

KENNA RESOURCES CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To be held on Wednesday, July 23, 2014

at 3:00 p.m. (Saskatoon time)

in the Prince Albert Room West

at the Hilton Garden Inn Saskatoon Downtown,

90 – 22nd Street East, Saskatoon, Saskatchewan

MANAGEMENT INFORMATION CIRCULAR

June 18, 2014

KENNA RESOURCES CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an Annual and Special Meeting (the “Meeting”) of the shareholders of KENNA RESOURCES CORP. (the “Corporation”) will be held in the Prince Alberta Room West at the Hilton Garden Inn Saskatoon Downtown located at 90 – 22nd Street East, Saskatoon, Saskatchewan on Wednesday, July 23, 2014 at 3:00 p.m. (Saskatoon time) for the following purposes:

1. to receive the financial statements of the Corporation as at and for the year ended December 31, 2013, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at three (3);
3. to elect the board of directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
5. to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Management Information Circular (the “Circular”), approving the stock option plan of the Corporation in the form set out in Schedule “C” to the accompanying Circular;
6. to consider and, if thought appropriate, to pass, with or without variation, a special resolution approving the continuance of the Corporation from the *Business Corporations Act* (Saskatchewan) to the *Business Corporations Act* (British Columbia), as more particularly set forth in the accompanying Circular; and
7. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Circular.

A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying Instrument of Proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Circular and Instrument of Proxy. An Instrument of Proxy will not be valid unless it is deposited at the offices of the Corporation's registrar and transfer agent, TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxy holder need not be a shareholder of the Corporation.

Only shareholders of record as at the close of business on June 23, 2014 (the “Record Date”) are entitled to receive notice of the Meeting.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.

DATED as of the 18th day of June, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Timothy C. Fernback*”

Timothy C. Fernback
President, Chief Executive Officer and Director

KENNA RESOURCES CORP.

MANAGEMENT INFORMATION CIRCULAR

(Unless otherwise stated, information contained herein is given as of June 18, 2013)

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This management information circular (this "Circular") is furnished in connection with the solicitation of proxies by the management of Kenna Resources Corp. (the "Corporation") for use at the Annual and Special Meeting of the holders (the "Shareholders") of common shares ("Common Shares") of the Corporation to be held in the Prince Alberta Room West at the Hilton Garden Inn Saskatoon Downtown located at 90 – 22nd Street East, Saskatoon, Saskatchewan on Wednesday, July 23, 2014 at 3:00 p.m. (Saskatoon time) (the "Meeting"), for the purposes set forth in the Notice of Annual and Special Meeting (the "Notice") accompanying this Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders

Accompanying this Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited at the offices of the Corporation's registrar and transfer agent, TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Saskatchewan) prior to the time set for the Meeting or any adjournment thereof.**

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the Corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted “FOR” the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is June 23, 2014 (the “Record Date”). As at the Record Date, there were 8,416,975 Common Shares issued and outstanding as fully paid and non-assessable.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all annual and special meetings of shareholders and are entitled to one vote per Common Share. The holders of Common Shares are entitled, upon dissolution, to receive the remaining property of the Corporation.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date and holders of Common Shares issued by the Corporation after the Record Date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans; or

- b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or “CDS”).

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Circular and the instrument of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Investor Communication Solutions (“Broadridge”)) to forward Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

- a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvotecanada.com; or
- b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with TMX Equity Transfer Services at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set forth above.

NON-OBJECTING BENEFICIAL OWNERS (“NOBO”)

These meeting materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

Principal Holders of Common Shares

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, no single shareholder beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the votes attached to the shares of the Corporation except for the following:

Name and Municipality of Residence	Number of Common Shares	Percentage of Outstanding Common Shares
49 North Resources Inc. ⁽¹⁾ <i>Saskatoon, Saskatchewan</i>	1,386,500 ⁽¹⁾	16.47%
William MacNeill <i>Saskatoon, Saskatchewan</i>	1,254,500 ⁽²⁾	14.9%

Notes:

- (1) Mr. Thomas MacNeill is the President and a director of 49 North Resources Inc. In addition to the Common Shares held by 49 North Resources Inc., Mr. MacNeill holds a further 15,000 Common Shares in his personal name.
- (2) Mr. William MacNeill holds 250,000 Common Shares directly and 1,004,500 indirectly through BEC International Corporation ("BEC"). Mr. MacNeill is an officer, director, and the principal shareholder of BEC. He is arm's length to both the Corporation and its principals, as well as to 49 North Resources Inc. and its principals. BEC does not act jointly or in concert with 49 North Resources Inc.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Compensation is required to be disclosed for each: (a) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year); (b) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year); (c) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was neither serving as an executive officer of the Corporation nor acting in a similar capacity at the end of the most recently completed financial year end. (the "Named Executive Officers"). During the financial year ended December 31, 2013, the Named Executive Officers of the Corporation were Shane W. Shircliff, President and Chief Executive Officer and Todd L. Lahti, Chief Financial Officer (appointed Chief Financial Officer in September 2009). There were no other Named Executive Officers in 2013, and no other employees earned in excess of \$150,000 in 2013.

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors.

Compensation of the Named Executive Officers of the Corporation is reviewed annually by the Board of Directors of the Corporation. No compensation was paid in 2013. It is anticipated that compensation provided to Named Executive Officers will consist of the payment of consulting fees (payable in proportion to the value of work conducted). Executives are also eligible to participate in the Corporation's Stock Option Plan (the "Plan") as described herein.

The objective of the Board of Directors in setting compensation levels will be to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders, while at the same time preserving cash flows. These objectives are designed to ensure that the Corporation continues to grow on an absolute basis as well as to grow cash flow and earnings for Shareholders. The Board of Directors will set the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

Compensation of Shane W. Shircliff, President and Chief Executive Officer

Mr. Shircliff was appointed President and Chief Executive Officer of the Corporation in April 2012 and resigned on May 30, 2014. Mr. Shircliff received no cash compensation as the President and Chief Executive Officer of the Corporation for 2013. For a summary of compensation paid to Mr. Shircliff in respect of the year ended December 31, 2013, please refer to the *Summary Compensation Table* below.

Compensation of Todd L. Lahti, Chief Financial Officer

Mr. Lahti was appointed Chief Financial Officer of the Corporation in September 2009 and resigned on May 30, 2014. Mr. Lahti received no cash compensation as the Chief Financial Officer of the Corporation for 2013. For a summary of compensation paid to Mr. Lahti in respect of the year ended December 31, 2013, please refer to the *Summary Compensation Table* below.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the years ended December 31, 2013, December 31, 2012 and December 31, 2011 to the Named Executive Officers as at December 31, 2013.

Name and Principal Position	Fiscal Year Ended Dec. 31	Annual Compensation			Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Annual Incentive Plans	Long-Term Incentive Plans			
Shane W. Shircliff <i>President and Chief Executive Officer</i> ⁽¹⁾	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	\$4,183 ⁽²⁾	Nil	Nil	Nil	Nil	\$4,183 ⁽²⁾
Todd L. Lahti <i>Chief Financial Officer</i> ⁽³⁾	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Shircliff was appointed as President and Chief Executive Officer of the Corporation on April 30, 2012 and resigned on May 30, 2014, at which time he was replaced in these roles by Timothy C. Fernback.
- (2) Mr. Shircliff's award of options to acquire 61,155 Common Shares at price of \$0.20 on or before October 5, 2017 has been valued using the Black-Scholes option-pricing model. The fair value of the options was determined using a risk-free rate of 1.37% per annum, an expected life of 5 years, expected share price volatility of 85% and an expected dividend yield of 0%.
- (3) Mr. Lahti was appointed as Chief Financial Officer of the Corporation in September 2009 and resigned on May 30, 2014, at which time he was replaced in this roles by Anthony K. Jackson.

Incentive Awards

Outstanding Share-Based Awards and Option-Based Awards

The Corporation's Stock Option Plan has been previously approved by the Shareholders of the Corporation. The Plan has been established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The following is a summary of the material terms of the Plan and is qualified in its entirety by the full text of the Plan, which is attached hereto as Schedule "C":

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- Under the Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12 month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12 month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Corporation's issued and outstanding Common Shares in any 12 month period.
- The exercise price for options granted under the Plan will not be less than the market price of the Corporation's Common Shares at the time of the grant, less applicable discounts permitted by the policies of the TSX Venture Exchange (the "TSX-V").
- Options will be exercisable for a term of up to ten years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Plan are non-assignable, except by will or by the laws of descent and distribution.

No share-based (as opposed to option-based) awards have been granted to the Corporation's Named Executive Officers. Details of options awarded to Named Executive Officers as at December 31, 2013 are set forth in the following table:

Name and Principal Position	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 ⁽²⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Shane W. Shircliff <i>President and Chief Executive Officer</i> ⁽¹⁾	61,155 122,310	\$0.20 \$0.20	October 5, 2017 April 15, 2015	Nil Nil	Nil Nil	Nil Nil
Todd L. Lahti <i>Chief Financial Officer</i> ⁽¹⁾	183,465	\$0.20	April 15, 2015	Nil	Nil	Nil

Notes:

- (1) For a description of all compensation paid to Messrs. Shircliff and Lahti in 2013 in their capacities as officers of the Corporation, please refer to the sections herein entitled “*Compensation, Discussion and Analysis*”, “*Summary Compensation Table*” and “*Incentive Awards*”.
- (2) Based on a closing price of \$0.035 per Common Share on the last day of trading for the Corporation in 2013, being December 31, 2013.

Incentive Awards – Value Vested or Earned During the Year

The following table summarizes the value of options held by Named Executive Officers that vested during the year ended December 31, 2013.

Name and Principal Position	Option-Based Awards – Value Vested During the Year ⁽²⁾ (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Shane W. Shircliff <i>President and Chief Executive Officer</i> ⁽¹⁾	Nil	Nil	Nil
Corey J. Giasson <i>President and Chief Executive Officer</i> ⁽¹⁾	Nil	Nil	Nil
Todd L. Lahti <i>Chief Financial Officer</i> ⁽¹⁾	Nil	Nil	Nil

Notes:

- (1) For a description of all compensation paid to Messrs. Shircliff and Lahti in 2013 in their capacities as officers of the Corporation, please refer to the sections herein entitled “*Compensation, Discussion and Analysis*”, “*Summary Compensation Table*” and “*Incentive Awards*”.
- (2) Based on a closing price of \$0.035 per Common Share on the last day of trading for the Corporation in 2013, being December 31, 2013.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

As of December 31, 2013, there were no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

Compensation Risk Assessment and Mitigation

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its executives and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation's compensation program includes several mechanisms to ensure risk-taking behaviour falls within reasonable risk tolerance levels, including:

- a balanced compensation mix between fixed and variable (at 0 risk) and between short and long-term incentives that defer award value
- having a cap on short-term incentive awards
- establishment of performance criteria and corresponding objectives which represent a balance of performance and quality and sustainability of such performance
- establishment of a compensation package within range of competitive practices (peer group)
- explicit restrictions on hedging of equity awards by executives
- utilizing longer-term incentive plans for diversification and alignment with risk realization periods (option based awards)

Under the Corporation's policies, neither officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation Decisions made after the financial year ended December 31, 2013

On June 1, 2014, the Corporation entered into a management services agreement with TCF Ventures Corp. ("TCF"), whereby TCF agreed to provide the services of Mr. Fernback as consultant to the Corporation to provide managerial, operating, and financial oversight of the Corporation in exchange for a fee of \$2,000 per month plus GST.

Compensation of Directors

The Corporation does not compensate its directors in their capacity as directors of the Corporation. Each director is eligible to receive stock options of the Corporation. The Corporation has compensated the directors with stock options.

The following table summarizes all amounts of compensation provided to the directors during the year ended December 31, 2013.

<u>Name</u>	<u>Fees Earned</u>	<u>Share- Based Awards</u>	<u>Option- Based Awards</u>	<u>Non-Equity Incentive Plan Compensation</u>	<u>Pension Value</u>	<u>All Other Compensation</u>	<u>Total Compensation</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
Corey J. Giasson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Steve P. Halabura ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brad Fettis ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Halabura resigned as a director on May 30, 2014.

(2) Mr. Fettis resigned as a director on May 30, 2014.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

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 security holders	795,015	\$0.20	46,682
Equity compensation plans not approved by security holders	<u>Nil</u>	N/A	<u>N/A</u>
Total	795,015	\$0.20	46,682

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

CORPORATE GOVERNANCE

Please see the attached Schedule "A" for information on the Corporation's Corporate Governance (Form 58-101F2).

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Circular as Schedule "B".

Composition of the Audit Committee

The following are the proposed members of the Committee:

Timothy C. Fernback	Non-Independent ⁽¹⁾	Financially literate ⁽¹⁾
Anthony K. Jackson	Non-Independent ⁽¹⁾	Financially literate ⁽¹⁾
Steven D. M. Low	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined by National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Name of Audit Committee Member	Relevant Experience and Qualifications
Timothy C. Fernback	<p>Over 20 years of experience as in financing public and private small-cap companies in Canada.</p> <p>Current President, CEO and Director of Jet Gold Corp. (TSXV: JAU) and Golden Virtue Resources Inc. (TSXV: GVR).</p> <p>Past President, CEO and Director of Providence Resources Corp. (TSXV: PV).</p> <p>CPA/CMA designation, MBA from the University of British Columbia, Honours B.Sc. from McMaster University.</p>
Anthony K. Jackson	<p>Founder of Jackson & Company Chartered Accountants and previously worked at Ernst & Young LLP.</p> <p>Principal of Bridgemark Financial Corp. Corporate finance advisor.</p> <p>CA designation, Bachelor Business Administration from Simon Fraser University.</p>
Steven D. M. Low	<p>Over 10 years of experience in institutional sales and trading.</p> <p>Director of Golden Virtue Resources Inc. (TSXV: GVR).</p> <p>B.Comm. Finance from Dalhousie University</p>

Through such business experience, the members of the Audit Committee review financial statements and gain an understanding of financial reporting controls and procedures.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2013	\$11,000	Nil	Nil	Nil
2012	\$11,000	Nil	\$2,000	Nil

Notes:

- (1) Represents fees paid for professional services rendered by the auditors for the audit of the Corporation's annual financial statements and services provided in connection with statutory and regulatory filings.
- (2) Represents fees incurred in connection with the International Financial Reporting Standard compliance.
- (3) Represents fees incurred for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning.
- (4) Represents fees incurred in connection with the Corporation's Qualifying Transaction.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 and, as such, the Corporation is exempt from Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON**Financial Statements**

The financial statements of the Corporation for the year ended December 31, 2013 and the auditors' report thereon accompanying this Circular will be placed before the Shareholders at the Meeting. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to TMX Equity Transfer Services.

Election of Directors

The term of office of each of the present directors expires at the Meeting. At the Meeting, the Shareholders will be asked to fix the number of directors of the Corporation to be elected at three (3) members. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting, each to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated.

Approval of the election of each director will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. **Unless otherwise instructed, the named proxyholders intend to vote "FOR" the election of each of the proposed nominees set forth below as Directors of the Corporation.** If, prior to the Meeting, any vacancies occur in the list of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

<u>Name, Residence and Present Office Held</u>	<u>Principal Occupation or Employment</u>	<u>Director Since</u>	<u>Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and percentage of total issued and outstanding</u>
TIMOTHY C. FERNBACK ⁽²⁾ Vancouver, British Columbia Canada <i>President, Chief Executive Officer and Director</i>	President of TCF Ventures Corp., a boutique corporate finance, communications and consultancy firm, since January 1998.	May 30, 2014	Nil
ANTHONY K. JACKSON Vancouver, British Columbia Canada <i>Chief Financial Officer and Director</i>	Chartered Accountant	May 30, 2014	Nil

<u>Name, Residence and Present Office Held</u>	<u>Principal Occupation or Employment</u>	<u>Director Since</u>	<u>Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and percentage of total issued and outstanding</u>
STEVEN D. M. LOW ⁽²⁾ Toronto, Ontario Canada <i>Director</i>	Chief Executive Officer of Boom Capital Markets Inc. since May 1, 2014.	May 30, 2014	Nil

Notes:

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) Proposed Member of the Audit Committee.

Timothy C. Fernback

Mr. Fernback brings to the Corporation over twenty years of experience in financing public and private small-cap companies in Canada. He is the current President, CEO and director of both Jet Gold Corp. (TSXV: JAU) and Golden Virtue Resources Inc. (TSXV: GVR) as well as the former President, CEO and director of Providence Resources Corp. (TSXV: PV). Mr. Fernback holds an Honours B.Sc. from McMaster University, and also a graduate of the University of British Columbia, where he completed a MBA with a concentration in Finance. In addition, Mr. Fernback holds a Certified Professional Accounting Designation (CPA, CMA) and is an active member of many industry and trade organizations in Vancouver.

Anthony K. Jackson

Mr. Jackson is a Principal of BridgeMark Financial Corp. (“BridgeMark”) and a founder of Jackson & Company Chartered Accountants, a company that assists private and public companies with their accounting and tax requirements. Prior to his time at BridgeMark, Mr. Jackson spent a number of years at Ernst & Young LLP before working as a senior analyst at a boutique investment banking firm. During this time he provided services to a broad range of public and private companies in a variety of industries including the mining and minerals sector.

Mr. Jackson earned a Bachelor of Business Administration degree from Simon Fraser University, and holds the professional designation of Chartered Accountant (CA), where he is a member of the BC and Canadian Institute of Chartered Accountants. Mr. Jackson has had extensive experience as a Director and CFO of numerous publicly traded corporations in the metals and mining industry.

Steven D. M. Low

Mr. Low is currently the Chief Executive Officer of Boom Capital Markets Inc., an investor communications firm. Mr. Low was formerly the Vice President, Business Development at Waterfront Capital Corporation as well as a natural gas trader and institutional salesman, holding positions with three notable Toronto boutique dealers. Mr. Low has built and maintains robust relationships on both the buy-side and sell-side in Canada and into the U.S. He has a passion for all aspects of energy marketing – upstream, midstream and downstream – and investor interest in each of these areas. With significant market-making experience for junior issuers, Steven is able to present companies to the appropriate analysts, investment bankers and dealers with the best distribution possible for their specific strategy, including facilitation of crossing of blocks. A former infantryman and aircraft structural repair technician with the Canadian Forces, Steven’s compelling nature exudes a clear-cut approach to his client’s needs.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while such person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of that individual 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.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, 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 that individual.

Penalties or Sanctions

To the knowledge of the Corporation no director of the Corporation is, at the date of this Information Circular, a director or chief executive officer or chief financial officer of any company (including the Corporation) that: (a) was the subject of an order (as defined in Form 51-102F5 *Information Circular* under National Instrument 51-102 - *Continuous Disclosure Obligations* (“NI 51-102”)) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer was acting in the capacity as a director, chief executive officer or chief financial officer which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than thirty (30) days.

Other than Tim Fernback, no director, officer, Insider, Control Person or Promoter 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 or self-regulating authority that would be likely to be considered important to a reasonable investor making an investment decision.

Tim Fernback is a party to a settlement agreement among Wolverton Securities Ltd. (“Wolverton Securities”), Brent Wolverton, William Massey and the British Columbia Securities Commission (the “BCSC”) dated May 9, 2005. Mr. Fernback was Manager of Corporate Finance for Wolverton Securities in February 2000. Wolverton Securities was acting as agent for Cinema Internet Networks (“Cinema”) for a public offering of Cinema shares in late 1999 and early 2000 (the “Offering”). On February 1, 2000, the Exchange halted trading in Cinema shares because certain transactions resulted in significant price movements. Mr. Fernback and Cinema had a number of discussions with the Corporate Finance Department of the Exchange about how to price the Offering because of the price shifts in Cinema shares. On February 11, 2000, the Exchange lifted the halt in trading of Cinema shares. After the halt was lifted, Mr. Fernback, on behalf of Wolverton Securities, had further conversations with the Exchange about the pricing of the Offering. Subsequent to these discussions, Mr. Fernback asked Mr. Massey, President of Cinema, if there was a shareholder of Cinema who would offer their shares for sale. Mr. Massey asked an employee of Cinema who had a block of shares whether she would sell her shares (the “Seller”). The Seller contacted Wolverton Securities, opened an account and gave instructions to sell her shares. Wolverton Securities sold certain shares from the Seller’s account on February 11, 2000. On February 14, 2000 Cinema announced the Offering and its pricing; however, the Exchange did not approve the pricing. Ultimately, the Exchange approved a price for the Offering that was not based on the closing prices of Cinema shares on either February 1 or February 11, 2000.

The BCSC found that Mr. Fernback acted in a matter contrary to the public interest because he should have known that the trading in the Seller's shares could create an artificial price for Cinema shares. However, the BCSC took into account mitigating factors to mitigate the sanctions against Mr. Fernback. Both during and after the period when trading in Cinema shares was halted, Wolverton Securities and Mr. Fernback were in regular contact with the Corporate Finance Department of the Exchange, and Mr. Fernback did not, in any way, direct the manner in which the Cinema shares were traded. The settlement agreement required Mr. Fernback to pay the BCSC the sum of \$15,000 and \$5,000 towards the costs of the investigation, for a total of \$20,000.

Appointment of Auditors

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the re-appointment of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the board of directors of the Corporation. Ernst & Young LLP, Chartered Accountants became the Corporation's auditors following its acquisition of Hergott Duval Stack LLP, which firm was first appointed as auditors of the Corporation in September 2009. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote "FOR" the resolution.**

Ratification and Approval of Stock Option Plan

In accordance with the TSX-V's Policy 4.4 governing stock options, all issuers that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the Corporation must receive yearly shareholder approval of the stock option plan. The Board of Directors of the Corporation approved the Plan on June 18, 2014 in the form attached hereto as Schedule "C". The TSX-V requires the Plan to be approved by the Shareholders of the Corporation.

Management of the Corporation will place before the Meeting the following resolution relating to the approval of the Plan:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Corporation's 2014 Stock Option Plan be and is hereby ratified, confirmed and approved in substantially the form attached as Schedule "C" to the Information Circular prepared for the purposes of this Meeting, subject to acceptance by the TSX Venture Exchange;
2. The Corporation be authorized to grant stock options for up to 10% of the Common Shares of the Corporation outstanding from time to time pursuant and subject to the terms and conditions of the 2014 Stock Option Plan;
3. The previous existing stock options granted to directors, officers, employees and others be ratified, confirmed and approved; and that all existing stock options becoming subject to the provisions of the 2014 Stock Option Plan upon adoption by the Corporation;
4. The Board of Directors be authorized on behalf of the Corporation to make any amendments to the 2014 Stock Option Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the 2014 Stock Option Plan;
5. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, without further resolution of shareholders, approval is hereby given to the Board of Directors of the Corporation, in their sole discretion, to revoke this resolution at any time and to refrain from implementing the 2014 Stock Option Plan; and
6. Any one director or officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSX Venture Exchange requires such approval before it will allow the adoption of the Plan. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Plan. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote “FOR” the foregoing resolution.**

Continuance of the Corporation from Saskatchewan to British Columbia

The Corporation presently exists under the *Business Corporations Act* (Saskatchewan) (“**SBCA**”). At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, to approve a special resolution (the “**Continuance Resolution**”) authorizing the Board to apply for continuance of the Corporation (the “**Continuance**”) to British Columbia under the *Business Corporations Act* (British Columbia) (“**BCBCA**”). In addition to Shareholder approval, the Continuance is subject to the approval of the Saskatchewan Registrar of Corporations (on being satisfied that the Continuance will not adversely affect creditors or Shareholders of the Corporation).

Management of the Corporation has determined and believes that the Continuance is in the best interest of the Corporation as the Corporation’s head office and its management are located in British Columbia. As such, the Continuance is expected to be more efficient and cost effective for the Corporation.

If the Continuance is approved, Shareholders will also be approving a continuance application (the “**Continuance Application**”), including the following forms of constating documents that are attached as Schedule “D” hereto and will be available for review at the Meeting: (1) a Notice of Articles (the “**Notice of Articles**”), which will provide that the Corporation’s authorized capital be comprised of an unlimited number of Common Shares without par value; and (2) new articles (the “**New Articles**”), under the BCBCA, which set rules for the Corporation’s conduct and are generally similar in nature to its existing by-laws under the SBCA with changes to ensure compliance with the requirements of the BCBCA.

Upon completion of the Continuance, the SBCA and the existing articles and by-laws of the Corporation will cease to apply to the Corporation and the corporate affairs of the Corporation will thereafter be governed by the BCBCA and the proposed Notice of Articles and New Articles, as if it had been originally incorporated as a British Columbia company. The Continuance will result in certain changes in the corporate laws applicable to the Corporation and the provisions of its constating documents. See the discussion below titled “Comparison of the BCBCA and the SBCA and Constating Documents”.

Notwithstanding the alteration of Shareholders’ rights and obligations resulting from the Continuance and adoption of the New Articles, the Corporation will still be bound by the rules and policies of the TSXV and the securities commissions of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, as well as other applicable securities legislation. Nothing that follows should be construed as legal advice to any particular Shareholder, each of whom is advised to consult their own legal advisor with respect to the implications of the Continuance.

The Continuance will not result in any change in the business of the Corporation or its assets, liabilities, net worth, management or share capital. The Continuance is not a reorganization, amalgamation or merger. The number and class of Common Shares held by Shareholders will not be altered by the Continuance (other than with respect to Shareholders who dissent to the Continuance Resolution as described below).

Common Shares

The terms of the Common Shares shall not be materially altered as a result of the Continuance and shall be substantially the same as the Common Shares as they are currently constituted, and shall include that each holder of Common Shares shall be entitled to receive notice of and to attend all meetings of Shareholders, and at all such meetings shall be entitled to one vote in respect of each Common Share held by such holder. Holders of the Common Shares shall be entitled to receive dividends if and when declared by the Board (subject to the rights of the holders of any other class or series of shares ranking senior to the Common Shares). In the event of any liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among the Shareholders for the purpose of winding-up its affairs, the holders of Common Shares shall be entitled (subject to the rights of the holders of any other class or series of shares ranking senior to the Common Shares) to receive the remaining property or assets of the Corporation. The terms of the Common Shares are set out in detail in Schedule “D” hereto.

The Continuance Resolution

Subject to such changes as may be required by regulatory authorities or as may be recommended by counsel, Shareholders will be asked at the Meeting to consider, and if deemed advisable, to approve the Continuance Resolution, the proposed text of which is set forth below.

“NOW THEREFORE BE IT RESOLVED THAT:

1. the Corporation be authorized to prepare a Continuance Application and Notice of Articles respecting the continuance of the Corporation from Saskatchewan to British Columbia;
2. the Corporation apply to the Registrar of Corporations (Saskatchewan) (the “**Saskatchewan Registrar**”) to permit such continuance in accordance with section 182 of the *Business Corporations Act* (Saskatchewan) (the “**SBCA**”);
3. the Corporation apply to the Registrar of Companies (British Columbia) (the “**BC Registrar**”) to permit such continuance in accordance with section 302 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”);
4. effective upon the filing of the Continuance Application with the BC Registrar, the Corporation will adopt the draft Notice of Articles and the draft Articles substantially in the form set out in the attached Notice of Articles and Articles attached to the management information circular of the Corporation dated June 18, 2014, subject to such additions, deletions, omission, variations or amendments as may be approved by the directors of the Corporation, in substitution for the existing articles and by-laws of the Corporation;
5. notwithstanding the passage of this special resolution by the Shareholders, the directors of the Corporation, in their sole discretion and without further notice to or approval of the Shareholders, may decide not to proceed with the continuance or otherwise give effect to this special resolution, at any time prior to the continuance becoming effective; and
6. any one officer or director of the Corporation is authorized, for and on behalf of the Corporation, to approve, execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, without limitation, the execution and filing of the Continuance Application and any forms prescribed by or contemplated under the BCBCA.”

In order to be effective, the Continuance Resolution must be approved by at least two-thirds ($\frac{2}{3}$) of votes cast by the Shareholders, in person or by proxy, at the Meeting.

The Board recommends that Shareholders vote FOR the Continuance Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Continuance, the persons named in the proxy or voting information form will vote FOR the Continuance Resolution.

The Board may determine not to implement the Continuance Resolution at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of continuance, without further approval from the Shareholders. If the Continuance is abandoned, the Corporation will continue to be governed by the SBCA and the existing articles and by-laws of the Corporation.

Comparison of the BCBCA and the SBCA and Constatng Documents

The following is a summary of certain differences between the BCBCA and Notice of Articles and the New Articles, on the one hand, and the SBCA and the existing articles and by-laws of the Corporation, on the other hand. The following summary is not an exhaustive list of these differences, and is qualified in its entirety by reference to the BCBCA, the SBCA, the existing by-laws and articles and the new Notice of Articles and the New Articles.

The proposed Notice of Articles and the New Articles, as well as the existing articles and by-laws of the Corporation, will be: (i) available for viewing up to the date of the Meeting at the registered office of the Corporation at 201 – 1st Avenue South, Suite 1005, Saskatoon, Saskatchewan, S7K 1J5; (ii) mailed to any Shareholder free of charge, upon request to the President of the Corporation at the address for the Corporation set forth on the first page of this Circular; and (iii) available for review at the Meeting. A draft of the proposed Notice of Articles and the New Articles is also attached as Schedule “D” to this Circular.

Constituting Documents

Under the BCBCA, the constituting documents of a company consist of a “notice of articles”, which sets forth the name of the corporation and the amount and type of authorized capital, among other things, and “articles”, which govern the management of a company. The notice of articles is filed with the British Columbia Registrar of Companies and the articles are filed with the company’s registered and records office. Under the SBCA, a company has “articles”, which set forth the name of the company and the amount and type of authorized capital, the restrictions on share transfers (if any), the number of directors, and any restrictions on business. Under the SBCA, companies also have “by-laws” which govern the management of the company. The articles are filed with the Director of Corporations pursuant to the SBCA and the by-laws are filed with the company’s registered and records office. Therefore, the current articles and by-laws of the Corporation, which are suitable for a company governed by the SBCA and not for a company governed by the BCBCA, will have to be changed to constituting documents that are suitable for a British Columbia company. Upon the Continuance becoming effective, the former articles and by-laws of the Corporation will be repealed and replaced with the Notice of Articles and the New Articles.

If Shareholders approve the Continuance, the Notice of Articles and the New Articles under the BCBCA will provide for authorized capital consisting of an unlimited number of Common Shares without par value which is the same as the Corporation’s current authorized capital under the SBCA.

Ability to Set Necessary Levels of Shareholder Consent

Under the BCBCA, a company, in its articles, can establish levels for various shareholder approvals (other than those prescribed by the BCBCA). The percentage of votes required for a “special resolution” can be specified in the articles and may be no less than 2/3 and no more than 3/4 of the votes cast. The SBCA does not provide for flexibility on shareholder approvals, which are either ordinary resolutions passed by a majority of the votes cast or, where specified in the SBCA, special resolutions, which must be passed by 2/3 of the votes cast. Notwithstanding the foregoing, the New Articles that will be adopted by the Corporation if the Continuance is completed will provide that the percentage of votes required for a special resolution is no less than 2/3 of the votes cast.

Amendments to Constituting Documents

The SBCA requires a special resolution passed by a majority of not less than two-thirds of the votes of shareholders cast on the resolution to make fundamental changes to a company’s articles, while changes to a company’s by-laws require only a resolution of the directors.

Under the BCBCA, if a company’s articles do not specify the type of resolution, any substantive change to the corporate charter of a company, such as an alteration of the restrictions, if any, on the business carried on by a corporation, or certain changes to the authorized capital of a company, requires a special resolution passed by the majority of votes that the articles of the company specify is required or, if the articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Other fundamental changes such as a proposed amalgamation or continuance of a company out of the jurisdiction require a similar special resolution passed by holders of each class entitled to vote at a general meeting of the company and the holders of all classes of shares adversely affected by an alteration of special rights and restrictions.

The New Articles that will be adopted if the Continuance is completed will allow the Board to make certain alterations to the Corporation’s authorized share structure by way of directors’ resolution as opposed to the Corporation having to incur the additional costs of obtaining Shareholder approval. In particular, as allowed under the BCBCA, management and the Board are proposing that the Articles provide for the following matters (which currently require a Special Resolution of the shareholders) to require a directors’ resolution only, and not require a shareholders’ resolution (recognizing that regulatory authorities may require shareholder approval in certain cases in any event): (a) a subdivision of all or any of the unissued, or fully paid issued, shares; (b) a consolidation of all or any of the unissued, or fully paid issued, shares; and (c) a change of name of the Corporation.

Directors

The SBCA and the BCBCA both provide that a company that is a public company, such as the Corporation, must have a minimum of three directors. Under the SBCA, at least two of such directors must not be officers or employees of the company or its affiliates, and at least 25% of the directors must be resident Canadians, but if a company has fewer than four directors, at least one director must be a resident Canadian. By contrast, there are no residency requirements for directors of a company governed by the BCBCA.

Shareholder Proposals

A shareholder of a company incorporated under the SBCA who is entitled to vote at an annual meeting of shareholders may submit notice of any matter related to the business or affairs of the company that such person proposes to raise at a meeting of shareholders (referred to as a “proposal”). Any such proposal must be submitted to the company at least ninety (90) days before the anniversary date of the previous annual meeting of shareholders and comply with the other applicable provisions of the SBCA.

Under the BCBCA, a person submitting a proposal under the BCBCA must own at least one voting share and must have held at least one voting share for an uninterrupted period of at least two years before the date of signing the proposal. In addition, the proposal requires the signature of shareholders who, together with the submitting shareholder, are registered or beneficial owners of shares that, in the aggregate: (a) constitute at least 1% of the issued shares of the company that carry the right to vote at general meetings; or (b) have a fair market value exceeding \$2,000. Any such proposal must be received at the registered office of the company at least three months before the anniversary of the previous year’s annual reference date and comply with the other applicable provisions of the BCBCA.

Sale of Company's Undertaking or Property

Under the BCBCA, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the company only if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution. The BCBCA does not specify whether holders of shares that do not otherwise carry a right to vote may vote on any proposed sale, lease or disposition of all or substantially all of the undertaking of a company.

Under the SBCA, a company may sell, lease or exchange all or substantially all of the property of the company other than in the ordinary course of business only if it has been authorized by a special resolution. Each share of the company carries the right to vote in respect of the sale, lease or exchange, whether or not such share otherwise carries the right to vote and, where a class or series of shares is affected by the sale, lease or exchange in a manner different from another class or series, the holders of shares of that affected class or series are entitled to vote separately on the transaction.

Rights of Dissent and Appraisal

The SBCA provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholders at the fair value of such shares. This dissent right is available where a company proposes to: (a) amend its articles to add, change or remove any provision restricting or constraining the issue or transfer of any class of shares; (b) amend its articles to add, change or remove any restrictions on business or businesses that the company may carry on; (c) enter into certain statutory amalgamations; (d) continue out of the jurisdiction; or (e) sell, lease or exchange all or substantially all of its property.

The BCBCA provides a similar dissent remedy, although the procedure for exercising this remedy differs from that set forth in the SBCA and some of the circumstances in which the right to dissent arises are different.

Oppression Remedies

Pursuant to Section 227 of the BCBCA, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application under Section 227) of a company has the right to apply to the court for an order under Section 227 on the grounds that the affairs of the company are being or have been conducted, or that the powers of the directors are being exercised, in a manner oppressive to one or more of the shareholders, or that some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more shareholders. In response to such an application, the court may make such order as it considers appropriate, including an order to direct or prohibit any act proposed by the company.

Under the SBCA, a shareholder, former shareholder, director, former director, officer or former officer or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court for an order the court thinks fit to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission effects a result, or the business or affairs are or have been carried on or conducted in a manner, or the powers of the directors are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any securityholder, creditor, director or officer.

Shareholder Derivative Actions

Pursuant to Section 232 of the BCBCA, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application under Section 232 of the BCBCA) or director of a company may, with leave of the court, and after having made reasonable efforts to cause the directors of the company to prosecute a legal proceeding, prosecute such proceeding in the name of and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such right, duty or obligation.

There is a similar right of a shareholder or director, with leave of the court, and in the name and on behalf of the company, to defend a legal proceeding brought against the company.

The SBCA contains similar provisions for derivative actions but the list of persons having the right to bring such an action explicitly also includes former shareholders, former directors, officers, former officers and any person who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action. Also, the SBCA permits a complainant to commence an action in the name of a subsidiary of the company.

Place of Shareholder Meetings

The SBCA provides that meetings of shareholders must be held in Saskatchewan, unless all the shareholders entitled to vote at that meeting agree otherwise or unless the articles provide that meetings of shareholders may be held outside Saskatchewan. Under the BCBCA, meetings may be held outside British Columbia if: (i) the location is provided for in the articles; (ii) the articles do not restrict the company from approving a location outside British Columbia and the location is approved by the resolution required by the articles for that purpose, if any, or otherwise by ordinary resolution; or (iii) the location of the meeting is approved in writing by the British Columbia Registrar of Companies before the meeting is held.

Quorum for Shareholders' Meetings

Under the current by-laws, a quorum is two persons present in person, or represented by proxy, and holding not less than five percent (5%) of the Common Shares. The proposed New Articles will provide that quorum will consist of one or more persons, present in person or represented by proxy.

Right to Dissent

Under the terms of the SBCA, registered Shareholders will be entitled to exercise dissent rights (the “**Dissent Rights**”) with respect to the Continuance Resolution in accordance with the Dissent Rights in Section 184 of the SBCA. The Corporation is of the view that Shareholders registered as such on the Record Date may exercise Dissent Rights pursuant to and in the manner set forth in Section 184 of the SBCA. If the Continuance becomes effective, Shareholders who validly exercise any of their Dissent Rights and do not withdraw their dissent (“**Dissenting**”

Shareholders”) will be entitled to receive the “fair value” of their Common Shares determined in accordance with Section 184 of the SBCA determined as at the day before the Continuance Resolution is adopted by Shareholders. If you are a Beneficial Shareholder, you can only exercise a right of dissent by contacting your broker or other financial intermediary or the registered shareholder and having them take the necessary steps to exercise dissent on your behalf.

The following summary of the Dissent Rights is not a comprehensive description of the procedures to be followed in connection with the exercise of these Dissent Rights. The summary is qualified in its entirety by reference to the full text of Section 184 of the SBCA, which is set out in Schedule “E” to this Circular. Shareholders who are considering or intend to exercise Dissent Rights should seek legal and tax advice and carefully consider and comply with the provisions of the Dissent Rights. Failure to comply with the applicable Dissent Rights provisions and to adhere to the procedures established therein may result in the loss of the Dissent Rights in respect of the Continuance Resolution. Dissenting Shareholders must send their written notice of dissent in respect of the Continuance Resolution pursuant to the Corporation, at its offices 201 – 1st Avenue South, Suite 1005, Saskatoon, Saskatchewan, S7K 1J5 prior to the commencement of the Meeting. Shareholders should be aware that simply voting against the Continuance Resolution at the Meeting does not constitute the exercise of the applicable Dissent Right and that a vote in favour of the Continuance Resolution will result in the Shareholder losing its right to dissent.

The method of sending the notice of dissent in compliance with the SBCA is at the option and risk of the Shareholder sending such notice. The Corporation recommends that the notice of dissent be delivered by facsimile. If the notice of dissent is mailed, the Corporation recommends that registered mail with return receipt or acknowledgement of receipt be used. It is suggested that any such mailing be made at least 48 hours in advance of the Meeting.

A Shareholder intending to dissent in respect of the Continuance Resolution must send written notice of dissent to the Corporation prior to the commencement of the Meeting at which the applicable resolution is to be voted upon and such written notice of dissent must otherwise strictly comply with the requirements of section 184 of the SBCA, including setting forth details of the ownership of shares of the Corporation. A Dissenting Shareholder may only dissent with respect to all of the Common Shares of which such Dissenting Shareholder is the registered and beneficial owner. Under the SBCA there is no right of partial dissent.

The delivery of a notice of dissent does not deprive a Dissenting Shareholder of its right to vote at the Meeting on the Continuance Resolution. However, a vote against the Continuance Resolution does not constitute notice of dissent under the SBCA and a Shareholder who votes in favour of the Continuance Resolution will not be considered a Dissenting Shareholder.

Within 10 days after the approval of the Continuance Resolution, the Corporation must send notice of such fact to each Dissenting Shareholder who has not withdrawn a valid notice of dissent and who has not voted in favour of the Continuance Resolution. Within 20 days of the date of such notice given by the Corporation, the Dissenting Shareholder must send to the Corporation or its transfer agent a written demand setting out such holder’s name, address, the number of Common Shares of the Corporation that are subject to the objection and a demand for payment of the fair value of such Common Shares. The Dissenting Shareholder must within 30 days of sending such demand for payment send to the Corporation or its transfer agent any certificates representing the Common Shares subject to the demand for payment.

Upon the sending of such notice to the Corporation containing the demand for payment, the Dissenting Shareholder is deemed to have sold the Common Shares to the Corporation and the Corporation is deemed to have purchased such Common Shares. Accordingly, after the sending of such notice, the Dissenting Shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his Common Shares as determined under section 184 of the SBCA except where: (a) the Dissenting Shareholder withdraws his notice before the Corporation makes an offer under Section 184(12) of the SBCA; (b) the Corporation fails to make an offer in accordance with Section 184(12) of the SBCA and the Dissenting Shareholder withdraws his notice; or (c) the Board revokes the Continuance Resolution, in which case his rights as a shareholder are reinstated as of the date he sent the demand for payment.

The Corporation shall, within seven (7) days after the effective date of the Continuance or the day the Corporation received the demand for payment from the Dissenting Shareholder, send to each such Dissenting Shareholder (a) a written offer to pay for his Common Shares in an amount considered by the Board to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or (b) if applicable, a notification that the Corporation is unable lawfully to pay Dissenting Shareholders for their Common Shares due to the Corporation having reasonable grounds to believe that the Corporation is or would after the payment be unable to pay its liabilities as they become due; or that the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities.

The Corporation must make such payment within 10 days after the offer has been accepted but any such offer lapses if the Corporation does not receive an acceptance thereof within 30 days after the offer has been made. In the event that the Corporation fails to make an offer to a Dissenting Shareholder, or in the event that such offer is not accepted, the Corporation or the Dissenting Shareholder may apply to court to fix a fair value for the Common Shares of the Dissenting Shareholder. The SBCA contains provisions governing such court application. Section 184 of the SBCA outlines certain events when Dissent Rights will cease to apply where such events occur before payment is made to the Dissenting Shareholder of the fair value of the shares, (including if the applicable resolution does not pass or is otherwise not proceeded with). In such events, the Dissenting Shareholder will be entitled to the return of the applicable share certificate(s), if any, and rights as a shareholder of the Corporation in respect of the applicable Common Shares will be regained.

The discussion above is only a summary of the Dissent Rights which are technical and complex. A Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of the SBCA, including Section 184. Persons who are non-registered holders of Common Shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such Common Shares is entitled to dissent.

It is suggested that any shareholder considering availing himself or herself of the Dissent Rights seek his or her own legal and tax advice as failure to comply strictly with the applicable provisions of the SBCA may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation which can also be accessed at www.sedar.com or which may be obtained upon request from the Corporation at 201 – 1st Avenue South, Suite 1005., Saskatoon, Saskatchewan S7K 1J5.

SCHEDULE “A”

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

1. Board of Directors — Disclose how the board of directors (the “Board”) facilitates its exercise of independent supervision over management, including

(i) the identity of the independent director(s), and

Steven D. M. Low.

(ii) the identity of directors who are not independent, and the basis for that determination.

Timothy C. Fernback and Anthony K. Jackson are not independent as they are officers of the Corporation. Corey J. Giasson, Todd Lahti and Shane W. Shircliff are not independent as they recently served as a senior officers of the Corporation.

In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director's exercise of independent judgment. Timothy C. Fernback and Anthony K. Jackson are currently executive officers of the Corporation and are therefore not considered to be independent. Corey J. Giasson, Shane W. Shircliff and Todd L. Lahti

2. Directorships — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following current and proposed directors of the Corporation presently serve as directors of other reporting issuers as follows:

Director	Reporting Issuer
Timothy C. Fernback	Golden Virtue Resources Inc. (TSX-V) Jet Gold Corp. (TSX-V)
Anthony K. Jackson	Nanton Nickel Corp. (TSX-V) Royal Sapphire Corp. (TSX-V) Tiller Resources Ltd. (TSX-V) Oceanside Capital Corp. (TSX-V) Bravura Ventures Corp. (TSX-V)
Steven D. M. Low	Golden Virtue Resources Inc. (TSX-V)
Shane W. Shircliff	Bacanora Minerals Ltd. (TSXV: BCN)

3. Orientation and Continuing Education — Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the board takes to provide continuing education for directors.

The Corporation has not developed an official orientation or training program for new directors as required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.

4. **Ethical Business Conduct** — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decision 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.

5. **Nomination of Directors** — Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position on the Board, the Board requests that current Directors forward potential candidates for consideration.

6. **Compensation** — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation; and

Management of the Corporation is responsible for making recommendations to the Board with respect to compensation for the directors and the CEO. The Board has the ability to adjust and approve such compensation.

- (ii) the process of determining compensation.

Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation.

7. **Other Board Committees** — If the Board has standing committees other than the audit and compensation identify the committees and describe their function.

There are no other standing committees.

8. **Assessments** — Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision making processes and the quality of information provided by management.

SCHEDULE "B"

KENNA RESOURCES CORP. AUDIT COMMITTEE CHARTER

1. **Establishment of Audit Committee:** The directors of the Corporation (the "**Directors**") hereby establish an audit committee (the "**Audit Committee**").
2. **Membership:** The membership of the Audit Committee shall be as follows:
 - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
 - (b) The majority of the members of the Audit Committee shall be independent Directors, subject to the exemption contained in section 6.1 of National Instrument 52-110 – *Audit Committees*.
 - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof "financially literate" has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation's financial statements.
 - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.
3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. **Mandate:** The Audit Committee shall have responsibility for overseeing:
 - (a) the accounting and financial reporting processes of the Corporation; and
 - (b) audits of the financial statements of the Corporation.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year-end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Corporation's financial statements, MD&A and earnings press releases before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing , an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the Directors:
 - (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
 - (ii) the compensation of the external auditors.
- (d) discussing with the external auditor:
 - (i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;
 - (ii) significant changes in the Corporation's accounting principles, practices or policies; and

- (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.
- (e) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:
 - (i) the financial statements;
 - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
 - (iii) significant changes, if any, to the initial audit plan;
 - (iv) accounting and reporting decisions relating to significant current year events and transactions;
 - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
 - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.
- (f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:
 - (i) the interim financial statements;
 - (ii) the interim MD&A; and
 - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies.
- (g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor.
- (h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit committee.
- (i) reviewing and discussing with the external auditors and senior financial management the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above.
- (j) establishing and reviewing of procedures for:
 - (i) receipt, retention and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters;
 - (ii) anonymous submission by employees of the Corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and
 - (iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities.
- (k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures.
- (l) reviewing and/or considering that, with regard to the previous fiscal year:
 - management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;

- the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's financial statements;
- the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
- in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.

5. **Administrative Matters:** The following general provisions shall have application to the Audit Committee:

- (a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.
- (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.
- (c) The Audit Committee may invite such Directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The external auditors are to appear before the Audit Committee when requested to do so by the Audit Committee.
- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.
- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the external auditors and shall be given in respect of meetings relating to the annual audited financial statements. The external auditors have the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the external auditors, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditors believes should be brought to the attention of the Directors or shareholders of the Corporation.
- (g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the Directors, directors, officers, employees and external auditors of the Corporation and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (j) The Audit Committee shall have the authority to:
 - (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
 - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
 - (iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.

SCHEDULE "C"

KENNA RESOURCES CORP.

STOCK OPTION PLAN

1. The Plan

A stock option plan (the "Plan"), pursuant to which options to purchase common shares, or such other shares as may be substituted therefor ("Shares"), in the capital of Kenna Resources Corp. (the "Corporation") may be granted to the directors, officers and employees of the Corporation and to consultants retained by the Corporation, is hereby established on the terms and conditions set forth herein.

2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees of the Corporation and consultants retained by the Corporation to acquire Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally; (iii) encouraging such persons to remain associated with the Corporation; and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

3. Administration

- (a) This Plan shall be administered by the board of directors of the Corporation (the "Board").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as defined in paragraph 3(d) below), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 3.
- (d) Options to purchase the Shares granted hereunder ("Options") shall be evidenced by (i) an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, or (ii) a written notice or other instrument, signed by the Corporation, setting forth the material attributes of the Options.

4. Shares Subject to Plan

- (a) Subject to Section 15 below, the securities that may be acquired by Participants upon the exercise of Options shall be deemed to be fully authorized and issued Shares of the Corporation. Whenever used herein, the term "Shares" shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.
- (b) The aggregate number of Shares reserved for issuance under this Plan, or any other plan of the Corporation, shall not, at the time of the stock option grant, exceed ten percent (10%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such threshold.
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any un-purchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the Corporation's obligations under all outstanding Options granted pursuant to this Plan.

6. Eligibility and Participation

(a) The Board may, in its discretion, select any of the following persons to participate in this Plan:

- (i) directors of the Corporation;
- (ii) officers of the Corporation;
- (iii) employees of the Corporation; and
- (iv) consultants retained by the Corporation, provided such consultants have performed and/or continue to perform services for the Corporation on an ongoing basis or are expected to provide a service of value to the Corporation;

(any such person having been selected for participation in this Plan by the Board is herein referred to as a "Participant").

(b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.

(c) The Corporation represents that, for any Options granted to an officer, employee or consultant of the Corporation, such Participant is a *bona fide* officer, employee or consultant of the Corporation.

7. Exercise Price

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Shares are then listed. In addition, the exercise price of an Option must be paid in cash. Disinterested shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price if the affected Participant is an insider (as defined in the *The Securities Act 1988* (Saskatchewan)) of the Corporation at the time of the proposed amendment.

8. Number of Optioned Shares

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation, shall not exceed five percent of the total number of issued and outstanding Shares (calculated on a non-diluted basis) in any 12 month period unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such threshold and provided further that the number of Options granted to any one consultant in a 12 month period shall not exceed 2% of the total number of issued and outstanding Shares and the aggregate number of Options granted to persons employed to provide investor relations activities shall not exceed 2% of the total number of issued and outstanding Shares in any 12 month period. The Corporation shall obtain shareholder approval for grants of Options to insiders (as defined in *The Securities Act 1988* (Saskatchewan)), of a number of Options exceeding 10% of the issued Shares, within any 12 month period.

9. Term

The period during which an Option may be exercised (the "Option Period") shall be determined by the Board at the time that the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time that such Option is granted and Sections 11, 12 and 16 below, provided that:

- (a) no Option shall be exercisable for a period exceeding ten (10) years from the date that the Option is granted unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed and as specifically provided by the Board and as permitted under the rules of any stock exchange or exchanges on which the Shares are then listed, and in any event, no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;

- (b) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Shares are then listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation;
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part; and
- (d) any Options granted to any Participant must expire within 90 days after the Participant ceases to be a Participant, and within 30 days for any Participant engaged in investor relation activities after such Participant ceases to be employed to provide investor relation activities.

10. Method of Exercise of Option

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Saskatoon, Saskatchewan:
 - (i) a written notice expressing the intention of such Participant (or his legal, personal representative) to exercise his Option and specifying the number of Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, certified cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares in respect of which the Option has been duly exercised.

11. Ceasing to be a Director, Officer, Employee or Consultant

If any Participant shall cease to hold the position or positions of director, officer, consultant or employee of the Corporation (as the case may be) for any reason other than death, his Option will terminate at 4:00 p.m. (Saskatoon time) on the earlier of the date of the expiration of the Option Period and 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation as the case may be, and ceases to actively perform services for the Corporation. Notwithstanding the foregoing, an Option granted to a Participant who performs investor relations services on behalf of the Corporation shall terminate on the date that is 30 days after the termination of the employment or cessation of services being provided and shall be subject to Exchange policies and procedures for the termination of Options for investor relations services. For greater certainty, the termination of any Options held by the Participant, and the period during which the Participant may exercise any Options, shall be without regard to any notice period arising from the Participant's ceasing to hold the position or positions of director, officer, employee or consultant of the Corporation (as the case may be).

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall: (i) confer upon such Participant any right to continue as a director, officer, employee or consultant of the Corporation, as the case may be; or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation, as the case may be.

12. Death of a Participant

In the event of the death of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death of such Participant, whichever is earlier, and then, in the event of death, only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that he was entitled to exercise the Option as at the date of his death.

13. Rights of Participants

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

14. Proceeds from Exercise of Options

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

15. Adjustments

- (a) The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent any dilution or enlargement of the same.
- (b) Adjustments under this Section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

16. Change of Control

Notwithstanding the provisions of section 11 or any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant shall be entitled to exercise, in whole or in part, the Options granted to such Participant hereunder, either during the term of the Option or within 90 days after the date of the sale or change of control, whichever first occurs.

For the purpose of this Plan, "change of control of the Corporation" means and shall be deemed to have occurred upon:

- (a) the acceptance by the holders of Shares of the Corporation, representing in the aggregate, more than 50 percent of all issued Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares of the Corporation; or
- (b) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than fifty percent (50%) of the combined voting rights of the Corporation's then outstanding Shares; or
- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for or an item of business relating to the election of directors, not constituting a majority of the Board following such election.

17. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferrable and non-assignable unless specifically provided herein. During the lifetime of a Participant, any Options granted hereunder may only be exercised by the Participant and in the event of the death of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

18. Amendment and Termination of Plan

- a) The Board may, at any time and from time to time, amend, suspend or terminate the Plan or an Option without shareholder approval, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of a Participant where such amendment, suspension or termination materially prejudices the rights of the Participant.
- b) Notwithstanding the provisions of Section 18(a), the Board may not, without the approval of the security holders of the Corporation (or, as may be required by the policies and procedures of the Exchange, the approval of the disinterested security holders of the Corporation), make amendments to the Plan or any Option for any of the following purposes:
 - i. to increase the maximum number of Shares that may be issued pursuant to Options granted under the Plan as set out in Section 8;
 - ii. to reduce the exercise price of Options for the benefit of an Insider;
 - iii. to extend the term of an Option beyond the Option Period for the benefit of an Insider; and
 - iv. to amend the provisions of this Section 18.
- c) In addition to the changes made pursuant to Section 3, the Board may, at any time and from time to time, without the approval of the security holders of the Corporation amend any term of any outstanding Option (including, without limitation, the exercise price, vesting and expiry of the Option), provided that:
 - i. any required approval of any regulator authority or stock exchange is obtained;
 - ii. if the amendments would reduce the exercise price or extend the expiry date of the Options granted to Insiders, approval of the security holders of the Corporation must be obtained;
 - iii. the Board would have had the authority to initially grant the Option under the terms so amended; and
 - iv. the consent or deemed consent of the Participant is obtained if the amendment would materially prejudice the rights of the Participant under the Option.

19. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan and Options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

20. Stock Exchange Rules

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Shares are listed.

21. Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

22. Notice

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Saskatoon, Saskatchewan (Attention: The Chairman); or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

23. Gender

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

24. Interpretation

This Plan will be governed by and construed in accordance with the laws of the Province of Saskatchewan.

SCHEDULE "D"

**KENNA RESOURCES CORP.
CONTINUANCE APPLICATION**



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

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

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

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

A NAME OF COMPANY – Choose one of the following:

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

B FOREIGN CORPORATION'S CURRENT JURISDICTION

- 1. Corporate number assigned by the foreign corporation's jurisdiction _____
2. Corporation's name in the foreign corporation's jurisdiction _____
3. Foreign corporation's date of incorporation or the most recent date of amalgamation or continuation YYYY / MM / DD
4. Foreign corporation's jurisdiction of incorporation, amalgamation or continuation _____

C AUTHORIZATION FOR CONTINUATION

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

- ATTACHED ALREADY FILED

D REGISTRATION AS AN EXTRAPROVINCIAL COMPANY

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

- YES NO

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

Extraprovincial Registration Number in BC _____

Extraprovincial Company Name in BC _____

(Including assumed name, if any, approved for use in BC) _____

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

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

DATE SIGNED

YYYY / MM / DD

X

NOTICE OF ARTICLES

A NAME OF COMPANY

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

B TRANSLATION OF COMPANY NAME

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

C DIRECTOR NAME(S) AND ADDRESS(ES)

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

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

BC

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

BC

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

BC

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

BC

F AUTHORIZED SHARE STRUCTURE

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



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

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Location: 200 - 940 Blanshard Street
Victoria BC V8W 3E6

INSTRUCTIONS:

Please type or print clearly in block letters.

The Province of British Columbia has entered into a partnership with the Canada Revenue Agency (CRA) to use the national Business Number (BN) as a convenient way for corporations to identify themselves when communicating with federal and provincial governments.

The Corporate Registry, under the authority of the Business Number Act, is therefore collecting the BN from both corporations applying for registration in British Columbia and corporations currently registered in British Columbia. This will allow corporations to use their BN as an identifier the next time they communicate with the Corporate Registry.

You will already have a BN if you have been incorporated federally or if you are incorporated in another Canadian jurisdiction.

You may have also received a BN from CRA if you:

- collect GST/HST;
• have employees;
• import or export goods to or from Canada;
• operate a taxi or limo service;
• are registered with WorkSafeBC, and/or;
• are registered to do business in another Canadian jurisdiction

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Number Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

COMPLETE ITEM A OR B

A BUSINESS NUMBER

Your Business Number (e.g., GST/HST account) would be displayed as a 15 character identifier, for example: 82123 5679 RT 0001. The first nine numbers uniquely identify your business – it's those numbers we need.

Please enter the first 9 digits here:

[Empty input box for first 9 digits of Business Number]

B DIRECTOR NAME

If you do not have a Business Number please enter the name of a director of your corporation (as per CRA requirements) so that we can request one for you. The director's name is confidential information and is collected under the authority of the Business Number Act.

LAST NAME

FIRST NAME

KENNA RESOURCES CORP.
(the “Company”)

The Company has as its articles the following articles.

<i>Full name and signature of authorized signatory</i>	<i>Date of signing</i>
<hr style="width: 80%; margin-left: 0;"/> [Name of Director]	<hr style="width: 80%; margin-left: 0;"/>

Incorporation number: _____

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (2) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “legal personal representative” means the personal or other legal representative of a shareholder;
- (5) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (6) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

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

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

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

2.3 Shareholder Entitled to Certificate or Acknowledgment or Written Notice

Unless the shares of which a shareholder is the registered owner are uncertificated shares, each shareholder is entitled, on request and at the shareholder's option, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. Within a reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice containing the information required by the *Business Corporations Act*.

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, provided such person has complied with the requirements of the *Business Corporations Act*.

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

There must be paid as a fee to the Company for the issuance of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any, determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

2.9 Recognition of Trusts

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

3. ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and

- (2) the directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

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

4. SHARE REGISTERS

4.1 Central Securities Register and Any Branch Securities Register

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

4.2 Closing Register

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

5. SHARE TRANSFERS

5.1 Registering Transfers

A transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (1) a duly signed instrument of transfer in respect of the share;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

For the purpose of this Article, delivery or surrender to the transfer agent or registrar which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

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

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

5.5 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

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

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations with respect to the shares as were held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

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

7.3 Redemption of Shares

If the Company proposes to redeem some but not all of the shares of any class, the directors may, subject to any special rights and restrictions attached to such class of shares, determine the manner in which the shares to be redeemed shall be selected.

7.4 Sale and Voting of Purchased Shares

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

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

8. BORROWING POWERS

8.1 Powers of the Company

The Company, if authorized by the directors, may:

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

8.2 Bonds, Debentures, Debt

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

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

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

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares without par value;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares;
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (iii) subdivide all or any of its unissued, or fully paid issued, shares with par value into shares of smaller par value; or
 - (iv) consolidate all or any of its unissued, or fully paid issued, shares with par value into shares of larger par value;
- (e) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
- (f) alter the identifying name of any of its shares; and

(2) by ordinary resolution otherwise alter its shares or authorized share structure;

and, if applicable, alter its Notice of Articles and, if applicable, alter its Articles accordingly.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares if none of those shares have been issued; and
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above if any of the shares of the class or series of shares have been issued,

and alter its Notice of Articles and Articles accordingly.

9.3 Change of Name

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name and may, by directors' resolution or ordinary resolution, in each case as determined by the directors, adopt or change any translation of that name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders.

10.4 Location of Meetings of Shareholders

A meeting of the Company may be held:

- (1) in the Province of British Columbia;
- (2) at another location outside British Columbia if that location is:
 - (a) approved by resolution of the directors before the meeting is held; or
 - (b) approved in writing by the Registrar of Companies before the meeting is held.

10.5 Notice for Meetings of Shareholders

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.6 Notice of Resolution to which Shareholders May Dissent

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days; or
- (2) otherwise, 10 days.

10.7 Record Date for Notice

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

- (1) if and for so long as the Company is a public company, 21 days; or
- (2) otherwise, 10 days.

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

10.8 Record Date for Voting

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

10.9 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.10 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting or a circular prepared in connection with the meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

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

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

11.2 Special Majority

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

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons present in person or represented by proxy.

11.4 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxyholder entitled to vote at the meeting.

11.5 Requirement of Quorum

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

11.6 Lack of Quorum

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

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.6(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the meeting shall be terminated.

11.8 Chair

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

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.9 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.10 Adjournments

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

11.11 Notice of Adjourned Meeting

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

11.12 Decisions by Show of Hands or Poll

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

11.13 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.14 Motion Need Not be Seconded

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

11.15 Casting Vote

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

11.16 Manner of Taking Poll

Subject to Article 11.17, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.17 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.18 Chair Must Resolve Dispute

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

11.19 Casting of Votes

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

11.20 No Demand for Poll on Election of Chair

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

11.21 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.22 Retention of Ballots and Proxies

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

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

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

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

- (1) any one of the joint shareholders may vote at any meeting of shareholders, either personally or by proxy, in respect of the share as if that joint shareholder were solely

entitled to it; or

- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

- (1) for that purpose, the instrument appointing a representative must be received:
 - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (b) by the chair of the meeting at the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation that is a shareholder may appoint a proxy holder.

12.6 Proxy Provisions Do Not Apply to All Companies

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

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

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

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

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

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

12.11 Validity of Proxy Vote

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

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given or has been taken.

12.12 Form of Proxy

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

[name of company]
(the “Company”)

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

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

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

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

13. DIRECTORS

13.1 First Directors; Number of Directors

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

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

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

- (2) those directors whose term of office expires at the annual general meeting cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

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

14.3 Failure to Elect or Appoint Directors

If:

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

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

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors' Power to Act

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

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

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

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

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

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

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

15.6 Revocation of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

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

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

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

17. INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

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

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

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

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board or if designated by the chair, the president, a director or other officer; or
- (3) any other director or officer chosen by the directors if:
 - (a) neither the chair of the board nor the president is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president is willing to chair the meeting; or
 - (c) the chair of the board and the president have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

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

18.5 Calling of Meetings

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

18.6 Notice of Meetings

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

18.7 When Notice Not Required

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

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

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

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

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

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

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

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

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times and in such manner and form as the directors may require.

19.4 Powers of Board

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

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

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

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

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

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

21.2 Mandatory Indemnification of Eligible Parties

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

21.3 Indemnification

Subject to any restrictions in the *Business Corporations Act* and these Articles, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former *Companies Act* or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part.

21.5 Company May Purchase Insurance

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

- (1) is or was a director, alternate director, officer, employee or agent of the Company;

- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; or
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

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

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

- (1) set the value for distribution of specific assets;

- (2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

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

22.13 Capitalization of Retained Earnings or Surplus

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

23. ACCOUNTING RECORDS AND AUDITORS

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

23.3 Remuneration of Auditors

The directors may set the remuneration of the auditors. If the directors so decide, the remuneration of the auditors will be determined by the shareholders.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record (for the purposes of this Article 24, a “record”) required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder’s registered address;
 - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class; or
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder’s registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class; or
 - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

- (5) making the record available for public electronic access in accordance with the procedures referred to as “notice-and-access” under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with any similar electronic delivery or access method permitted by applicable securities legislation from time to time; or
- (6) physical delivery to the intended recipient.

24.2 Deemed Receipt

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the date it was e-mailed; and
- (4) made available for public electronic access in accordance with the “notice-and-access” or similar delivery procedures referred to in Article 24.1(5) is deemed to be received by a person on the date it was made available for public electronic access.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

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

24.5 Notice to Legal Personal Representatives and Trustees

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

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

- (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1 Who May Attest Seal

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

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

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

- (1) “designated security” means:
 - (a) a voting security of the Company;
 - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) “security” has the meaning assigned in the *Securities Act* (British Columbia);
- (3) “voting security” means a security of the Company that:
 - (a) is not a debt security, and
 - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

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

26.3 Consent Required for Transfer of Shares or Designated Securities

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

27. SPECIAL RIGHTS AND RESTRICTIONS

27.1 Special Rights and Restrictions Attaching to Common Shares

- (a) The Common shares, as a class, shall confer on the holders thereof and shall be subject to the following special rights and restrictions:
 - (i) **Voting.** The holders of the Common shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each Common share held at all meetings of the shareholders of the Company, except meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.

- (ii) Dividends. Subject to the prior rights of the holders of any other shares ranking senior to the Common shares with respect to priority in the payment of dividends, the holders of Common shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the directors of the Company may from time to time determine and all dividends which the directors of the Company may declare on the Common shares shall be declared and paid in equal amounts per share on all Common shares at the time outstanding.

- (iii) Participation on Liquidation. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Common shares shall, subject to the prior rights of the holders of any other shares ranking senior to the Common shares with respect to priority in the distribution of assets upon liquidation, dissolution, winding-up or any other distribution of assets for the purpose of winding-up or a reduction of capital, be entitled to share equally, share for share, in the remaining assets and property of the Company.

The Business Corporations Act

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Chapter B-10 of *The Revised Statutes of Saskatchewan, 1978* (effective February 26, 1979) as amended by the *Statutes of Saskatchewan, 1979, c.6; 1979-80, c.73; 1980-81, c.2, 21 and 83; 1983, c.37 and 77; 1984-85-86, c.44; 1986, c.33; 1988-89, c.42; 1989-90, c.18; 1990-91, c.35; 1992, c.44; 1993, c.P-6.2; 1995, c.4; 1997, c.T-22.2; 1998, c.C-45.2; 1999, c.N-4.001 and 13; 2001, c.8; 2004, c.L-16.1 and 10; 2005, c.6, 2006, c.26; 2007, S-42.3; 2009, c.27; 2010, c.B-12; and 2012, c.F-13.5 and c.21.*

NOTE:

This consolidation is not official and is subject to House amendments and Law Clerk and Parliamentary Counsel changes to Separate Chapters that may be incorporated up until the publication of the annual bound volume. Amendments have been incorporated for convenience of reference and the official Statutes and Regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the official Statutes and Regulations, errors that may have appeared are reproduced in this consolidation.

Right to dissent

184(1) Subject to sections 185 and 234, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under clause 186.1(4)(d) that affects the holder or if the corporation resolves to:

- (a) amend its articles under section 167 or 168 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles pursuant to section 167 to add, change or remove any restriction on:
 - (i) the business or businesses that the corporation may carry on; or
 - (ii) the powers that the corporation may exercise;
- (c) amalgamate with another corporation, otherwise than under section 178;
- (d) be continued under the laws of another jurisdiction under section 182; or
- (e) sell, lease or exchange all or substantially all its property under subsection (2) of section 183.

Further right

(2) The articles of a corporation may provide that a holder of any class or series of shares of a corporation, except a holder of shares of a distributing corporation, who is entitled to vote under section 170 may dissent if the corporation resolves to amend its articles in a manner described in that section.

Payment for shares

(3) In addition to any other right he may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which he dissents or an order made under subsection 186.1(4) becomes effective, to be paid by the corporation the fair value of the shares held by him in respect of which he dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

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

Objection

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

Notice of resolution

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

Demand for payment

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

- (a) his name and address;
- (b) the number and class of shares in respect of which he dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

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

Forfeiture

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

Endorsing certificate

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

Suspension of rights

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

- (a) the dissenting shareholder withdraws his notice before the corporation makes an offer under subsection (12);
- (b) the corporation fails to make an offer in accordance with subsection (12) and the dissenting shareholder withdraws his notice; or
- (c) the directors revoke a resolution to amend the articles under subsection (2) of section 167 or subsection (4) of section 168, terminate an amalgamation agreement under subsection (6) of section 177 or an application for continuance under subsection (6) of section 182, or abandon a sale, lease or exchange under subsection (8) of section 183;

in which case his rights as a shareholder are reinstated as of the date he sent the notice mentioned in subsection (7).

Offer to pay

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

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

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

Same terms

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

Payment

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

Corporation application to court

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

Shareholder application to court

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

Venue

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

No security for costs

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

Parties

(19) Upon an application to a court under subsection (15) or (16):

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

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

Powers of court

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

Appraisers

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

Final order

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

Interest

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

Notice that subsection (26) applies

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

Effect where subsection (26) applies

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

- (a) withdraw his notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to his full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

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

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

