meeting for which the list was prepared.

SECTION 11

DIVISIONS AND DEPARTMENTS

11.01 Creation and Consolidation of Divisions

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

11.02 Name of Division

Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business under such name, provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation.

11.03 Officers of Divisions

From time to time the board or, if authorized by the board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration.

The board or, if authorized by the board, the chief executive officer, may remove at its or the chief executive officer's pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

SECTION 12

NOTICES

12.01 Method of Giving Notice

Subject to the Act, any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's recorded address or if mailed to the person at their recorded address by prepaid

ordinary or air mail or if sent to the person at their recorded address by any means of prepaid transmitted or recorded communication or if transmitted or accessed by the person in accordance with the provisions of the Act governing electronic documents. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch and a notice so given in accordance with the provisions of the Act governing electronic documents shall be deemed to have been given in accordance with the rules contained in such provisions. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the person to be reliable.

12.02 Notice to Joint Shareholders

If two or more persons are registered as joint holders of a share, a notice must be directed to all of them but need be delivered or addressed only to their recorded address to be sufficient notice to all.

12.03 Computation of Time

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

12.04 Undelivered Notices

If any notice given to a shareholder pursuant to section 12.01 is returned on three consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notices to such shareholder until the shareholder informs the Corporation in writing of the shareholder's new address.

12.05 Omissions and Errors

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

12.06 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom such person derives such person's title to such share prior to such person's name and address being entered on the

securities register (whether such notice was given before or after the happening of the event upon which the shareholder became so entitled) and prior to the individual furnishing to the Corporation the proof of authority or evidence of the individual's entitlement prescribed by the Act.

12.07 Waiver of Notice

Any shareholder (or the shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given to the individual under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgment shall be in writing except a waiver of notice of a meeting of shareholders or of the board which may be given in any manner.

12.08 Electronic Documents

A requirement under this by-law to provide a person with a notice, document or other information is not satisfied by the provision of an electronic document unless:

- (a) the addressee has consented, in the manner prescribed under the Act, and has designated an information system for the receipt of the electronic document;
- (b) the electronic document is provided to the designated information system, unless otherwise prescribed in the Act;
- (c) in the case of a notice, document or other information that is required by the Act to be provided by registered mail, the provision of such notice, document or other information by the sending of an electronic document is prescribed by the Act;
- (d) the Act has been complied with;
- (e) the information in the electronic document is accessible by the sender so as to be usable for subsequent reference; and
- (f) the information in the electronic document is accessible by the addressee and capable of being retained by the addressee, so as to be usable for subsequent reference.

SECTION 13

EFFECTIVE DATE

13.01 Effective Date

This by-law shall come into force when enacted by the directors, subject to the Act.

13.02 Repeal

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

DRAFT