

AMALGAMATION AGREEMENT

AMONG:

ZURI CAPITAL CORP.

AND:

0982887 B.C. LTD.

AND:

PHOENIX GOLD RESOURCES LTD.

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AMALGAMATION AGREEMENT

THIS AGREEMENT is made as of the 23rd of April, 2014 (the “**Agreement Date**”).

AMONG:

ZURI CAPITAL CORP., a corporation existing under the laws of British Columbia

(“**Zuri**”)

AND:

0982887 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia

(“**MergerSub**”)

AND:

PHOENIX GOLD RESOURCES LTD., a corporation existing under the laws of the Province of British Columbia

(“**Phoenix**”);

WHEREAS:

A. It is intended that Phoenix and MergerSub, a wholly-owned subsidiary of Zuri, will amalgamate and form one corporation under the provisions of the BCBCA (as herein defined); and

B. Upon the Amalgamation taking effect, securityholders of Phoenix will receive securities of Zuri in the proportion and to the extent set out herein;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

PART 1 **INTERPRETATION**

1.1 Definitions

In this Agreement, the following defined terms have the meanings hereinafter set forth:

- (a) “**Agent**” means Jordan Capital Markets Inc., agent for the Concurrent Offering;
- (b) “**AGEI**” Americas Gold Exploration Inc., a private company wholly owned by Don McDowell;
- (c) “**Agreement**” means this amalgamation agreement (including the schedules and exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule, exhibit or other portion hereof;

- (d) “**Amalco**” means the corporation continuing from the Amalgamation;
- (e) “**Amalco Shares**” means the common shares in the capital of Amalco;
- (f) “**Amalgamation**” means the amalgamation of MergerSub and Phoenix under the provisions of the BCBCA on the terms and conditions set forth in this Agreement;
- (g) “**Amalgamation Application**” means the amalgamation application as contemplated by the BCBCA and in substantially the form set out in Exhibit “B” hereto;
- (h) “**Articles**” means the Articles of Amalco in respect of the Amalgamation and in substantially the form set out in Exhibit “A” to this Agreement;
- (i) “**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;
- (j) “**Business Day**” means a day other than a Saturday, Sunday or other day when banks in the City of Vancouver, British Columbia, are not generally open for business;
- (k) “**Certificate**” means the certificate or other confirmation of filing to be issued by the Registrar pursuant to the BCBCA giving effect to the Amalgamation;
- (l) “**Concurrent Offering**” has the meaning ascribed thereto in §5.1(a);
- (m) “**CPC Agent**” means Foster & Associates Financial Services Inc.;
- (n) “**Effective Date**” means April 23, 2014, or such other date as may be agreed to by the Parties in writing;
- (o) “**Effective Time**” means the time of the Amalgamation as set forth in the Certificate issued to Amalco;
- (p) “**Exchange**” means the TSX Venture Exchange Inc.;
- (q) “**Filing Statement**” means the filing statement dated March 21, 2014 filed by Zuri in respect of the Amalgamation and related transactions;
- (r) “**GRIT**” means Global Investment Trust PLC;
- (s) “**IFRS**” has the meaning ascribed thereto in §1.2(g);
- (t) “**Kroy Holdings**” means Kroy Holdings Limited, a British Virgin Islands company wholly owned by Kings Trust whose sole beneficiary is Glenn Laing;
- (u) “**MergerSub**” means 0982887 B.C. Ltd., a wholly-owned subsidiary of Zuri and a corporation incorporated under the laws of the Province of British Columbia;
- (v) “**MergerSub Shares**” means common shares in the capital of MergerSub;
- (w) “**Name Change**” means the change of name by Zuri to "Phoenix Gold Resources Corp." or such other name as the directors of Zuri may determine, to be effected immediately following completion of the Amalgamation;

- (x) **“Parties”** means, collectively, the parties to this Agreement, and **“Party”** means any one of them;
- (y) **“Phoenix”** means Phoenix Gold Resources Ltd., a corporation incorporated under the laws of the Province of British Columbia;
- (z) **“Phoenix Founders”** means Glenn Laing, William Matlack, Donald McDowell, AGEI, Kroy Holdings and Resource Hunter;
- (aa) **“Phoenix Shares”** means common shares in the capital of Phoenix;
- (bb) **“Phoenix Warrants”** means the common share purchase warrants of Phoenix which may be exercised at a certain price entitling the holder thereof to purchase Phoenix Shares at such price;
- (cc) **“Phoenix Unit”** means the units of Phoenix being sold pursuant to the Concurrent Offering, comprised of one Phoenix Share and half of one Phoenix Warrant, with each whole Phoenix Warrant entitling the holder to acquire one Phoenix Share for \$0.20 per Phoenix Share for a period of 36 months from the closing date of the Concurrent Offering;
- (dd) **“Public Record”** means all information filed by Zuri with any securities commission or similar regulatory authority; and
- (ee) **“Registrar”** means the Registrar of Companies or a Deputy Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (ff) **“Resource Hunter”** means Resource Hunter Capital Partners, a private entity wholly owned by Glenn Laing;
- (gg) **“Resulting Issuer”** means Zuri, following completion of the Amalgamation and Name Change, whose wholly-owned subsidiary will be Amalco;
- (hh) **“Resulting Issuer Corporate Finance Fee Options”** means the non-transferable 280,000 options to be issued by the Resulting Issuer to the Agent as part of the corporate finance fee in connection with the Concurrent Offering, each entitling the holder to acquire one Resulting Issuer Unit, comprised of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at a price of \$0.20 per Resulting Issuer Unit for three (3) years from the closing date of the Concurrent Offering;
- (ii) **“Resulting Issuer Brokers Warrants”** means the warrants to be issued by the Resulting Issuer in connection with the Concurrent Offering to the Agent, comprised of 8% of that number of Phoenix Units sold under the brokered portion of the Concurrent Offering, and to certain brokers and finders, comprised of 8% of that number of Phoenix Units sold under the non-brokered portion of the Concurrent Offering;
- (jj) **“Resulting Issuer Shares”** means the common shares in the capital of the Resulting Issuer;
- (kk) **“Resulting Issuer Warrants”** means the warrants to be issued by the Resulting Issuer on closing of the Amalgamation and Name Change, exercisable to acquire Resulting Issuer Shares;

- (ll) “**Zuri**” means Zuri Capital Corp., a corporation existing under the laws of British Columbia;
- (mm) “**Zuri Options**” means all stock options exercisable to acquire Zuri Shares outstanding immediately prior to the Effective Date;
- (nn) “**Zuri Shares**” means the common shares in the capital of Zuri; and
- (oo) “**Zuri Warrants**” means the warrants of Zuri to be issued by Zuri on closing of the Amalgamation.

1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided:

- (a) the division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereto”, “herein” and “hereunder” and similar expressions refer to this Agreement (including exhibits hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;
- (b) words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders;
- (c) the word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (d) if any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place;
- (e) any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, and to any regulations promulgated thereunder. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time;
- (f) all sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted;
- (g) unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under International Financial Reporting Standards in effect in Canada (“**IFRS**”) and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS;
- (h) all representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer,

reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principals of equity);

- (i) where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge of the senior officers of the Party after due inquiry; and
- (j) the Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

1.3 Exhibits

The following exhibits attached hereto are incorporated into and form an integral part of this Agreement:

- Exhibit "A" – Form of Articles of Amalco
- Exhibit "B" – Form of Amalgamation Application

1.4 Currency

Unless otherwise indicated herein, "\$" or "dollars" shall refer to lawful currency of Canada.

PART 2 **THE AMALGAMATION**

2.1 Agreement to Amalgamate

Zuri, MergerSub and Phoenix agree that MergerSub and Phoenix shall amalgamate pursuant to the provisions of the BCBCA as of the Effective Time and continue as one corporation on the terms and conditions set out in this Agreement.

2.2 Effect of Amalgamation

At the Effective Time:

- (a) the property of each of MergerSub and Phoenix shall continue to be the property of Amalco;
- (b) Amalco shall continue to be liable for the obligations of each of MergerSub and Phoenix; and
- (c) the Articles attached hereto as Exhibit "A" shall be the articles of Amalco.

2.3 Name

The name of the Amalco shall be "Phoenix Gold Resources (Holdings) Ltd."

2.4 Registered Office

The registered office of Amalco shall be Suite 1000 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8.

2.5 Authorized Capital and Restrictions on Share Transfers

The authorized capital of Amalco shall consist of an unlimited number of common shares without par value, which shall have the rights, privileges, restrictions and conditions set out in the Articles. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles.

2.6 Fiscal Year

The fiscal year end of Amalco shall be December 31st of each calendar year.

2.7 Business

There shall be no restriction on the business which Amalco is authorized to carry on.

2.8 Initial Directors

The first directors of Amalco shall be the persons whose name and address appear below

| <u>Name</u> | <u>Address</u> |
|-------------|----------------|
| Glenn Laing | "Redacted" |
| Andrew Lee | "Redacted" |

Such directors shall hold office until the first annual meeting of shareholders of Amalco or until their successors are elected or appointed.

2.9 Initial Officers

The first officers of Amalco shall be the persons whose name and position appear below:

| <u>Name</u> | <u>Position</u> |
|-------------|---------------------------------------|
| Glenn Laing | President and Chief Executive Officer |
| Sean Choi | Chief Financial Officer |

2.10 Exchange of MergerSub Shares and Phoenix Shares

At the Effective Time:

- (a) all of the issued and outstanding Phoenix Shares will be cancelled and each Phoenix shareholder will receive one Zuri Share for each Phoenix Share held by such holder;
- (b) the MergerSub Shares will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each one MergerSub Share;
- (c) Amalco shall issue to Zuri the number of Amalco Shares equal to the number of Zuri Shares issued to shareholders of Phoenix pursuant to the Amalgamation; and
- (d) all of the issued and outstanding Phoenix Warrants will be cancelled, and each Phoenix warrant holder will receive an equivalent Zuri Warrant, which shall entitle the holder thereof to acquire the same number of Zuri Shares exercisable at the same price per Zuri Share and on the same terms as the Phoenix Warrants,

provided that all securities of Zuri for which Phoenix securities are exchanged shall be issued in the name of the Resulting Issuer upon completion of the Name Change.

2.11 Stated Capital

Upon completion of the Amalgamation, the stated capital of the Amalco Shares will be equal to the stated capital of the Phoenix Shares plus the stated capital of the MergerSub Shares.

2.12 Exchange of Share Certificates

Upon the presentation and surrender by each Phoenix shareholder to Zuri of the certificates representing all of the Phoenix shareholder's Phoenix Shares which have been exchanged for Zuri Shares pursuant to the Amalgamation, Zuri shall or shall cause the transfer agent for Zuri Shares, as soon as reasonably practicable to issue to such Phoenix shareholder a certificate representing the number of Zuri Shares to which the Phoenix shareholder is entitled under the Amalgamation.

2.13 Completion of the Amalgamation and Effective Date

Upon the satisfaction or waiver of the conditions herein contained in favour of each Party, Phoenix and MergerSub shall immediately deliver to the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Effective Time.

2.14 Zuri Guarantee

Zuri hereby agrees to use its reasonable commercial efforts to ensure the due and punctual performance by MergerSub of each and every covenant and obligation of MergerSub arising under the Amalgamation. Zuri hereby agrees that Phoenix shall not have to proceed first against MergerSub before exercising its rights under this guarantee against Zuri.

2.15 Post-Amalgamation Transactions

Following the completion of the Amalgamation, Zuri will complete the Name Change, thereby becoming the Resulting Issuer, and will immediately thereafter proceed with issuing the Resulting Issuer Warrants, the Resulting Issuer Corporate Finance Fee Options and the Resulting Issuer Brokers Warrants.

PART 3 **COVENANTS**

3.1 Covenants of Zuri and MergerSub

Each of Zuri and MergerSub covenant and agree that:

- (a) Zuri and MergerSub shall use their reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Part 5 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Zuri or MergerSub, as the case may be; and
- (b) Zuri shall, on the Effective Date, provide to Zuri's transfer agent an irrevocable direction authorizing and directing the transfer agent to issue the Zuri Shares issuable under the Amalgamation to holders of the Phoenix Shares and shall irrevocably direct its transfer agent to distribute the Zuri Shares to the holders of the Phoenix Shares in accordance with the terms of the Amalgamation.

3.2 Covenants of Phoenix

Phoenix covenants and agrees that Phoenix will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Part 5 as soon as reasonably practicable, to the extent the fulfillment of the same is within the control of Phoenix.

PART 4 **REPRESENTATIONS AND WARRANTIES**

4.1 Representations and Warranties of Zuri and MergerSub

Zuri and MergerSub represent and warrant to Phoenix as follows, and acknowledge that Phoenix is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) each of Zuri and MergerSub has good and sufficient right and authority to enter into this Agreement and carry out its obligations hereunder;
- (b) each of Zuri and MergerSub is duly incorporated under the BCBCA, and, each of Zuri and MergerSub are currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) Zuri is a “reporting issuer” in British Columbia, Alberta and Ontario and is currently listed on the Exchange;
- (d) Zuri is authorized to issue an unlimited number of Zuri Shares of which 4,000,000 Zuri Shares are outstanding as at the date hereof, and Zuri has outstanding Zuri Options to acquire up to 400,000 Zuri Shares;
- (e) MergerSub is authorized to issue an unlimited number of common shares, of which only 1 common share is outstanding as at the date hereof, which is held by Zuri;
- (f) other than the securities referred to in §4.1(d) and §4.1(e), there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Zuri or MergerSub (as that term is defined in the *Securities Act* (British Columbia));
- (g) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Zuri or MergerSub at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever, nor are there, to the best of its knowledge, any pending or threatened;
- (h) this Agreement is a binding agreement on Zuri and MergerSub, enforceable against each of them in accordance with its terms and conditions;
- (i) Zuri has, as the sole shareholder of MergerSub, approved the Amalgamation, together with such matters as are required to effect the Amalgamation;
- (j) the financial statements, annual and interim MD&A, management proxy circulars and press releases of Zuri filed with the Securities Commissions in British Columbia, Alberta and Ontario on or during the twelve months preceding the date hereof are in all material respects accurate and up to date and omit no facts, the omission of which makes the Public Record or any particulars therein, materially misleading or incorrect;

- (k) since October 31, 2013 and except as disclosed in the Filing Statement, neither Zuri nor MergerSub has incurred any debts or liabilities, absolute, contingent or otherwise except in the ordinary course of business and neither Zuri nor MergerSub has granted any general security over its assets;
- (l) the information in the Filing Statement relating to Zuri and MergerSub is true, correct and complete in all material respects and does not contain any untrue statement of any material fact, nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;
- (m) neither Zuri nor MergerSub has any outstanding taxes due and payable;
- (n) Zuri is up to date and current with all filings required by the Securities Commissions of British Columbia, Alberta and Ontario;
- (o) as at the date hereof, there are no reasonable grounds for believing that any creditor of Zuri or MergerSub will be prejudiced by the Amalgamation;
- (p) as at the date hereof, Zuri has no subsidiaries, except for MergerSub;
- (q) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of either Zuri or MergerSub or any instruments binding on it or its assets:
 - (i) which would preclude it from entering into this Agreement;
 - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Zuri or MergerSub;
 - (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Zuri or MergerSub is a party or to purchase any of Zuri 's, MergerSub's or Amalco's assets; or
 - (iv) which would impose restrictions on the ability of Amalco:
 - A. to carry on any business which it might choose to carry on within any geographical area;
 - B. to acquire property or dispose of its property and assets as an entirety;
 - C. to pay dividends, redeem shares or make other distributions to its shareholders;
 - D. to borrow money or to mortgage and pledge its property as security therefore; or
 - E. to change its corporate status, and
 - F. the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Phoenix in seeking full information as to Zuri and MergerSub and their assets, liabilities and business; and

- (v) Zuri and MergerSub have been advised of the mineral property interests held by the Phoenix Founders, which include the rights to certain property interests located in the State of Nevada, USA (the “**Independent Property Acquisition**”), that were indirectly acquired by the Phoenix Founders prior to completion of the transactions contemplated hereby, through a recently incorporated company named Northern Nevada Copper Ltd., (“**NNC**”), including:
- A. the right of the Phoenix Founders to acquire from AGEI a 65% interest in approximately 15 sections of minerals rights located in the Battle Mountain District in Lander County, Nevada, USA, consisting of 583 unpatented mining claims of which 573 are 100% owned by McEwan Mining Limited and an additional 10 mining claims that comprise the “Bluebird Lease”; and
 - B. the right of the Phoenix Founders to earn up to a minimum initial 57.74% interest into an existing joint venture known as the Timberline Joint Venture, in which LAC Minerals (USA) LLC holds a 28.4% participating interest and Timberline holds a 71.6% participating interest, concerning a group of mineral rights situated in Humboldt County and Lander County, Nevada, USA; and

acknowledge that such mineral property interests are independent of and separate and apart from Phoenix, its property interests, the property interests of its wholly-owned subsidiary Phoenix Gold Resources (USA), Inc., and the transactions contemplated hereby, and that Phoenix and its subsidiary have waived any interest in and to NNC, the Independent Property Acquisition, and the independent properties that are the subject matter thereof, such waiver having been approved by separate resolutions of the directors and of the shareholders of Phoenix and of Phoenix Gold Resources (USA), Inc.

4.2 Representations and Warranties of Phoenix

Phoenix represents and warrants to Zuri and MergerSub as follows, and acknowledges that Zuri and MergerSub are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its obligations hereunder;
- (b) it is duly incorporated under the BCBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) it is authorized to issue an unlimited number of common shares, of which 21,700,000 Phoenix Shares are outstanding as at the date hereof, and 2,9750,000 Phoenix Warrants are outstanding as at the date hereof. A total of 5,950,000 Phoenix Shares and all of the outstanding Phoenix Warrants were issued to GRIT on March 7, 2014 as part of the non-brokered portion of the Concurrent Offering, such non-certificated issuances having been made on the books of Phoenix only pursuant to the terms of a share exchange agreement dated January 31, 2014 between Phoenix and Global Resources Investment Ltd., as further described in the Filing Statement. Such Phoenix Shares and Phoenix Warrants issued to GRIT shall form a portion of the Concurrent Offering, with the remaining balance of the Concurrent Offering not having yet been issued by Phoenix, but which will be issued on or before closing of the Amalgamation, as described in the Filing Statement;

- (d) other than the securities referred to in §4.2(c), there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Phoenix (as that term is defined in the *Securities Act* (British Columbia));
- (e) there are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Phoenix at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to the best of its knowledge, any pending or threatened;
- (f) this Agreement is a binding agreement on Phoenix, enforceable against it in accordance with its terms and conditions;
- (g) the shareholders of Phoenix, by unanimous resolution, approved the Amalgamation, together with such matters as are required to effect the Amalgamation;
- (h) since August 31, 2013 and except as disclosed in the Filing Statement, Phoenix has not incurred any debts or liabilities, absolute, contingent or otherwise except in the ordinary course of business and has not granted any general security over its assets;
- (i) the information in the Filing Statement relating to Phoenix and its subsidiary is true, correct and complete in all material respects and does not contain any untrue statement of any material fact, nor omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the context in which they are to be made;
- (j) it has no outstanding taxes due and payable except as disclosed in the Filing Statement;
- (k) as of the date hereof, Phoenix has no debts and obligations other than those disclosed in its accounts and Phoenix has granted no general security over its assets or security in any particular asset except as disclosed in the Filing Statement;
- (l) as at the date hereof there are no reasonable grounds for believing that any creditor of Phoenix will be prejudiced by the Amalgamation;
- (m) other than Phoenix Gold Resources (USA) Inc., of which it holds 100%, it has no subsidiaries;
- (n) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Phoenix or any instruments binding on it or its assets:
 - (i) which would preclude Phoenix from entering into this Agreement;
 - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Phoenix;
 - (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Phoenix is a party or to purchase any of Phoenix’s or Amalco’s assets; or
 - (iv) which would impose restrictions on the ability of Amalco:

- A. to carry on any business which it might choose to carry on within any geographical area;
 - B. to acquire property or dispose of its property and assets as an entirety;
 - C. to pay any dividends, redeem shares or make other distributions to its shareholders;
 - D. to borrow money or to mortgage and pledge its property as security therefor; or
 - E. to change its corporate status; and
- (o) it has no interest whatsoever in or to NNC, the Independent Property Acquisition, the independent properties that are the subject matter thereof, or anything in connection therewith, including the following property interests:
- (i) the right to acquire from AGEI a 65% interest in approximately 15 sections of minerals rights located in the Battle Mountain District in Lander County, Nevada, USA, consisting of 583 unpatented mining claims of which 573 are 100% owned by McEwan Mining Limited and an additional 10 mining claims that comprise the “Bluebird Lease”; and
 - (ii) the right to earn up to a minimum initial 57.74% interest into an existing joint venture known as the Timberline Joint Venture, in which LAC Minerals (USA) LLC holds a 28.4% participating interest and Timberline holds a 71.6% participating interest, concerning a group of mineral rights situated in Humboldt County and Lander County, Nevada, USA; and
- (p) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Zuri or MergerSub in seeking full information as to Phoenix and its assets, liabilities and business;

4.3 Survival of Representation and Warranties

The representations and warranties herein shall survive the performance of the Parties respective obligations hereunder and the termination of this Agreement but shall expire two years after the Effective Date.

PART 5 **CONDITIONS PRECEDENT**

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the completion of the Amalgamation, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Phoenix shall have completed a private offering (the “**Concurrent Offering**”) immediately prior to the completion of the Amalgamation, substantially on the terms described in the Filing Statement, pursuant to which Phoenix will issue a minimum of 15,500,000 to a maximum of 20,000,000 Phoenix Units at a price of \$0.10 per Phoenix Unit for gross proceeds of a minimum of \$1,550,000 to a maximum of \$2,000,000, which

shall consist of a brokered portion of up to \$500,000, and a non-brokered portion for the remaining balance that will include the 5,950,000 Phoenix Units issued to GRIT on March 7, 2014 as a portion of the non-brokered private placement;

- (b) the requirements of Part 9, Division of 3 of the BCBCA for an amalgamation without court approval shall have been complied with, including the requirement in Subsection 277(1) that each of Phoenix and MergerSub obtain and deposit in that company's records office an affidavit of a director or officer of that company that complies with the requirements set out in Subsection 277(2);
- (c) the Amalgamation Application and Articles to be filed with the Registrar in accordance with the Amalgamation shall be in form and substance satisfactory to each of the Parties, acting reasonably;
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Amalgamation; and
- (e) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably.

The foregoing conditions are for the mutual benefit of Zuri and MergerSub on the one hand and Phoenix on the other hand and may be waived, in whole or in part, jointly by the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Effective Date then a Party may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

5.2 Additional Conditions to Obligations of Zuri

The obligations of Zuri and MergerSub to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction of the following conditions:

- (a) Phoenix shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by it on or before the Effective Time pursuant to the terms of this Agreement;
- (b) except as affected by the transactions contemplated herein, the representations and warranties of Phoenix contained in § 4.2 hereof shall be true in all material respects on the Effective Date with the same effect as though such representations and warranties had been made at and as of such time;
- (c) Phoenix shall have furnished Zuri with:
 - (i) certified copies of the resolutions duly passed by the board of directors of Phoenix approving this Amalgamation Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the resolutions of the shareholders of Phoenix approving this Amalgamation Agreement and the consummation of the transactions contemplated hereby; and

- (iii) a certificate of good standing of Phoenix dated within three days of the Effective Date.

The conditions in this §5.2 are for the exclusive benefit of Zuri and may be asserted by Zuri regardless of the circumstances or may be waived by Zuri in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which of Zuri may have.

5.3 Additional Conditions to Obligations of Phoenix

The obligations of Phoenix to consummate the transactions contemplated hereby, and in particular to complete the Amalgamation, is subject to the satisfaction of the following conditions:

- (a) Zuri and MergerSub shall have performed, satisfied and complied with all obligations, covenants and agreements to be performed and complied with by them on or before the Effective Time pursuant to the terms of this Agreement;
- (b) the shares of Zuri to be issued to Phoenix's shareholders shall be issued as fully paid and non-assessable common shares in the capital of Zuri, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature, except those pursuant to any relevant Exchange policies or applicable securities laws;
- (c) except as affected by the transactions contemplated herein, the representations and warranties of Zuri contained in § 4.1 hereof shall be true in all material respects on the Effective Date with the same effect as though such representations and warranties had been made at and as of such time;
- (d) Zuri shall have furnished Phoenix with;
 - (i) certified copies of the resolutions duly passed by the boards of directors of Zuri and MergerSub approving this Agreement and the consummation of the transactions contemplated hereby;
 - (ii) certified copies of the resolutions of Zuri, as the sole shareholder of MergerSub, approving this Agreement and the consummation of the transactions contemplated hereby; and
 - (iii) certificates of good standing of Zuri and MergerSub dated within three days of the Effective Date.

The conditions in this §5.3 are for the exclusive benefit of Phoenix and may be asserted by Phoenix regardless of the circumstances or may be waived by Phoenix in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Phoenix may have.

5.4 Satisfaction of Conditions

The conditions set out in this Part 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Amalgamation Application and Articles are filed under the BCBCA to give effect to the Amalgamation.

PART 6 TERMINATION

6.1 Termination

- (a) This Agreement may be terminated at any time in each of the following circumstances:

- (i) an agreement to terminate is executed and delivered by all the Parties; or
 - (ii) the failure to satisfy a particular condition precedent as provided in Part 5.
- (b) If this Agreement is terminated in accordance with the foregoing provisions of this §6.1, this Agreement shall forthwith become void and no Party shall have any liability or further obligation to the other Parties hereunder except for each Party's obligations under §7.5 and §7.6 hereunder, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this §6.1 (b) shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

PART 7
GENERAL

7.1 Notices

All notices that may be or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by facsimile transmission:

- (a) in the case of Zuri or MergerSub, to:

Zuri Capital Corp.
Suite 1450 – 409 Granville Street
Vancouver, British Columbia V6C 1T2

Attention: Mike Gillis
Fax: 604-642-0116

with a copy to (which copy shall not constitute notice):

Morton Law LLP
Suite 1200 – 750 West Pender Street
Vancouver, BC V6C 2T8

Attention: Edward Mayerhofer
Fax: 604-681-9652;

- (b) in the case of Phoenix, to:

Phoenix Gold Resources Ltd.
Suite 1901 – 5000 Yonge Street
Toronto, Ontario M2N 7E9

Attention: Glenn Laing
Fax: 416-628-3801;

with a copy to (which copy shall not constitute notice):

Boughton Law Corporation
Suite 700 – 595 Burrard Street
Vancouver, British Columbia V7X 1S8

Attention: Sean O'Neill
Fax: 604-683-5317;

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile transmission is received.

7.2 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

7.3 Assignment

Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties hereto.

7.4 Entire Agreement

This Agreement and the other agreements and documents referred to herein constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof, including the letter agreement between Zuri and Phoenix dated July 29, 2013, as amended October 8, 2013, November 14, 2013, December 2, 2013, December 16, 2013, January 21, 2014, February 21, 2014, March 28, 2014 and April 11, 2014.

7.5 Costs

All fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense, whether or not the Amalgamation is completed, provided however that if the Amalgamation is completed, any accrued but unpaid fees, costs and expenses of Zuri shall be paid forthwith by Phoenix, provided such unpaid fees, costs and expenses do not exceed \$3,500, unless otherwise specifically authorized in writing by Phoenix.

7.6 Confidentiality

- (a) The Parties acknowledge that each will and has provided to the other information that is non-public, confidential, and proprietary in nature. Each of the Parties (and their respective directors, officers, affiliates, representatives, agents and employees) will keep such information confidential and will not, except as otherwise provided below, disclose such information or use such information for any purpose other than for the purposes of consummating the Amalgamation and the other transactions contemplated by this Agreement. The foregoing will not apply to information that:
 - (i) becomes generally available to the public absent any breach of the foregoing;
 - (ii) was available on a non-confidential basis to a Party prior to its disclosure; or
 - (iii) becomes available on a non-confidential basis from a third party who is not bound to keep such information confidential.
- (b) The Parties agree that the obligations set forth in this §7.6 will not prevent either Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable law.
- (c) Each of the Parties agrees that immediately upon termination of this Agreement pursuant to §6.1, each Party will return to the other all confidential information.

7.7 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

7.8 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

7.9 Time of Essence

Time shall be of the essence of this Agreement.

7.10 Applicable Law and Enforcement

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

7.11 Waiver

Any Party may, on its own behalf only, (a) extend the time for the performance of any of the obligations or acts of the other Parties, (b) waive compliance with the other Parties' agreements or the fulfillment of any conditions to its own obligations contained herein, or (c) waive inaccuracies in the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

7.12 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

ZURI CAPITAL CORP.

Per: "Mike Gillis"
Authorized Signatory

0982887 B.C. Ltd.

Per: "Mike Gillis"
Authorized Signatory

PHOENIX GOLD RESOURCES LTD.

Per: "Glenn Laing"
Authorized Signatory

EXHIBIT "A"

FORM OF ARTICLES OF AMALCO

Refer to the materials attached hereto.

BUSINESS CORPORATIONS ACT

ARTICLES

of

PHOENIX GOLD RESOURCES (HOLDINGS) LTD.

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BUSINESS CORPORATIONS ACT

ARTICLES

of

PHOENIX GOLD RESOURCES (HOLDINGS) LTD.

(the “Company”)

PART 1

INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) “**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;
- (b) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (c) “**Interpretation Act**” means the Interpretation Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “**legal personal representative**” means the personal or other legal representative of the shareholder;
- (e) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (f) “**seal**” means the seal of the Company, if any;
- (g) “**share**” means a share in the share structure of the Company; and
- (h) “**special majority**” means the majority of votes described in § 11.2 which is required to pass a special resolution.

1.2 Act and Interpretation Act Definitions Applicable

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

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

2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an 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 or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

- (a) cancel the share certificate or acknowledgment; and
- (b) issue a replacement share certificate or acknowledgment.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

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

- (a) proof satisfactory to it of the loss, theft or destruction; and
- (b) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

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

2.9 Recognition of Trusts

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

PART 3

ISSUE OF SHARES

3.1 Directors Authorized

Subject to the Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, 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 consideration (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

3.3 Brokerage

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

3.4 Conditions of Issue

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

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:

- (i) past services performed for the Company;
 - (ii) property;
 - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under §3 .1.

3.5 Share Purchase Warrants and Rights

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

PART 4

SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the Act, the Company must maintain in British Columbia a central securities register and may appoint an agent to maintain such register. The directors may appoint one or more agents, including the agent appointed to keep the central securities register, as transfer agent for shares or any class or series of shares and the same or another agent as registrar for shares or such class or series of 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.

PART 5

SHARE TRANSFERS

5.1 Registering Transfers

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

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

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

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

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

5.5 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

PART 6

TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the Company shall receive the documentation required by the Act.

6.2 Rights of Legal Personal Representative

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

PART 7

PURCHASE, REDEEM OR OTHERWISE ACQUIRE SHARES

7.1 Company Authorized to Purchase, Redeem or Otherwise Acquire Shares

Subject to §7.2, the special rights or restrictions attached to the shares of any class or series and the 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 determined by the directors.

7.2 Purchase When Insolvent

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

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

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

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

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

7.4 Company Entitled to Purchase, Redeem or Otherwise Acquire Share Fractions

The Company may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company shall thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, shall direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, shall have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, Section 300 under the

Act and the holder were an “offeree” subject to the provisions contained in such Division, *mutatis mutandis*.

PART 8

BORROWING POWERS

8.1 The Company, if authorized by the directors, may:

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

8.2 The powers conferred under this Part 8 shall be deemed to include the powers conferred on a company by Division VII of the *Special Corporations Powers Act* being chapter P-16 of the Revised Statutes of Quebec, 1988, and every statutory provision that may be substituted therefor or for any provision therein.

PART 9

ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to §9.2 and the Act, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue 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;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

- (e) 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;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act,

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

9.2 Special Rights or Restrictions

Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by special resolution:

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

9.3 Change of Name

The Company may

- (a) if the Company is a public company, by directors' resolution, authorize an alteration to its Notice of Articles, in order to change its name;
- (b) if the Company is not a public company, by special resolution, authorize an alteration to its Notice of Articles, in order to change its name, and
- (c) by ordinary or directors' resolution, authorize an alteration to its Notice of Articles, in order to adopt or change any translation of that name.

9.4 Other Alterations

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

PART 10

MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the Act, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar

year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

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

10.4 Notice for Meetings of Shareholders

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

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

10.5 Record Date for Notice

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

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

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

10.6 Record Date for Voting

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

10.7 Failure to Give Notice and Waiver of Notice

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

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of § 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.

10.9 Place of Meetings

In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors.

PART 11

PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (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) (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 Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

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

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares, and to § 11.4, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, holds at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

11.4 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 Persons Entitled to Attend Meeting

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

11.9 Chair

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

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

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board 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, the directors present may choose either one of their number or the lawyer of the Company to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present or the lawyer of the Company declines to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 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 of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

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

11.14 Declaration of Result

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

11.15 Motion Need Not be Seconded

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

11.16 Casting Vote

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

11.17 Manner of Taking Poll

Subject to § 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 the determination of the chair made in good faith is final and conclusive.

11.20 Casting of Votes

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

11.21 No Demand for Poll on Election of Chair

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

11.22 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 proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12

VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

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

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

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

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

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

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

12.6 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company 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, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.

12.7 Appointment of Proxy Holders

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

12.8 Alternate Proxy Holders

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

12.9 Proxy Holder Need Not Be Shareholder

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

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

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

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

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by email, if permitted by the notice calling the meeting or the information circular for the meeting.

12.11 Validity of Proxy Vote

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

- (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 or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

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

[name of company]

(the "Company")

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

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

Signed [month, day, year]

[Signature of Shareholder]

[Name of shareholder-printed]

12.13 Revocation of Proxy

Subject to § 12.14, every proxy may be revoked by an instrument in writing that 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 or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in § 12.13 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 the shareholder's legal personal representative or trustee in bankruptcy;
- (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 § 12.5.

12.15 Production of Evidence of Authority to Vote

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

PART 13

DIRECTORS

13.1 First Directors; Number of Directors

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

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

13.2 Change in Number of Directors

If the number of directors is set under §13.1(b)(i) or § 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to § 14.8, may appoint directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders.

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

PART 14

ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under §(a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

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

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

14.3 Failure to Elect or Appoint Directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by § 1 0.2, on or before the date by which the annual general meeting is required to be held under the Act; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by § 1 0.2, to elect or appoint any directors; then each director then in office continues to hold office until the earlier of:
- (c) when his or her successor is elected or appointed; and
- (d) when he or she otherwise ceases to hold office under the Act or these Articles.

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors Power to Act

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

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

Notwithstanding §13.1 and §13.2, between annual general meetings or by unanimous resolutions contemplated by § 1 0.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this § 14.8 must not at any time exceed:

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

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to § 14.10 or § 14.11.

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

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

PART 15

ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

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

15.6 Revocation or Amendment of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or reappointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) the term of his appointment expires, or his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

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

PART 16

POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

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

PART 17

INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

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

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that

individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the Act.

17.5 Director Holding Other Office in the Company

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

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

PART 18

PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director;
or

- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (iii) the chair of the board 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.

18.4 Meetings by Telephone or Other Communications Medium

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

- (a) in person; or
- (b) by telephone or by other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

A director who participates in a meeting in a manner contemplated by this § 18.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

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

18.6 Notice of Meetings

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

18.7 When Notice Not Required

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

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

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

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

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

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

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

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

PART 19

EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

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

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

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

19.3 Obligations of Committees

Any committee appointed under § 19.1 or § 19 .2, in the exercise of the powers delegated to it, must:

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

19.4 Powers of Board

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

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

19.5 Committee Meetings

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

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

PART 20

OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

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

PART 21

INDEMNIFICATION

21.1 Definitions

In this Part 21 :

- (a) “**eligible party**”, in relation to a company, means an individual who:
 - (i) is or was a director, alternate director or officer of the Company;
 - (ii) is or was a director, alternate director or officer of another corporation
 - A. at a time when the corporation is or was an affiliate of the Company, or
 - B. at the request of the Company; or
 - (iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity,

and includes, except in the definition of “eligible proceeding” and Sections 163(1)(c) and (d) and 165 of the Act, the heirs and personal or other legal representatives of that individual;

- (b) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (c) “**eligible proceeding**” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director, alternate director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation
 - (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (d) “**expenses**” has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and
- (e) “**proceeding**” includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

21.2 Mandatory Indemnification of Eligible Parties

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

21.3 Indemnification of Other Persons

Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

21.4 Authority to Advance Expenses

The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

21.5 Non-Compliance with Act

Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former Companies Act or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 21.

21.6 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any eligible party (or the heirs or legal personal representatives of any eligible party) against any liability incurred by any eligible party.

PART 22

DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

The directors must set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months.

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

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

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

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

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any

bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 23

ACCOUNTING RECORDS AND AUDITOR

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

23.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

PART 24

NOTICES

24.1 Method of Giving Notice

Unless the Act or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the Act or these Articles to be sent by or to a person may be sent by:

- (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.

24.2 Deemed Receipt of Mailing

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

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in §24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person under §24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) emailed to a person to the e-mail address provided by that person under §24.1 is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

24.3 Certificate of Sending

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

24.4 Notice to Joint Shareholders

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

24.5 Notice to Legal Personal Representatives and Trustees

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

- (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 §(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

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

PART 25

SEAL

25.1 Who May Attest Seal

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

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

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

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

PART 26

PROHIBITIONS

26.1 Definitions

In this Part 26:

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

26.2 Application

§26.3 does not apply to the Company if and for so long as it is a public company, a private company which is no longer eligible to use the private issuer exemption under the Securities Act (British Columbia) or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or a company to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

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

| Full name and signature of director | Date of signing |
|-------------------------------------|-----------------------|
| <u>"Andrew Lee"</u> Andrew Lee | <u>April 23, 2014</u> |

EXHIBIT "B"

FORM OF AMALGAMATION APPLICATION

Refer to the materials attached hereto.