

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS**

and

**MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT OF**

AURWEST RESOURCES CORPORATION

to be held via conference call on

MARCH 30, 2021

at 10:00 a.m. (Calgary time)

COVID-19 Warning:

In light of the ongoing public health concerns related to COVID-19 and in order to comply with the measures imposed by the federal and provincial governments, Aurwest Resources Corporation is holding the Meeting via conference call only. Aurwest Resources Corporation strongly encourages shareholders to vote using one of the methods described in the Information Circular. Management will not be making an investor presentation at the Meeting.

Please monitor Aurwest Resources Corporation's news releases for any important information related to the Meeting and COVID-19. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments regarding COVID-19, which could potentially include adjourning or postponing the Meeting.

AURWEST RESOURCES CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual and Special Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of **AURWEST RESOURCES CORPORATION** ("**Aurwest**" or the "**Corporation**") will be held on March 30, 2021 at 10:00 a.m. (Calgary time) by teleconference call only (details below). Shareholders are encouraged to attend the Meeting via teleconference call (see dial-in instructions below) for the following purposes:

- (a) to receive the audited financial statements of Aurwest as at and for the year ended May 31, 2020 and December 31, 2020. The Corporation changed its year end from May 31 to December 31 on January 14, 2021;
- (b) to fix the number of directors of the Corporation for the ensuing year at four (4);
- (c) to elect Colin Christensen, Cameron Macdonald, Elmer Stewart, and Brian Prokop as directors of the Corporation;
- (d) to appoint Charlton and Company, Chartered Professional Accountants as the auditors of the Corporation for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditors;
- (e) 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 and Proxy Statement (the "**Management Proxy Circular**"), approving the stock option plan of the Corporation in the form set out in Schedule "C" to the accompanying Management Proxy Circular;
- (f) to consider and, if deemed advisable, to pass with or without variation, a special resolution, the full text of which is set forth in the accompanying Management Proxy Circular, approving the removal of the Corporation's current Articles in their entirety and replacing them with new Articles as more particularly described in the Management Proxy Circular; and
- (g) to transact such further business as may properly come before the Meeting or any adjournment thereof. Information relating to matters to be acted upon by the Shareholders at the Meeting is set forth in the accompanying Management Proxy Circular.

As at the date of this Notice, the Corporation intends to hold the Meeting via teleconference call only. To participate or submit questions during the Meeting, Shareholders can join by teleconference, using the dial in instructions below. The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak.

Dial in Details

Toll-free dial-in number in Canada and the USA: 1-855-453-6957

Local dial-in number in Calgary: 403-410-3051

International dial-in numbers: www.confsolutions.ca

Conference ID: 5774064

Shareholders may attend the Meeting or may be represented at the Meeting by proxy. **Shareholders will not be able to vote their shares in person. As such, Shareholders are requested to complete, sign and date the form of proxy or follow online voting instructions set out herein.** An Instrument of Proxy will not be valid unless it is deposited at the Corporation's registrar and transfer agent, at Olympia Trust Company, by mail to PO Box 128, STN M Calgary, AB T2P 2H6 Attn: Proxy Department, in the enclosed self-addressed envelope, by facsimile at (403) 668-8307, by email to proxy@olympiatrust.com, or on the internet at <https://css.olympiatrust.com/pxlogin> (with the 12-digit control number you have been provided), 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 February 23, 2021 (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: March 1, 2021.

By Order of the Board of Directors

(signed) "*Colin Christensen*"

**President, Chief Executive Officer and
Director**

AURWEST RESOURCES CORPORATION

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

March 1, 2021

IN RESPECT OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MARCH 30, 2021

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

***Note: On January 14, 2021, the Corporation changed its year end from May 31 to December 31. Accordingly, certain information provided for herein is presented both as at and for the year ended May 31, 2020, as well as for the transition year consisting of seven (7) months for the year ended December 31, 2020.**

Solicitation of Proxies

This management information circular and proxy statement (the "Management Proxy Circular") is furnished in connection with the solicitation of proxies by the management of Aurwest Resources Corporation (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 by teleconference call only, on Tuesday, March 30, 2021 at 10:00 a.m. (Calgary time) (the "Meeting"), for the purposes set forth in the notice of annual and special meeting (the "Notice") accompanying this Management Proxy 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

Shareholders may attend the Meeting or may be represented at the Meeting by proxy. Accompanying this Management Proxy 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. **It should be noted however, that Shareholders will not be able to vote their shares in person. As such, Shareholders are requested to complete, sign and date the form of proxy or follow online voting instructions set out herein.** All properly executed instruments of proxy for Shareholders must be delivered so as to be deposited at the offices of the Corporation's registrar and transfer agent, Olympia Trust Company, by mail to PO Box 128, STN M Calgary, AB T2P 2H6 Attn: Proxy Department, in the enclosed self-addressed envelope, by facsimile at (403) 668-8307, by email to proxy@olympiatrust.com, or on the internet at <https://css.olympiatrust.com/pxlogin> (with the 12-digit control number you have been provided), not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) 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. **It should be noted however, that proxyholders other than those named in the instrument of proxy accompanying this Management Information Circular will not be able to attend the Meeting nor to cast votes virtually. As such, Shareholders are requested to complete, sign and date the form of proxy or follow online voting instructions set out herein.**

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 Management Proxy 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 Management Proxy Circular, none of the directors or senior 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, the appointment of auditors or the adoption of the new stock option plan.

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 without nominal or par value. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is February 23, 2021 (the "Record Date"). As at the Record Date, there were 59,815,527 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 meetings of shareholders and are entitled to one vote per Common Share. The holders of Common Shares are entitled to receive such dividends as the board of directors of the Corporation (the "Board of Directors" or the "Board") declare and, upon liquidation, to receive such assets of the Corporation as are distributable to holders of Common Shares.

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 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 Management Proxy 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 Olympia Trust Company 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 out above.

Principal Holders of Common Shares

To the knowledge of the directors and executive officers of the Corporation, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, securities carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

The following information, dated as of March 1, 2021, is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (the "Form"), in such term as defined by National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of this Form, a "Named Executive Officer", or "NEO", means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;
- (c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Based on the foregoing definitions, the Corporation's NEO's in respect of the year ended December 31, 2020 and the year ended May 31, 2020 were Colin Christensen, President and Chief Executive Officer and Warren Brown, Chief Financial Officer.

*Note: The Corporation changed its year end from May 31 to December 31 on January 14, 2021 and filed the Notice of Change in Year End on SEDAR on January 14, 2021. As such and required by applicable laws, the Corporation's *Statement of Executive Compensation* below sets out the director and NEO compensation for the year ended May 31, 2020, December 31, 2020 and the two (2) previous years.

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding stock options and other compensation securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation thereof to each director and each NEO of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Corporation, for the Corporation's year ended December 31, 2020, year ended May 31, 2020 and the two (2) previously completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, Consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Colin Christensen <i>President, CEO and Director</i> ⁽¹⁾	December 31, 2020 ⁽⁸⁾	35,000	Nil	Nil	Nil	Nil	15,000
	May 31, 2020	15,000	Nil	Nil	Nil	Nil	35,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Warren Brown ⁽¹⁰⁾ <i>CFO and Director</i>	December 31, 2020 ⁽⁸⁾	35,000	Nil	Nil	Nil	Nil	15,000
	May 31, 2020	15,000	Nil	Nil	Nil	Nil	35,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Cameron Macdonald <i>Director</i>	December 31, 2020 ⁽⁸⁾	35,000	Nil	Nil	Nil	Nil	15,000
	May 31, 2020	15,000	Nil	Nil	Nil	Nil	35,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Elmer Stewart <i>Director</i>	December 31, 2020 ⁽⁸⁾	18,600	Nil	Nil	Nil	Nil	18,600
	May 31, 2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Brian Prokop ⁽⁹⁾ <i>Director</i>	December 31, 2020 ⁽⁸⁾	Nil	Nil	Nil	Nil	Nil	Nil
	May 31, 2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Bob Faris ⁽²⁾ <i>Former CEO and Director</i> ⁽⁷⁾	2019	\$90,000	Nil	Nil	Nil	Nil	\$90,000
	2018	\$90,000	Nil	Nil	\$7,621 ⁽⁵⁾	Nil	\$97,621
Charles Greig ⁽³⁾ <i>Former Director</i> ⁽⁷⁾	2019	Nil	Nil	Nil	\$15,703 ⁽⁵⁾	\$60,810 ⁽⁶⁾	\$76,513
	2018	Nil	Nil	Nil	\$3,047 ⁽⁵⁾	\$8,482 ⁽⁶⁾	\$11,529
Scott Ansell ⁽⁴⁾ <i>Former Director</i> ⁽⁷⁾	2019	Nil	Nil	Nil	\$6,281 ⁽⁵⁾	Nil	\$6,281
	2018	Nil	Nil	Nil	\$8,719 ⁽⁵⁾	Nil	\$8,719
Gordon Osinchuk <i>Former Director</i> ⁽⁷⁾	2018	Nil	Nil	Nil	Nil	Nil	Nil
Melvin P. Dickson <i>Former Director</i> ⁽⁷⁾	2018	Nil	Nil	Nil	\$7,548 ⁽⁵⁾	Nil	\$7,548

Notes:

- (1) Colin Christensen was appointed as President and CEO on February 28, 2020.
- (2) Mr. Faris ceased to be a director on February 28, 2020.
- (3) Mr. Greig ceased to be a director on February 28, 2020.
- (4) Mr. Ansell ceased to be a director on February 28, 2020.
- (5) Option based awards based on estimates using Black-Scholes option pricing model.
- (6) Fees paid to CJ Greig & Associates Ltd. a company wholly owned by Charles Greig.
- (7) All information and amounts relating to former directors was derived from the Management Information Circular dated January 24, 2020 and filed on SEDAR on February 4, 2020.
- (8) The Corporation changed its year end on January 14, 2021 from May 31 to December 31, as such, the year ended December 31, 2020 is a seven (7) month transition period, and the amounts disclosed in this table are representative of a seven (7) month time period.
- (9) Mr. Prokop was appointed to the board of directors of the Corporation on November 10, 2020.

- (10) Mr. Brown will not be standing for re-election as a director of the Corporation as he will be resigning as Chief Financial Officer and a director of the Corporation to pursue other career and employment opportunities.

External Management Companies

Mr. Christensen and Mr. Brown are not employees of the Corporation. See "*Employment, consulting and management agreements*".

Stock options and other compensation securities

There were no exercises of compensation securities by any of the NEOs or directors of the Corporation during the most recently completed year end of December 31, 2020.

The following table sets forth details for all stock options outstanding for each of the NEO and directors as at the end of the Corporation's most recently completed year end of December 31, 2020.

Compensation Securities For the Year Ended December 31, 2020 ^{(2)/(3)}						
<i>Name and Position</i>	<i>Number of stock options or warrants</i>	<i>Date of issue or grant</i>	<i>Issue, conversion or exercise price (\$)</i>	<i>Closing price of security or underlying security on date of grant (\$)</i>	<i>Closing price of security or underlying security (\$)</i>	<i>Expiry date</i>
<i>Colin Christensen President, CEO⁽¹⁾ and Director</i>	600,000 options 200,000 warrants	June [9], 2020 September 15, 2020	\$0.025 \$0.10 or \$0.15 ⁽⁵⁾	\$0.025 \$0.075	\$0.09 \$0.09	June [9], 2020 September 15, 2023
<i>Warren Brown CFO and Director</i>	600,000 options 200,000 warrants	June [9], 2020 September 15, 2020	\$0.025 \$0.10 or \$0.15 ⁽⁵⁾	\$0.025 \$0.075	\$0.09 \$0.09	June [9], 2020 September 15, 2023
<i>Cameron Macdonald Director</i>	600,000 options 200,000 warrants	June [9], 2020 September 15, 2020	\$0.025 \$0.10 or \$0.15 ⁽⁵⁾	\$0.025 \$0.075	\$0.09 \$0.09	June [9], 2020 September 15, 2023
<i>Elmer Stewart Director</i>	400,000 options 200,000 warrants	June [9], 2020 September 15, 2020	\$0.025 \$0.10 or \$0.15 ⁽⁵⁾	\$0.025 \$0.075	\$0.09 \$0.09	June [9], 2020 September 15, 2023
<i>Brian Prokop⁽⁴⁾ Director</i>	250,000 options	November 11, 2020	\$0.065	\$0.065	\$0.09	November 11, 2022

Notes:

- (1) Mr. Faris served as President and CEO until February 28, 2020, at which time Mr. Christensen was appointed as President and CEO.
- (2) All stock options held by former directors of the Corporation have been cancelled and become null.
- (3) The Corporation changed its year end on January 14, 2021 from May 31 to December 31, as such, the year ended December 31, 2020 is a seven (7) month transaction period.
- (4) Mr. Prokop was appointed to the board of directors of the Corporation on November 10, 2020.
- (5) Each Warrant is exercisable into one Common Share at a price of \$0.10 per Common Share at any time within 18 months following the date of issuance of the Warrant, or at a price of \$0.15 per Common Share if exercised by the holder any time after the initial 18 months but before the date that is 36 months from the date of issuance of the Warrant. The Corporation has the right to force conversion of the Warrants, if at any time from and after the date of issuance, the daily volume-weighted average closing price of the Company's Common Shares on the Canadian Securities Exchange, equals or exceeds \$0.20 for ten (10) consecutive trading days.

There were no exercises of compensation securities by any of the NEOs or directors of the Corporation during the year ended May 31, 2020.

The following table sets forth details for all stock options outstanding for each of the NEO and directors as at the end of the year ended May 31, 2020.

Compensation Securities For the Year Ended May 31, 2020						
<i>Name and Position</i>	<i>Number of stock options</i>	<i>Date of issue or grant</i>	<i>Issue, conversion or exercise price (\$)</i>	<i>Closing price of security or underlying security on date of grant (\$)</i>	<i>Closing price of security or underlying security (\$)</i>	<i>Expiry date</i>

Compensation Securities For the Year Ended May 31, 2020						
Name and Position	Number of stock options	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security (\$)	Expiry date
Colin Christensen President, CEO ⁽¹⁾ and Director	Nil	N/A	N/A	N/A	N/A	N/A
Warren Brown CFO and Director	Nil	N/A	N/A	N/A	N/A	N/A
Cameron Macdonald Director	Nil	N/A	N/A	N/A	N/A	N/A
Elmer Stewart Director	Nil	N/A	N/A	N/A	N/A	N/A
Bob Faris Former CEO ⁽¹⁾ and Director ⁽²⁾	37,500 62,500 37,500	May 11, 2015 June 21, 2016 February 16, 2018	\$0.20 \$0.20 \$0.24	\$0.05 \$0.05 \$0.06	\$0.03	Expired June 21, 2021 February 16, 2023
Charles Greig Former Director ⁽²⁾	125,000	May 3, 2019	\$0.20	\$0.05	\$0.03	May 3, 2023
Scott Ansell Former Director ⁽²⁾	62,500 37,500 50,000	May 15, 2017 February 16, 2018 May 3, 2019	\$0.20 \$0.24 \$0.20	\$0.05 \$0.06 \$0.05	\$0.03	May 15, 2022 February 16, 2023 May 3, 2023

Notes:

- (1) Mr. Faris served as President and CEO until February 28, 2020, at which time Mr. Christensen was appointed as President and CEO.
- (2) All information and amounts relating to former directors was derived from the Management Information Circular dated January 24, 2020 and filed on SEDAR on February 4, 2020.

Stock option plans and other incentive plans

The Corporation has no other incentive plans other than its stock option plan (the "**Plan**"). The Plan provides that the board of directors may from time to time, in its discretion grant to directors, officers and employees of the Corporation and to consultants retained by the Corporation, non-transferable options to purchase common shares ("**Common Shares**"), or such other shares as may be substituted therefore, in the capital of the Corporation for a period of up to five years from the date of the grant provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares of the Corporation at the date of the grant.

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 Common 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.

The following is a summary of the material terms of the Plan:

- 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 Canadian Securities Exchange ("CSE").
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or 90 days after 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.

The Corporation's Plan was approved by the directors. The Plan may be subject for approval at the Corporation's next annual meeting of the shareholders.

Employment, consulting and management agreements

The Corporation does not have any employment, consulting or management agreements in place.

Oversight and description of directors and NEO compensation

Given the Corporation's size and stage of development, the Corporation does not have a separate remuneration committee. The Board of Directors of the Corporation therefore determines the compensation of the Corporation's directors, NEO and senior officers that the Board feels is suitable, primarily by comparison of the remuneration paid by other companies that the Board feels are similarly placed within the same business as the Corporation.

Market comparisons as well as evaluation of similar positions in the same industry and/or in the same geography are among the criteria used in determining compensation levels. Following a review of such criteria, the Board of Directors determines compensation amounts and methods as it sees fit.

The objective of the Board of Directors in setting compensation levels is 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 sets the compensation received by NEO 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 relies primarily on their own experience and knowledge.

Pension disclosure

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 for the Directors and NEOs.

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 end of December 31, 2020, 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 compensating plans approved by the security holders	2,275,000	\$0.04	3,706,553 ⁽¹⁾
Equity compensation plans not approved by security holders	32,922,732	\$0.10	N/A
Total:	35,197,732	N/A	3,706,553

Notes:

- (1) This figure is based on the total number of shares authorized for issuance under the Corporation's Stock Option Plan, less the number of stock options outstanding as at the record date being February 23, 2021.

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 Management Proxy 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 person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares 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

The Corporation does not have in place any management contracts between the Corporation and any directors or officers and 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 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 DISCLOSURE

Audit Committee Charter

The Charter of the Corporation's audit committee (the "Audit Committee") is attached to this Management Proxy Circular as Schedule "B".

Composition of the Audit Committee

The following are the proposed members of the Audit Committee:

Name	Independent	Financially literate⁽¹⁾
Cameron Macdonald	Yes	Financially literate
Brian Prokop	Yes	Financially literate
Elmer Stewart	Yes	Financially literate

Note:

(1) As defined by NI 52-110.

Education and Experience

Cameron Macdonald

Mr. Macdonald has over 15 years of capital markets public company experience as founder and CEO Macam Group of Companies specializing in capital markets, mergers and acquisitions, banking, financial management and operations. Mr. MacDonald is currently the President and CEO and a Director of Salida Energy Inc. and Aloha Brands Inc.

Brian Prokop

Mr. Prokop has over 30 years of diversified resource and capital markets experience, and is currently the CEO, UDP, AR & CCO at Link Plan Management Inc. as a licensed Portfolio Manager. Mr. Prokop is currently a Director of Aloha Brands Inc., the CFO of CE Brands Inc., and a Director of Rock Oil Resources Ltd. Mr. Prokop is President & Co-Founder of Smashing Bottles Inc. and Chairman & CEO of Echelon Foods/The Original Turducken Inc. Mr. Prokop served as a Director of Mapan Energy Ltd., Chief Executive Officer of Argent Energy Trust, Vice President, Capital Markets of Daylight Energy Ltd, Director, he also held a senior role in Institutional Equity Sales at National Bank Financial, served as Vice President, Oil and Gas Specialist, Equity Sales at Canaccord Capital Corporation and was a Senior Oil and Gas Analyst at Peters & Co. In addition, Mr. Prokop held various technical and financial roles at Talisman Energy and Shell Canada. Mr. Prokop is a Professional Engineer (Geological, Earth Sciences) and graduated from the University of Manitoba (1983) and received his MBA, Finance from the University of Calgary (1991) and holds a Chartered Financial Analyst designation

Elmer Stewart

Mr. Stewart has over 42 years of domestic and international experience in mining and exploration for gold, uranium, base metals and copper. During his career, he has been involved in the financing and acquisition of a number of base metal and gold projects as well the development and construction of two underground mines and the construction and operation of three open pit gold mines. With approximately 30 years of experience at the senior management level for various companies listed on the TSX and TSX Venture Exchange, he is currently the Chairman, CEO and President of Copper Fox Metals Inc., and is a Director of Liard Copper Mines Ltd.

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 as described below under the heading "External Auditors", however it is within the mandate of the Audit Committee to arrange for the engagement of such services, as required.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors for the year ended December 31, 2020, year ended May 31, 2020 and year ended May 31, 2019 for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2020	\$10,500	Nil	Nil	Nil
May 31, 2020	\$10,500	Nil	Nil	Nil
2019	\$21,000	Nil	Nil	Nil

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 Corporation changed its year end from May 31 to December 31 on January 14, 2021, and as such the financial statements of the Corporation for the year ended May 31, 2020 and for the year ended December 31, 2020 and the auditors' report thereon accompanying this Management Proxy Circular will be placed before the Shareholders at the Meeting for their consideration.

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 approve an ordinary resolution to fix the number of directors of the Corporation to be elected at four (4) 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. All of the nominees are currently members of the Board of Directors of the Corporation, with the exception of Mr. Prokop. Mr. Brown will not be standing for re-election as a director of the Corporation at this time as he will be resigning as Chief Financial Officer and a director of the Corporation to pursue other career and employment opportunities.

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, as of the date of this Management Information Circular:

<u>Name and Municipality of Residence</u>	<u>Principal Occupation</u>	<u>Director or Officer Since</u>	<u>Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and percentage of total issued and outstanding</u>
Colin Christensen Calgary, Alberta	CEO and President of the Corporation. Independent Consultant and Corporate Development/Investor Relations.	February 28, 2020	1,541,750 (2.58%)
Cameron Macdonald⁽²⁾ Calgary, Alberta	Currently President & CEO Salida Energy Inc. Director with Aloha Brands Inc.	February 28, 2020	1,260,500 (2.11%)
Elmer Stewart⁽²⁾ Calgary, Alberta	President & CEO, Copper Fox Metals Inc. (TSXV: CUU)	February 28, 2020	706,750 (1.2%)
Brian Prokop Calgary, Alberta	CEO, UDP, AR & CCO at Link Plan Management Inc. (licensed Portfolio Manager). Director with Aloha Brands Inc.	November 10, 2020	1,162,000 ⁽³⁾ (1.94%)

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) Member of the Audit Committee.
- (3) Mr. Prokop's wife owns 500,000 Common Shares of the Corporation that Mr. Prokop has control and direction over.

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, 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 other company that, while such person was acting in that capacity:

- (i) 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, and 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.

Other than as set forth below, no director or proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other company 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

Except as set forth below, no director or proposed director of the Corporation has:

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

Conflicts of Interest

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *Business Corporations Act* (Alberta).

Appointment and Remuneration of Auditors

The current auditors of the Corporation are Charlton & Company, Chartered Professional Accountants. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution to appoint Charlton & Company, Chartered Professional Accountants, of Vancouver, British Columbia as the auditor of the Corporation to hold such appointment effective immediately until the next annual meeting of Shareholders, and to authorize the directors of the Corporation to fix the remuneration of the auditor.**

Approval of the appointment and remuneration 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. The Board of Directors of the Corporation unanimously recommends that the Shareholders of the Corporation vote in favour of the resolution appointing Charlton & Company as auditor of the Corporation.

Approval of Stock Option Plan

In accordance with the Canadian Securities Exchange 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 have approved the Plan in the form attached hereto as Schedule "C". The Canadian Securities Exchange does not require the Plan to be approved by the Shareholders of the Corporation, but the Corporation deems it to be good corporate governance to have the Plan approved.

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 Stock Option Plan in substantially the form presented in Schedule "C" to the Management Information Circular, be and is hereby confirmed, adopted and approved, subject to any regulatory and exchange requirements, as applicable;
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 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 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 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 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 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 Canadian Securities Exchange does not require such approval before adoption of the Plan but the Corporation deems it good corporate governance to have the Plan approved by Shareholders. 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.**

Approval of Adoption of New Articles

At the Meeting the Corporations Shareholders will be asked to consider and, if deemed appropriate, approve a special resolution (the "**Change of Articles Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, authorizing the removal of the Corporation's current Articles in their entirety and replacing them with new Articles.

The directors of the Corporation wish to replace the current Articles of the Corporation, which were implemented when the Corporation was incorporated in April, 2008 and have not been updated since (the "**Current Articles**"), with new Articles (the "**New Articles**") in accordance with the provisions of the Corporation's governing statute, the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). A copy of the New Articles is attached hereto as Schedule "D".

Comparison of Current Articles to New Articles

The New Articles will serve to modernize the Corporation's constating documents and better align the Corporation with legal and regulatory developments and provide the Corporation with greater flexibility in certain circumstances. The Board also believes that adopting the New Articles will enable the Corporation to be more efficient and cost-effective, will provide the Corporation with greater flexibility in communicating with Shareholders and in holding meetings and will provide Shareholders with certain rights not provided for in the Current Articles.

Summary of the New Articles

Material differences between the New Articles and the Current Articles include the following:

- (a) the New Articles will enable the Corporation to use uncertificated shares and electronic records keeping systems currently in use worldwide and that are being increasingly adopted in Canada. The system, now known as the "Direct Registration" system, will provide a cost benefit to the Corporation as well as make share transactions more expedient and efficient;
- (b) under the New Articles, subject to the provisions of the BCBCA, the Corporation may, by directors' resolution or by an ordinary resolution, in each case determined by the directors alter the Corporation's

share structure to: (i) create one or more classes of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares; (ii) create one or more series of shares within a class or, if none of the shares of a series of shares are allotted or issued, eliminate that series of shares; (iii) increase, reduce or eliminate the maximum number of shares that the Corporation is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Corporation is authorized to issue out of any class or series of shares for which no maximum is established; (iv) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; (v) if the Corporation is authorized to issue shares of a class of shares with par value: (A) decrease the par value of those shares; or (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (vi) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; (vii) alter the identifying name of any of its shares; or by ordinary resolution or special resolution otherwise alter its shares or authorized share structure when required or permitted to do so by the BCBCA. The Current Articles do not provide for any alterations to the Corporation's authorized share structure other than by a special resolution of Shareholders;

- (c) the New Articles provide that the Corporation may, by directors' resolution or by an ordinary resolution, in each case determined by the directors, change the name of the Corporation;
- (d) 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 under the New Articles is two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 1/20 (5%) of the issued shares entitled to be voted at the meeting. Under the Current Articles there is no minimum percentage of issued shares that must be represented at a meeting of Shareholders to constitute a quorum; and
- (e) under the New Articles, shareholder meetings may, if authorized by directors' resolution, be held anywhere in the world. Under the Current Articles, Shareholder meetings can only be held outside of British Columbia if such location is approved by an ordinary resolution of the Shareholders or otherwise approved in writing by the B.C Registrar of Companies.

The foregoing list is not an exhaustive summary of the differences between the Current Articles and the New Articles, and Shareholders are encouraged to review the New Articles in their entirety attached hereto.

Addition of Advance Notice Provision

The New Articles will also contain advance notice provisions (the "**Advance Notice Provisions**") for the purpose of providing Shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation in connection with any annual or special meeting of Shareholders. The goal of the Advance Notice Provisions is to (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of Shareholders of the Corporation. The Advance Notice Provisions also fix a deadline by which holders of record of Shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of Shareholders.

Subject to the BCBCA and the Articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the Board of Directors or an authorized officer of the Corporation, including pursuant to a notice of meeting;

- (b) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the BCBCA, or a requisition of the Shareholders made in accordance with the provisions of the BCBCA; or
- (c) by any person (a “**Nominating Shareholder**”):
 - (i) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provisions and on the record date for notice of such meeting, is entered in the central securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (ii) who complies with the notice procedures set forth in the Advance Notice Provisions. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder’s notice to the Corporation must be made:

- (a) in the case of an annual meeting of Shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made. In no event shall any adjournment or postponement of a meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above, or otherwise waive the application, in whole or in part, of the Advance Notice Provisions.

To be in proper written form, a Nominating Shareholder’s notice to the Secretary of the Corporation must set forth as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

- (a) the name, age, business address and residential address of the person;
- (b) the principal occupation or employment of the person;
- (c) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
- (d) a statement as to whether such person would be “independent” of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees of the Canadian Securities Administrators*, as such provisions may be amended, supplemented or replaced from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and
- (e) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined in the Advance Notice Provisions).

In addition, a Nominating Shareholder's notice to the Corporation must set forth:

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

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

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of Shareholders of any matter that is properly brought before such meeting pursuant to the provisions of the BCBCA or at the discretion of the chair of the meeting.

The chair of the meeting shall have the power and duty to determine whether any nomination for election of a director was made in accordance with the procedures set forth in the Advance Notice Provisions and, if any proposed nomination is not in compliance with such provisions, to declare that such nomination defective and that it be disregarded.

For the purposes of the Advance Notice Provisions, "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on SEDAR at www.sedar.com.

The Board of the Corporation may, in its sole discretion, waive any requirement of the Advance Notice Provisions.

Shareholder Approval Authorizing the Change of Articles

In order to be effective, the Change of Articles Resolution must be approved by a special resolution of 66⅔% of the votes cast in respect thereof by Shareholders present in person or represented by proxy at the Meeting.

Accordingly, the Shareholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, the following special resolution:

"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the current Articles of the Corporation be removed;
2. the form of Articles set out in Schedule "D" to the Corporation's Management Information Circular mailed to Shareholders in connection with the annual general and special meeting of Shareholders of the Corporation called for March 30, 2021 (the "**Meeting**") be adopted as the new Articles of the Corporation in substitution for, and to the exclusion of, the current Articles effective as of 12:01 a.m. (Pacific time) on the day immediately following the approval of this special resolution by the Shareholders of the Corporation;
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof; and

4. the board of directors of the Corporation is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with this special resolution without further approval, ratification or confirmation by the Shareholders.”

If the Shareholders do not approve the New Articles, the Current Articles will remain as the Articles of the Corporation.

Recommendation of the Board

The Board unanimously recommends that the Shareholders vote in favour of changing the Corporation’s Articles to the New Articles.

Unless the shareholder directs that his or her Common Shares be otherwise voted or withheld from voting in connection with the Change of Articles Resolution, the persons named in the enclosed proxy will vote FOR the adoption and approval of the Change of Articles Resolution.

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 1250, 639 – 5 Avenue SW, Calgary, Alberta T2P 0M9

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 directors that are independent, and

Cameron Macdonald, Elmer Stewart and Brian Prokop.

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

Colin Christensen, as he is the president and CEO 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.

Colin Christensen is currently an executive officer of the Corporation and is therefore not considered to be independent.

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 (all of which are in Canada):

<i>Director</i>	<i>Reporting Issuer</i>
<i>Colin Christensen (current & proposed)</i>	<i>N/A</i>
<i>Cameron Macdonald (current & proposed)</i>	<i>N/A</i>
<i>Elmer Stewart (current and proposed)</i>	<i>Copper Fox Metals Inc. (TSXV: CUU)</i>
<i>Brian Prokop (current and proposed)</i>	<i>CE Brands Inc. (TSXV: CEBI.P)</i>

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 decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

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"

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.
 - (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 and proxy statement). 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, 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 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"

AURWEST RESOURCES CORPORATION

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 Aurwest Resources Corporation (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 share based compensation 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 (collectively the "Exchange") 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 *Securities Act* (British Columbia)) 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 share based compensation plan of the Corporation, shall not exceed 5% 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* (British Columbia)), 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 five (5) 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 Calgary, Alberta:
 - (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. (Calgary 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 regulatory 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 Exchange 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 Calgary, Alberta (Attention: Chief Executive Officer); 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 British Columbia.

SCHEDULE "D"
AURWEST RESOURCES CORPORATION
AMENDED ARTICLES

No. BC 0822549

BUSINESS CORPORATIONS ACT

ARTICLES

of

AURWEST RESOURCES CORPORATION

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BUSINESS CORPORATIONS ACT

ARTICLES

of

AURWEST RESOURCES CORPORATION

PART 1 - INTERPRETATION

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

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

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

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

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

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

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

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

PART 2 - SHARES AND SHARE CERTIFICATES

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

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

2.3 **Uncertificated Shares; Shareholder Entitled to Certificate or Acknowledgement or Written Notice.**

(a) The directors may, by resolution, provide that:

(i) the shares of any or all of the classes and series of the Company's shares must not be represented by a certificate, or

(ii) any specified shares must not be represented by a certificate.

(b) Notwithstanding Part 1, in these Articles the term "uncertificated share" means a share in respect of which a resolution referred to in subsection (a) has been passed and is in effect with the result that the registered owner of the share is not entitled to receive a share certificate representing the share or a written acknowledgment of a right to obtain such a share certificate.

(c) Despite subsection (a), if a certificate or acknowledgement referred to in subsection (e) has been received by a shareholder in relation to a share, a resolution referred to in subsection (a) must not apply to that share until the certificate or acknowledgement is surrendered to the Company.

(d) 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*.

(e) Except in respect of uncertificated shares, each shareholder is entitled, without charge, to (i) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (ii) 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.

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, postage prepaid, at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss occasioned to the shareholder if that share certificate, acknowledgment or written notice is lost in the mail or stolen. In respect of a share held jointly by several persons, delivery of a certificate for that share to one of several joint holders or to his duly authorized agent shall be sufficient delivery to all.

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

(a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(b) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 **Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement.** 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 that 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 shares 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 certificates in accordance with that request.

2.8 **Fee for Certificates.** 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 shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in a fractional part of a share or (except only as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in its registered owner.

PART 3 - ALLOTMENT AND ISSUE OF SHARES

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

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

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

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

PART 4 - SHARE REGISTERS

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

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

PART 5 - SHARE TRANSFERS

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

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

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

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

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

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

PART 6 - TRANSMISSION OF SHARES

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

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

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

PART 7 - ALTERATIONS

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

- (a) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
 - (i) create one or more classes of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares;
 - (ii) create one or more series of shares within a class or, if none of the shares of a series of shares are allotted or issued, eliminate that series of shares;
 - (iii) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
 - (iv) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (v) if the Company is authorized to issue shares of a class of shares with par value:
 - (A) decrease the par value of those shares; or
 - (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (vi) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
 - (vii) alter the identifying name of any of its shares; or

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

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

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

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

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

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

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

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

PART 8 - PURCHASE AND REDEMPTION OF SHARES

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

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

(a) the Company is insolvent; or

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

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

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

PART 9 - BORROWING POWERS

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

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

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

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

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

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

PART 10 - GENERAL MEETINGS

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

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

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

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

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

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

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

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

If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 **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 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

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

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

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

PART 11 - PROCEEDINGS AT GENERAL MEETINGS

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

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting; and
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) the setting of the remuneration of an auditor;
 - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

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

11.3 Quorum. Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1/20 of the issued shares entitled to be voted at the meeting.

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

- (a) the quorum is one person who is, or who represents by proxy, that shareholder; and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

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

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

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

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

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

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

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

- (a) the chair of the board, if any; or
- (b) if no chair of the board exists or is present and willing to act as chair of the meeting, the president of the Company, if any; or
- (c) if the chair of the board, and the president of the Company are absent or unwilling to act as chair of the meeting, the solicitor of the Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11.24 **Meetings by telephone or other communications medium.** A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Article 11.24 shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting a shareholders in a manner contemplated by this Article 11.24, (a) each such shareholder or proxy holder shall be deemed to be present at the meeting, and (b) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

PART 12 - VOTES OF SHAREHOLDERS

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

12.2 **Trustee of Shareholder May Vote.** A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the

meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or satisfies all of the directors present at the meeting, that the person is a trustee for a shareholder who is entitled to vote on the resolution.

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

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

- (a) for that purpose, the instrument appointing a representative must:
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 2 business days before the day set for the holding of the meeting, or
 - (ii) be provided, at the meeting, to the chair of the meeting, and
- (b) if a representative is appointed under this Article 12.4:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder, and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

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

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

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

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

(Name of Company)

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

Signed this day of,

.....

Signature of shareholder

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

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

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

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

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

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

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

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

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

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

PART 13 - DIRECTORS

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

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

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

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

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

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

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

PART 14 - ELECTION AND REMOVAL OF DIRECTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART 15 - POWERS AND DUTIES OF DIRECTORS

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

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

PART 16 - DISCLOSURE OF INTEREST OF DIRECTORS

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

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

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

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

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

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

PART 17 - PROCEEDINGS OF DIRECTORS

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

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

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

17.4 **Notice of Meeting.** A director may, and the secretary or an assistant secretary, if any, upon request of a director shall, call a meeting of the board at any time. Reasonable notice of such meeting specifying the place, day and hour of such meeting shall be given by mail, postage prepaid, addressed to each of the directors and alternate directors at his address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose, or by leaving it at his prescribed address or at any other address provided to the Company by the director for this purpose, or orally, by delivery of written notice or by telephone, voice mail, email, fax or any method of legibly transmitting messages. It shall not be necessary to give notice of a meeting of directors if such meeting is to be held immediately following a general meeting at which such director shall have been elected or is the meeting of directors at which such director is appointed. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any director or alternate director shall not invalidate the proceedings at the meeting.

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

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

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

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

PART 18 - EXECUTIVE AND OTHER COMMITTEES

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

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

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

PART 19 - OFFICERS

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

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

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

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

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

PART 20 - INDEMNIFICATION

20.1 **Definitions.** In this Article 20:

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

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

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

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

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

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

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

PART 21 – SEAL

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

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

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

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

PART 22 - DIVIDENDS

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

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

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

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

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

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

PART 23 - DOCUMENTS, RECORDS AND REPORTS

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

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

PART 24 - NOTICES

24.1 Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted under the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient; and
- (f) delivery in such other manner as may be approved by the directors and reasonably evidenced.

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

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

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

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

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 25 - PROHIBITIONS

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

25.2 **Definitions.** For the purposes of Article 25.1:

- (a) “designated security” means:
 - (i) a voting security of the Company;
 - (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (i) or (ii);
- (b) “security” and “voting security” have the meanings assigned to such terms in the *Securities Act* (British Columbia).

PART 26 - ADVANCE NOTICE PROVISIONS

26.1 Nomination of Directors

- (a) Nominations of persons for election to the Board may be made at any Annual Meeting of shareholders or at any Special Meeting of shareholders if one of the purposes for which the Special Meeting was called was the election of directors. In order to be eligible for election to the Board at any Annual Meeting or Special Meeting of shareholders, persons must be nominated in accordance with one of the following procedures:
 - (i) by or at the direction of the Board or an authorized officer, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
 - (iii) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 26.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at

such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 26.1.

- (b) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with paragraph (c) below) and in proper written form (in accordance with paragraph (d) below) to the Secretary of the Company at the principal executive offices of the Company.
- (c) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:
 - (i) in the case of an Annual Meeting of Shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the Special Meeting of Shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this paragraph (c).

For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

- (d) A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:
 - (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined in paragraph (g) below); and
 - (ii) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined in paragraph g below).
- (e) The Company may require any proposed nominee for election as a director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 26.1; provided, however, that nothing in this Article 26.1 shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at an Annual Meeting or Special Meeting of any matter that is properly brought before such meeting pursuant to the provisions of the *Business Corporations Act* or at the discretion of the chair of the meeting. The chair of the meeting shall have the power and duty to determine whether any nomination for election of a director was made in accordance with the procedures set forth in this Article 26.1 and, if any proposed nomination is not in compliance with such procedures, to declare such nomination defective and that it be disregarded.
- (g) For purposes of this Part 26:
- (i) "**Annual Meeting**" means any annual meeting of Shareholders;
 - (ii) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such laws and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar securities regulatory authority of each province and territory of Canada;
 - (iii) "**Board**" means the board of directors of the Company as constituted from time to time;
 - (iv) "**Common Shares**" means common shares in the capital of the Company;
 - (v) "**Public Announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com;
 - (vi) "**Shareholder**" means a holder of Commons Shares; and
 - (vii) "**Special Meeting**" means any special meeting of Shareholders if one of the purposes for which such meeting is called is the election of directors.
- (h) Notwithstanding any other provision of this Article 26.1, notice given to the Secretary of the Company pursuant to this Article 26.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this Article 26.1), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Article 26.1.

26.2 Application

- (a) Article 26.1 does not apply to the Company in the following circumstances:
- (i) if and for so long as the Company is not 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; or
 - (ii) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.

- (b) Any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or make or cause to be delivered or made all such filings and documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.