

APIIA ENERGY CORP.
25 ADELAIDE STREET EAST, SUITE 1010
TORONTO, ONTARIO
M5C 3A1

**INFORMATION CIRCULAR
MANAGEMENT SOLICITATION**

SOLICITATION OF PROXIES

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management (the “Management”) of APIIA ENERGY CORP. (the “Corporation”) for use at the Annual General and Special Meeting of Shareholders (the “Meeting”) of the Corporation to be held at the offices of Gardiner Roberts LLP, 40 King Street West, Suite 3100, Toronto, Ontario, M5H 3Y2, in the Main Boardroom, at the hour of 3:30 o’clock in the afternoon (Toronto time), on Tuesday, the 28th day of May, 2013, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (“Common Shares”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Corporation (the “Management Designees”). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Transfer Agent of the Corporation, **Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1**. A proxy can be executed by the shareholder or his attorney duly authorized in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Meeting Materials (as defined in the “Advice to Beneficial Shareholders” section below) from Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) must return the proxy forms, once voted, to Broadridge for the proxy to be dealt with.

DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED BY 3:30 P.M. (TORONTO TIME) ON FRIDAY, MAY 24, 2013, BEING NOT LESS THAN 48 HOURS, EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS, PRECEDING THE DATE OF THE MEETING, OR ANY ADJOURNMENT THEREOF, WITH THE CORPORATION’S TRANSFER AGENT, EQUITY FINANCIAL TRUST COMPANY**, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing. A return envelope has been included with this material.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant (a “**non-registered holder**”). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of Common Shares. Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically the non-registered holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

All references to shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise

EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy for use at the Meeting will vote the Common Shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH COMMON SHARES SHALL BE VOTED "FOR":**

- (a) the appointment of Wasserman Ramsay, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration;

- (b) the election of the directors as nominated by Management;
- (c) confirmation of the new general By-Law No. 1-A of the Corporation; and
- (d) to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE COMMON SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

EFFECTIVE DATE

The effective date of this Circular is April 24, 2013.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on April 23, 2013 (the “**Record Date**”) will be entitled either to attend and vote at the Meeting in person shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them.

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares, of which **41,616,078** Common Shares are issued and outstanding as fully paid and non-assessable as of the Record Date. The Common Shares of the Corporation are not listed on any market.

To the knowledge of the directors and executive officers of the Corporation, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of securities of the Corporation other than as follows:

Name of Shareholder	Number of Shares	Percentage of Class	Percentage of Voting Shares
Canada Enerco Corp. ⁽¹⁾	33,984,000	81.66%	81.66%

Note:

⁽¹⁾ Controlled by Tom Drivas, President, Chief Executive Officer and a director

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation’s last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of officers except as disclosed herein.

REQUIRED ANNUAL DISCLOSURE CONCERNING THE CORPORATION

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers, as such term is defined in National Instrument 51-102.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the Corporation's executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers ("**Named Executive Officers**") listed in the Summary Compensation Table that follows. During its fiscal year ended September 30, 2012, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

- Tom Drivas, President and Chief Executive Officer; and
- Michael D'Amico, Chief Financial Officer.

The Corporation does not employ or retain any other individuals who would qualify as a "Named Executive Officer" because no executive officer or employee of the Corporation receives total compensation (including without limitation salary and bonus) in excess of \$150,000.

The Corporation established a Compensation Committee, comprised of Thomas Skimming, Jack McOuat and Nick Bontis, to be responsible for the compensation program for the Corporation's Named Executive Officers for fiscal 2012.

Compensation Objectives and Principles

The Corporation is an exploration company focused on the acquisition and exploration of mineral prospects. The Corporation has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Board has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

To date, limited compensation has been paid to the Corporation's Named Executive Officers. It is anticipated that the Compensation Committee will re-evaluate the compensation being paid. It is expected that compensation will consist of a cash component and potentially the granting of stock options or other share compensation arrangements. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of its employees.

Compensation Processes and Goals

The deliberations of the Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation's Named Executive Officers. At the request of the Compensation Committee, the Named Executive Officers may, from time to time, provide advice to the Compensation Committee with respect to the compensation program for the Corporation's Named Executive Officers. The Compensation Committee makes recommendations regarding the compensation to be awarded to the Named Executive Officers to the full Board of Directors (either on its own volition or based upon the advice it receives from the Named Executive Officers).

The Corporation relies on its Compensation Committee and its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The

Board is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including, without limitation, to the Corporation's directors, and for reviewing the Compensation Committee's recommendation regarding the compensation to be awarded to any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's and Director's position. The Board of Director incorporates the following goals when it makes its compensation decisions with respect to the Corporation's Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

The Implementation of the Corporation's Compensation Policies

Executive Compensation

During the year ended September 30, 2012, the Corporation was contractually obligated to pay the Chief Executive Officer a consulting fee of \$60,000 per annum. This amount was agreed upon between the Chief Executive Officer and the Corporation taking into account the following considerations:

- the Chief Executive Officer's public company and regulatory experience gained through his involvement with the Corporation;
- the total number of years of the Chief Executive Officer's relevant experience; and
- the financing raised by the Corporation while the Chief Executive Officer has been in office.

The compensation was not dependent on the Chief Executive Officer's fulfillment of any specific performance goals or similar criteria. In addition, no cash amounts have actually been paid and all compensation for the Chief Executive Officer has been accrued by the Company.

During the year ended September 30, 2012, the Corporation paid the Chief Financial Officer a consulting fee of \$3,000 per month beginning in March 2012. This amount was agreed upon between the Chief Financial Officer and the Corporation taking into account the following considerations:

- the Chief Financial Officer's prior public company and specialized financial reporting experience gained through his senior financial management roles at a number of public mineral exploration and mining companies;
- the Chief Financial Officer's experience as a Chartered Accountant for over 35 years, during which time he supervised finance, accounting and operations departments; and
- the Chief Financial Officer's previous record of success with junior public mineral exploration and mining companies in creating value for shareholders.

The payment of this consulting fee was not dependent on the Chief Financial Officer's fulfillment of any specific performance goals or similar criteria.

Stock Options

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. The number of options the Corporation grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Corporation in the execution of such person's responsibilities. However, the number of options granted does not depend upon nor does it reflect the fulfillment of any specific performance goals or similar conditions. Previous grants of options to Named Executive Officers are taken into consideration by the Compensation Committee in developing its recommendations with respect to the granting of new options. The Chief Financial Officer was granted 400,000 stock options in the year ended September 30, 2012. No stock options were granted to the Chief Executive Officer in the year ended September 30, 2012.

The granting of options to the non-management directors of the Corporation under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these directors to provide proper independent oversight to the Corporation with a view to maximizing shareholder value. The number of options the Corporation grants to each of these directors reasonably reflects each director's contributions to the Corporation in his capacity as a director and as a member of one or more committees of the Board (if applicable), including without limitation the Compensation Committee and Audit Committee. Previous grants of options awarded to the independent directors of the Corporation are taken into consideration when the Corporation considers the granting of new options to the independent directors. No options were granted to the Corporation's non-management director during the year ended September 30, 2012.

The compensation of directors is determined by the full Board with recommendation by the Compensation Committee. The payment of directors' fees to the independent directors recognizes their contributions to the Corporation in their capacities as independent directors and members of one or more committees of the Board (if applicable), including without limitation the Compensation Committee and Audit Committee. Directors did not receive fees for the year ended September 20, 2012.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation's President and Chief Executive Officer, Tom Drivas, and Chief Financial Officers, Michael D'Amico for the fiscal year ending September 30, 2012, September 30, 2011 and September 30, 2010. In accordance with the Form, the Corporation does not have any other "Named Executive Officers" given that no executive officer receives total salary and bonus in excess of \$150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Tom Drivas, President and C.E.O	2012	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2011	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2010	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Michael D'Amico, C.F.O. ⁽²⁾	2012	22,000	Nil	249,932 ⁽¹⁾	Nil	Nil	Nil	Nil	271,932

Notes:

- (1) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil%; risk free interest rate of 1.98%; estimated life of 5 years and expected volatility ranging from 97% to 141%.
- (2) Mr. D'Amico assumed the role of Chief Financial Officer on January 23, 2012.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of September 30, 2012

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of September 30, 2012.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Michael D'Amico	400,000	1.25	January 23, 2017	Nil	Nil	Nil

Note:

- (1) The value of the unexercised in-the-money options was calculated based on the difference between the last price at which the Common Shares were issued by the Corporation, which was \$1.25, and the exercise price of the option. The Common shares do not trade on any market.

Value Vested or Earned by Named Executive Officers During the Year Ended September 30, 2012 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended September 30, 2012.

Name	Option-Based Awards- Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Tom Drivas	Nil	Nil	Nil
Michael D'Amico	Nil	Nil	Nil

Note:

- (1) The value of the option-based awards was calculated based on the difference between the last price at which the Common Shares were issued by the Corporation, which was \$1.25, and the exercise price of the option. The Common shares do not trade on any market.

Employment/Consulting Contracts

The Corporation has not entered into a written consulting agreement with the Chief Executive Officer. Tom Drivas is entitled to \$60,000 per year effective October 1, 2008 for acting as President and Chief Executive Officer of the Corporation. The Corporation has agreed to pay its Chief Financial Officer \$3,000 per month effective March 1, 2012.

Termination and Change of Control Benefits

Other than as noted herein, the Corporation has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer's employment with the Corporation, from a change of control of the Corporation or a change in the responsibilities of a Named Executive Officer following a change in control.

Compensation of Directors

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's directors, other than its Named Executive Officers, the compensation of whom is detailed above under "Summary Compensation Table", for the fiscal year ended September 30, 2012.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
Thomas Skimming	Nil	Nil	76,987	Nil	Nil	Nil	Nil	76,987
Brian Robertson	Nil	Nil	76,987	Nil	Nil	Nil	Nil	76,987
Nick Bontis	Nil	Nil	249,932	Nil	Nil	Nil	Nil	249,932
William R. Johnstone ⁽²⁾	Nil	Nil	38,493	Nil	Nil	Nil	Nil	38,493
Jack McOuat	Nil	Nil	153,974	Nil	Nil	Nil	Nil	153,974

Notes:

⁽¹⁾ The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil%; risk free interest rate of 1.98%; estimated life of 5 years and expected volatility ranging from 97% to 141%.

⁽²⁾ Mr. Johnstone is not an independent director as he serves as Corporate Secretary and counsel to the Corporation.

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of September 30, 2012

The following table summarizes all share-based and option-based awards granted by the Corporation to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of September 30, 2012 detailed above) which are outstanding as of September 30, 2012.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Thomas Skimming	400,000	1.25	February 17, 2016	Nil	Nil	Nil
Brian Robertson	400,000	1.25	February 17, 2016	Nil	Nil	Nil
William R. Johnstone	200,000	1.25	February 17, 2016	Nil	Nil	Nil
Jack McOuat	400,000	1.25	July 14, 2016	Nil	Nil	Nil
Nick Bontis	400,000	1.25	February 1, 2017	Nil	Nil	Nil

Note:

(1) The value of the unexercised in-the-money options was calculated based on the difference between the last price at which the Common Shares were issued by the Corporation, which was \$1.25, and the exercise price of the option. The Common shares do not trade on any market.

Value Vested or Earned During the Year Ended September 30, 2012 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended September 30, 2012 by directors of the Corporation (other than directors who are Named Executed Officers whose value vested or earned during the year ended September 30, 2012 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards- Value Vested During the Year (\$)⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Thomas Skimming	Nil	Nil	Nil
Brian E. Robertson	Nil	Nil	Nil
Nick Bontis	Nil	Nil	Nil
William R. Johnstone	Nil	Nil	Nil
Jack McQuat	Nil	Nil	Nil

Note:

(1) The value of the option-based awards was calculated based on the difference between the last price at which the Common Shares were issued by the Corporation, which was \$1.25, and the exercise price of the option. The Common shares do not trade in any market.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of September 30, 2012 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u>
Equity compensation plans approved by security holders	2,200,000	1.25	1,961,607
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	2,200,000	1.25	1,961,607

STOCK OPTION PLAN

The Corporation has adopted a stock option plan (the “**Stock Option Plan**”) that authorizes the Corporation to grant options for the purchase of Common Shares (“**Options**”) to any employee, executive officer, Director or consultant of the Corporation and its subsidiaries to whom Options can be granted in reliance on a prospectus and registration

exemption under applicable securities laws (“**Eligible Persons**”, and each such person holding Options and participating in the Stock Option Plan is hereinafter referred to as an “**Optionee**”). The maximum number of Options that may be issued shall not exceed 10% of the number of Common Shares outstanding from time to time.

Grants of Options made to any single Eligible Person and his, her or its associates (as that term is defined in the *Securities Act* (Ontario)) shall not exceed 5% of the issued and outstanding Common Shares. The maximum number of securities issuable to insiders (as defined in the *Securities Act* (Ontario)) of the Corporation and their associates, at any time, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding securities of the Corporation, the maximum number of securities issued to insiders of the Corporation and their associates, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding securities of the Corporation and, in the case of any one (1) insider and his or her associates, shall not exceed 5% of the issued and outstanding securities.

The Stock Option Plan provides that the terms of the Options granted and the Option prices shall be fixed by the Directors subject to the price and other restrictions imposed by the relevant regulatory authorities, but shall not be less than the market price per Common Share at the time of grant. Options granted under the Stock Option Plan are not transferable or assignable. Options granted under the Stock Option Plan shall be for a term determined by the Directors but in any event must be exercisable for a period not in excess of five years. Options granted under the Stock Option Plan shall vest in such a manner as determined by the Directors and the exercise price must be paid in full upon exercise of the Option. The administration and operation of the Stock Option Plan may be delegated by the Board of Directors to a committee of the Directors.

If an Optionee ceases to be an Eligible Person, due to termination for cause or resignation the Optionee will have a period not in excess of three (3) months from the date the person ceased to be an Eligible Person to exercise Options held to the extent that the Optionee was entitled to exercise the Options at the date of such cessation. In the event of death of the Optionee, Options previously granted are exercisable for a period not in excess of one year next succeeding such death to the extent that the Optionee was entitled to exercise the Option at the date of death. In the event of termination of employment otherwise than for cause by reason of retirement or disability, the Optionee will have a period not in excess of twelve (12) months from the date the person ceased to be an Eligible Person to exercise the Options held to the extent that the Optionee was entitled to exercise the Options at the date of such cessation. The Board of Directors may at any time discontinue the Stock Option Plan. The Board of Directors may amend the terms of the Stock Option Plan in those circumstances permitted by applicable regulatory authorities.

As of the date of this Circular, there are currently 1,561,607 options available for grant under the Plan and 2,600,000 stock options that are outstanding under the Plan as follows:

Name and Position	Common Shares Under Option	Exercise Price Range (per Common Share)	Expiry Date
Directors	2,200,000	\$1.25	February 17, 2016 – April 9, 2018
Executive Officers	400,000	\$1.25	January 23, 2017
TOTAL	2,600,000		

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or director of the Corporation is indebted to the Corporation for any sum.

MANAGEMENT CONTRACTS

No management functions of the Corporation are performed to any substantial degree by a person other than the directors or executive officers of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Tom Drivas, President, C.E.O. and a director of the Corporation controls Canada Enerco Corp. (“CEC”) which in turn controls the Corporation. Reference is made to the headings “Voting Securities and Principal Holders Thereof” and “Corporate Governance – Board of Directors”. No other informed person (within the meaning of applicable securities laws) of the Corporation, and no Director or officer, or any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the inception date of the Corporation, other than disclosed above under the headings “Executive Compensation” and “Stock Option Plan”.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation’s audit committee and its relationship with the Corporation’s independent auditors.

The Audit Committee’s Charter

The Corporation’s Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule “A”**.

Composition of the Audit Committee

The Corporation’s Audit Committee is currently comprised of three (3) independent directors, Nick Bontis (Chairman), Brian Robertson and Thomas Skimming. As defined in NI 52-110, all directors are independent and are financially literate.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed fiscal year, the Corporation’s board of directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the members of the Corporation’s Audit Committee:

Nick Bontis

Dr. Nick Bontis is a tenured professor of strategic management at the DeGroote School of Business, McMaster University. He received both his Bachelor of Arts in 1992 (Honours Business Administration) and his PhD from the Ivey School of Business at The University of Western Ontario in 1999. He is a globally-recognized management consultant and frequently appears in the media to discuss corporate performance and business trends. He is also a former staff auditor at KPMG and is currently an Executive Board Member and Director at Harvest Portfolios Group.

Brian Robertson

Mr. Robertson holds a Graduate Diploma in Business Administration from Laurentian University, Sudbury, Ontario, and has extensive experience in financial matters related to public companies gained as President and CEO of Source Exploration as well as former President of Nuinsco Resources Limited and Victory Nickel Inc. Mr. Robertson has played a key role in a number of financings for both public and private companies.

Thomas Skimming

In his role as a professional engineer, consulting geologist and a director and officer of a number of resource companies, Mr. Skimming has reviewed and analyzed financial statements, MD&As and other financial documents of many Canadian resource companies. Currently, Mr. Skimming is a member of the audit committee of Golden Predator Corp., a TSX-listed resource company, and formerly acted as Chief Financial Officer of Romios Gold Resources Inc., a public resource company listed on the TSXV. Mr. Skimming has been instrumental in a number of financial transactions for public and private companies.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

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

External Auditors Service Fees (By Category)

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

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u> ⁽¹⁾	<u>Tax Fees</u> ⁽²⁾	<u>All Other Fees</u> ⁽³⁾
2012	\$20,000	4,975	Nil	Nil
2011	\$17,000	Nil	\$1,500	\$0

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

CORPORATE GOVERNANCE

The following disclosure is provided in compliance with National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”) and National Policy 58-201 – Corporate Governance Guidelines (“**NP 58-201**”).

The Board of Directors believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Corporation and to the enhancement of shareholder value. The Board of Directors fulfils its mandate directly and through committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending on the state of the Corporation's affairs and in light of opportunities and risks which the Corporation faces. The Directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with Management.

Board of Directors

Four (4) of the seven (7) members of the Board of Directors, including Jack McOuat, Brian Robertson, Thomas Skimming and Nick Bontis, are independent within the meaning of NI 58-201. Tom Drivas, Frank van de Water and William R. Johnstone are not independent. Mr. Drivas is the President and Chief Executive Officer and controls the Corporation through CEC. Mr. van de Water was appointed to the Board on April 9, 2013 at which time he assumed the roles of Chief Operating Officer and Corporate Secretary of the Corporation. Mr. Johnstone was the Corporate Secretary of the Corporation until April 9, 2013 and is counsel to the Corporation. The Board of Directors is of the view that it operates independently of management. Directors are expected and encouraged to exercise independent judgment and effectively review and challenge the performance of management. All Independent Directors have public company experience and a full understanding of their fiduciary duties. The Independent Directors will be encouraged to have open and frank discussions and, if felt necessary, require that the non-independent directors leave the meeting while such discussions are undertaken. Mr. McOuat, as Chairman of the Corporation, is responsible for chairing all meetings of the Board of Directors, providing leadership to the Board of Directors, managing the Board of Directors, acting as a liaison between the Board of Directors and Management and representing the Corporation to external groups. In addition to his public company experience, Mr. McOuat has had an extensive career in the mining industry as one of the founding partners of the WGM Group.

The following table summarizes directorships of other reporting issuers held by the Directors of the Corporation:

Director	Name of Reporting Issuer	Market	Position(s) with Issuer
Jack McOuat	CAPVEST Income Corp.	TSXV	Director
	Canadian Income Management Inc.	TSX	Director
	Sentry Select Primary Metals Corp.	TSX	Director
	Romios Gold Resources Inc.	TSXV	Director
	NCE Diversified Flow-Through (12) Limited Partnership		Director of the general partner
	NCE Diversified Flow-Through (11) Limited Partnership		Director of the general partner
Tom Drivas	Romios Gold Resources Inc.	TSXV	Director, President and C.E.O.
William R. Johnstone	Active Control Technology Inc.	TSXV	Director and Corporate Secretary
	Rockcliff Resources Inc.	TSXV	Director and Corporate Secretary
	Strait Minerals Inc.	TSXV	Director and Corporate Secretary
	AurCrest Gold Inc.	TSXV	Director and Corporate Secretary
	Razore Rock Resources Inc.	CNSX	Director, Corporate Secretary and Acting Chief Financial Officer
Brian Robertson	Aurgia Gold Corp.	TSXV	Director
	Source Exploration Corp.	TSXV	President, C.E.O. and Director
	Romios Gold Resources Inc.	TSXV	Director
	Defiance Silver Corporation	TSXV	Director
Thomas Skimming	Golden Predator Corp.	TSX	Director
	Romios Gold Resources Inc.	TSXV	Director and VP, Exploration
	Macmillan Minerals Inc.	TSXV	Director and C.E.O.
Nick Bontis	Harvest Portfolios Group Inc.	TSXV	Director
Frank van de Water	Razore Rock Resources Inc.	CNSX	Director
	Strait Minerals Inc.	TSXV	Director
	AurCrest Gold Inc.	TSXV	Director
	Romios Gold Resources Inc.	TSXV	Director & C.O.O.

Board Mandate

The Board of Directors of the Corporation is responsible for the general supervision of the management of the business as well as for the oversight and review of the strategic planning process of the Corporation. The Board of Directors will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee and the Compensation Committee. The Board of Directors meets regularly to review the business operations, corporate governance and financial results of the Corporation. The Board's Charter sets out its responsibilities and the duties of its members. A copy of the Board Charter of the Corporation is attached hereto as **Schedule "B"**.

Position Description

The Board of Directors has not adopted descriptions for the Chairman of the Board of Directors, the Chief Executive Officer or the chairs of its committees. The Corporation is considering what requirements will be appropriate on a go forward basis.

Orientation and Continuing Education

The Corporation does not have any formal orientation process for new Directors. The Board of Directors will consider implementing such a procedure if it becomes necessary in the future. The Board of Directors has not currently established criteria for continuing education for directors. All of the directors have either expertise or substantial experience in the Corporation's area of business.

Nomination of Directors

The full Board is responsible for recruiting new Directors, proposing new Director nominees to the Board and reviewing the performance and qualifications of existing Directors.

Ethical Business Conduct

The Board is committed to the establishment and maintenance of appropriate ethical standards to underpin the Corporation's operations and corporate practices. The Corporation's Code of Business Conduct and Ethics (the "**Code**") aims to encourage the appropriate standards of conduct and behaviour of the Directors, officers, employees and contractors (collectively the "**Corporation Representatives**") in carrying out their roles for the Corporation. The Corporation Representatives are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Corporation. The general principles of the Code are as follows:

- Corporation Representatives must act honestly, in good faith and in the best interest of the Corporation as a whole.
- Corporation Representatives have a duty to use due care and diligence in fulfilling the functions of their position and exercising the powers attached to their employments.
- A Corporation Representative's primary responsibility is to the Corporation and its Shareholders as a whole and there is a duty not to make improper use of information acquired as a Corporation Representative, take improper use or advantage of their position or engage in conduct likely to bring discredit upon the Corporation. In addition, Corporation Representatives must not allow personal interests, or the interest of any associated person, to conflict with the interests of the Corporation.
- Confidential information received by Corporation Representatives in the course of the exercise of their duties remains the property of the Corporation. It is improper to disclose the information, or allow it to be disclosed,

unless that disclosure has been authorized by the Corporation, or the person from whom the information is provided, or it is required by law.

The Corporation has also implemented an Insider Trading Policy, which imposes basic trading restrictions on all employees and consultants of the Corporation and a Whistleblower Policy, which encourages the reporting of any non-compliance with the Code.

All Directors are required to notify fellow Directors of any material personal interest in any matter under the Board's consideration. Having regard to the nature and extent of such interest, the affected Director may be required to remove himself from discussion and consideration of, and voting on, such matter.

Compensation

Compensation is determined by the Compensation Committee comprised of Thomas Skimming, Jack McOuat and Nick Bontis, including reviewing the compensation of directors and officers and the granting of stock options. Compensation will be determined with reference, in part, to compensation of officers and directors in similar industries performing similar functions.

Other Board Committees

There are no committees of the board of directors other than the Compensation Committee and the Audit Committee.

Board Assessments

The full Board will be responsible for reviewing with the Board of Directors, on an annual basis, the requisite skills and characteristics of prospective members of the Board of Directors as well as the composition of the Board of Directors as a whole. This assessment will include a member's contribution, qualification as independent, as well as consideration of diversity, age, skills and experience in the context of the needs of the Board of Directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

PRESENTATION OF FINANCIAL STATEMENTS

The Audited Financial Statements for the fiscal year ended September 30, 2012 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting, of the auditors' report and the Corporation's Financial Statements for its last completed fiscal period, will not constitute approval or disapproval of any matters referred to therein. The Audited Financial Statements and the Management's Discussion and Analysis for the year ended September 30, 2012 have been mailed to shareholders of record and non-objecting beneficial shareholders. A copy of these financial statements can be obtained at www.sedar.com. In the alternative, upon receiving a written request to the address on the first page of this Circular, the Corporation will mail a copy of the financial statements to you.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of Wasserman Ramsay, Chartered Accountants, of Markham, Ontario, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

The shareholders are urged by Management to appoint Wasserman Ramsay, Chartered Accountants, as the Corporation's auditors and to authorize the board of directors to fix their remuneration.

ELECTION OF THE BOARD OF DIRECTORS

The board of directors of the Corporation currently consists of seven (7) directors. The persons named in the enclosed form of proxy intend to vote for the election as directors of each of the seven (7) nominees of management whose names are set forth in the table below. The Board of Directors has adopted a majority voting policy in order to promote enhanced director accountability. Each Shareholder is entitled to cast their votes for, or withhold their votes from, the election of each director. If the number of shares "withheld" for any nominee exceeds the number of shares voted "for" the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he shall tender his written resignation to the Corporation. The Board will consider such offer of resignation and the director's suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders "withheld" votes for the director, the qualifications of the director and whether the director's resignation from the Board would be in the best interests of the Corporation.

These nominees have consented to being named in this Circular and to serve if elected. The Corporation's management does not contemplate that any of the nominees will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, in their discretion, in favour of another nominee.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors, all of the positions and offices with the Corporation now held by them, their present principal occupations or employments for the last five (5) years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of April 23, 2013. The information as to shares beneficially owned has been furnished to the board of directors by the respective nominees.

<u>Name Municipality of Residence</u>	<u>Position with Corporation</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Director From</u>	<u>Number of Shares Beneficially Owned or Controlled</u>
Tom Drivas <i>Toronto, Ontario</i>	President and Director	President and C.E.O. of the Corporation, President and C.E.O. of Romios Gold Resources Inc.	August 24, 2007	33,984,000 Common Shares
Frank van de Water <i>Toronto, Ontario</i>	Chief Operating Officer, Corporate Secretary and Director	Formerly Chief Financial Officer, Red Tiger Mining Inc. (formerly Zaruma Resources Inc.).	April 9, 2013	8,000 Common Shares
Jack McOuat ⁽¹⁾ <i>Toronto, Ontario</i>	Director and Chairman of the Board	One of the initial founders of Watts, Griffis and McOuat Limited (an engineering and geological consulting firm) in 1962 and was with the firm until his retirement in 2004.	July 14, 2011	Nil

<u>Name Municipality of Residence</u>	<u>Position with Corporation</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Director From</u>	<u>Number of Shares Beneficially Owned or Controlled</u>
Thomas Skimming ⁽¹⁾⁽²⁾ <i>Toronto, Ontario</i>		President, Thomas Skimming & Associates Limited	September 9, 2009	Nil Common Shares
William R. Johnstone <i>Toronto, Ontario</i>	Director	Partner, Gardiner Roberts LLP	September 9, 2009	32,000 Common Shares
Brian Robertson ⁽²⁾ <i>Thunder Bay, Ontario</i>	Director	Director, President and C.E.O. of Source Exploration Corp.; former President of Nuinsco Resources Limited and Victory Nickel Inc.	September 9, 2009	48,500 Common Shares
Nick Bontis ⁽¹⁾⁽²⁾ <i>Ancaster, Ontario</i>	Director, Chairman of the Audit Committee	Associate Professor, Strategic Management, and Director, Undergraduate Programs, DeGroote School of Business, McMaster University; Executive Board, Harvest Portfolios Group;	February 1, 2012	Nil

Notes:

⁽¹⁾ Member of the Compensation Committee.

⁽²⁾ Member of the Audit Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

To the knowledge of the Corporation, no Director or proposed director of the Corporation is, as at the date of this Circular, or has been in the last 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,

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

except for William R. Johnstone who was corporate secretary of PacRim Resources Inc., which was cease traded by the Ontario Securities Commission, the Alberta Securities Commission and the British Columbia Securities Commission for failure to file financial statements; who is corporate secretary and a director of Razore Rock Resources Inc. (formerly Edda Resources Inc.), which was cease traded by the Ontario Securities Commission for failure to file financial statements until January 29, 2008 and for Frank van de Water who was a director of Red Tiger Mining Inc. (formerly Zaruma Resources Inc.), which was cease traded for 90 days from May 13, 2010 to August 10, 2010 by the Ontario Securities Commission and British Columbia Securities Commission for failure to file financial statements.

For the purposes of subsections (a) and (b) above, “order” means (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of the Corporation, no Director or proposed director of the Corporation:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or proposed director,

except William R. Johnstone who was an officer and director of Outlook Resources Inc. (“**Outlook**”) until August 2010. Outlook filed a Proposal under the *Bankruptcy and Insolvency Act of Canada* which was approved by the Court on March 21, 2011 and has not yet been finalized.

Penalties or Sanctions

To the knowledge of the Corporation, none of the Directors or proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision except for William R. Johnstone who was reprimanded by the TSXV for breaching three (3) requirements of an undertaking given to the TSXV in his capacity as an officer and director of Outlook in respect of the holding of an Annual Meeting for Outlook in compliance with TSXV policies. Mr. Johnstone was required to resign as an officer and director of Outlook; was restricted to his then current involvement as an officer and/or director of six TSXV listed companies; and is required to obtain prior written approval from TSXV before having any involvement as an officer and/or director of another TSXV listed company. The TSXV subsequently granted permission for Mr. Johnstone to be corporate secretary for another TSXV listed company and has recently granted permission for Mr. Johnstone to be a director of that company.

Conflict of Interest

To the best of the Corporation’s knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation

will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

CONFIRMATION OF NEW GENERAL BY-LAW NO. 1-A

The shareholders of the Corporation will be asked to consider, and, if thought appropriate, approve, a resolution (the "**By-Law Resolution**") confirming the new general By-Law No. 1-A for the Corporation (the "**2013 By-Law**") adopted by the Board of Directors on April 24, 2013. The 2013 By-Law is effective as of April 24, 2013 and revokes the previous general By-Law of the Corporation (the "**Old By-Law**"). As the Corporation's Old By-Law was approved and enacted in August, 2007, the Corporation is of the opinion that it is appropriate to approve the 2013 By-Law which reflects current rules and practice. A copy of the 2013 By-Law is attached hereto as **Schedule "C"**. **In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the By-Law Resolution.**

The following is the text of the By-Law Resolution which requires approval of a majority of the votes cast at the Meeting to be effective:

"BE IT RESOLVED THAT:

1. By-Law No. 1-A, being a general by-law of the Corporation, in the form attached to the Circular as **Schedule "C"** be and is hereby confirmed as the new general by-law of the Corporation; and
2. any one or more directors or officers be and are hereby authorized to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution."

According to the *Canada Business Corporations Act*, the 2013 By-Law will cease to be effective at the Meeting unless confirmed by a resolution passed by a simple majority of the votes cast by shareholders at the Meeting.

The Board and Management consider the 2013 By-Law to be in the best interests of the Corporation and recommend that shareholders vote for the confirmation of the 2013 By-Law.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be obtained from www.sedar.com.

Financial information concerning the Corporation is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis for its fiscal year ended September 30, 2012. Copies of these documents may be obtained from the Corporation by making a request in writing to the Corporation at 25 Adelaide Street East, Suite 1010, Toronto, Ontario, M5C 3A1, fax (416) 218-9772, Attention: President.

APPROVAL OF DIRECTORS

The Circular and the mailing of same to shareholders have been approved by the Board of Directors of the Corporation.

DATED the 24th day of April, 2013.

**BY ORDER OF THE
BOARD OF DIRECTORS**

“Tom Drivas”

TOM DRIVAS
President and Chief Executive Officer

SCHEDULE “A”

APPIA ENERGY CORP. (the “Corporation”)

AUDIT COMMITTEE CHARTER

Purpose of the Audit Committee

The purpose of the Audit Committee (**the “Committee”**) of the Board of Directors (**the “Board”**) of the Corporation is to assist the Board in fulfilling its responsibility for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Corporation maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Corporation and to foster increased investor confidence in both the Corporation and Canada’s capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation’s Management to ensure that the independent auditors serve the interests of shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will review financial reports or other financial information provided by the Corporation to regulatory authorities and shareholders and review the integrity, adequacy and timeliness of the financial reporting and disclosure practices of the Corporation. The Committee will monitor the independence and performance of the Corporation’s independent auditors.

Composition and Procedures of the Audit Committee

The Committee shall consist of at least three (3) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than once per quarter to review the audited financial statements and interim financial statements of the Corporation. At least one (1) member of the Committee shall be independent and the Board and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Specific duties and responsibilities of the Audit Committee

- (1) The Committee shall recommend to the Board:
 - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation; and
 - (b) the compensation of the external auditors.
- (2) The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between Management and the external auditors regarding financial reporting.

- (3) The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors.
- (4) The Committee satisfies the pre-approval requirement in subsection (3) if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditors during the fiscal year in which the services are provided;
 - (b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (5)
 - (a) The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection (3).
 - (b) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (6) The Committee satisfies the pre-approval requirement in subsection (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
 - (a) the pre-approval policies and procedures are detailed as to the particular service;
 - (b) the Committee is informed of each non-audit service; and
 - (c) the procedures do not include delegation of the Committee's responsibilities to Management.
- (7) The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
- (8) The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (7), and must periodically assess the adequacy of those procedures.
- (9) The Committee must establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (10) The Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (11) The Committee shall have the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.
- (12) The Committee shall review with Management and independent auditors the quality and the appropriateness of the Corporation's financial reporting and accounting policies, standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
- (13) The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public.
- (14) The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.
- (15) The Committee shall review with Management and the external auditors the audit plan for the year-end financial statements prior to the commencement of the year end audit.
- (16) The Committee shall review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
- (17) The Committee shall review with Management and the external auditors significant related party transactions and potential conflicts of interest.
- (18) The Committee shall review in consultation with the external auditors and Management the integrity of the Corporation's financial reporting process and internal controls.
- (19) The Committee shall meet with the external auditors in the absence of Management to discuss the audit process, any difficulties encountered, any restrictions on the scope of work or access to required information, any significant judgments made by Management and any disagreement among Management and the external auditors in the preparation of the financial statements and such other matters that may arise as a result of the audit or review by the external auditors.
- (20) The Committee shall conduct or authorize any review or investigation and consider any matters of the Corporation the Committee believes is within the scope of its responsibilities and shall establish procedures for such review or investigation as may be required.
- (21) The Committee shall make recommendations to the Board with respect to changes or improvements to financial or accounting practices, policies and principles and changes to this Charter.

SCHEDULE “B”

APIIA ENERGY CORP.

BOARD CHARTER

The Board of Directors (the “**Board**”) of Appia Energy Corp. (the “**Corporation**”) is responsible for the stewardship of the business and affairs of the Corporation on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board shall be constituted with at least three (3) individuals who are independent directors. Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board shall appoint one director as Chairman. The Chairman shall be an independent director. The Chairman is responsible for the leadership of the Board and for specific functions to ensure the independence of the Board.

The Senior Officers are accountable to the Board for all authority delegated to the positions. For the purposes of these Corporate Governance Policies, Senior Officer shall be defined as any person holding the position of President, CEO, CFO, COO or Vice President of Exploration.

The Board has the following overall responsibilities:

- in conjunction with management, establishing the direction and strategies for the Corporation and monitoring the implementation of those strategies; and
- monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards.

The monitoring and ultimate control of the business of the Corporation is vested in the Board. The Board’s primary responsibility is to oversee the Corporation’s business activities and management for the benefit of the Corporation and its shareholders. The specific responsibilities of the Board include:

- selection, appointment, monitoring, evaluation, rewarding and if necessary the removal of the Senior Officers of the Corporation;
- in conjunction with management, development of the strategic planning process and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- monitor and review annually the success of management in implementing the approved strategies and plans;
- establishing appropriate levels of delegation to the Senior Officers to allow them to manage the Corporation’s operations efficiently;
- monitoring actual performance against planned performance expectations and reviewing operating information;
- appreciation of areas of significant business risk and ensuring arrangements are in place to adequately manage those risks;
- overseeing the management of safety and occupational health, environmental issues and community development;

- satisfying itself that the financial statements of the Corporation fairly and accurately set out the financial position and financial performance of the Corporation for the period under review;
- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- ensuring that appropriate external audit arrangements are in place and operating effectively;
- developing the Corporation's approach to corporate governance issues;
- having a framework in place to help ensure that the Corporation acts legally and responsibly on all matters consistent with the Code of Business Conduct and Ethics; and
- reporting to shareholders.

At all times the Board retains full responsibility for guiding and monitoring the Corporation; however, in discharging its stewardship it makes use of committees. To this end, the Board has established the following committees:

- Audit Committee; and
- Compensation Committee.

The Corporation also has in place a Disclosure Committee comprised of the CEO and the Corporate Secretary.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Corporation at the Corporation's expense, subject to the prior approval of the Chairman which shall not be unreasonably withheld.

The independent members of the Board shall meet regularly during the year without any member of the Corporation's management present. Generally these meetings will be held prior to regular Board meetings. Any material business items arising from these meetings shall be brought to the attention of the Corporate Secretary and such matters will be added to the agenda of the next regularly scheduled Board meeting.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will, unless the remaining directors resolve otherwise, withdraw from deliberations concerning the matter. The Board does not specify a maximum term for which a director may hold office.

The responsibility for the day-to-day operation and administration of the Corporation is delegated by the Board to the Senior Officers. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Senior Officers.

Policy history

Established:	February 2012
Last review:	April 2013
Review frequency:	Annually

SCHEDULE "C"

**BY-LAW NO. 1-A
OF
APPIA ENERGY CORP.**

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BY-LAW NO. 1-A
By-laws relating generally to the conduct of the affairs of
APPIA ENERGY CORP.

BE IT ENACTED AND IT IS HEREBY ENACTED as the by-laws of **APPIA ENERGY CORP.** (hereinafter called the “**Corporation**”) as follows:

ARTICLE 1
DEFINITIONS

1.1 In this by-law of the Corporation, unless the context otherwise specifies or requires:

- (a) “**Act**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 as amended from time to time and every statute that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (b) “**Board**” means the board of directors of the Corporation;
- (c) “**by-laws**” means any by-laws of the Corporation from time to time in force and effect;
- (d) “**contracts, documents or instruments**” includes contracts, deeds mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds, including specifically but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities, and all other documents or instruments of the Corporation;
- (e) “**meeting of shareholders**” includes an annual meeting of shareholders and a special meeting of shareholders;
- (f) “**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada) or any successor statute thereof, as amended from time to time;
- (g) “**Regulations**” means the Regulations under the Act as published or from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefor in the new regulations;
- (h) “**registered owner**” or “**registered holder**” when used with respect to a share in the authorized capital of the Corporation means the person registered in the register of shareholders or a branch register of shareholders in respect of such share;
- (i) “**shareholder**” means those persons defined as such in the Act and includes any person who owns shares in the capital of the Corporation and whose name is entered in the register of shareholders or a branch register of shareholders;
- (j) “**writing**”, “**in writing**” and like expressions include all modes of representing, or reproducing and recording words in visible form, including: printing; lithographing; typewriting; and photostatic, electrostatic and mechanical copying;

ARTICLE 2 INTERPRETATION

2.1 In this by-law:

- (a) all terms which are contained in the by-laws of the Corporation and which are defined in the Act or the Regulations shall have the meanings given to such terms in the Act or the Regulation;
- (b) words importing the singular number only shall include the plural and vice versa; and words importing the masculine gender shall include the feminine and neuter genders; and the word “person” shall include bodies corporate, corporations, companies, partnerships, syndicates, trusts and any number or aggregate of persons;
- (c) the insertion of headings in this by-law are for convenience of reference only and shall not affect its construction or interpretation;
- (d) in case of any conflict between the articles and provisions of this or any other by-law the provisions of the articles shall prevail;
- (e) in the event of any inconsistencies between the by-laws and provisions of the Act, the provisions of the Act shall prevail; and
- (f) the invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

ARTICLE 3 BUSINESS OF THE CORPORATION

3.1 Registered Office.

The registered office of the Corporation shall be in the province in Canada specified in the articles of the Corporation. The Board may change the address of the registered office within the province from time to time by resolution.

3.2 Corporate Seal.

The Corporation may, but need not, adopt a corporate seal which shall be such form as the Board may adopt by resolution from time to time and change.

3.3 Financial Year.

The Financial Year of the Corporation shall end on such date in each year as shall be determined from time to time by the Board.

3.4 Banking Arrangements.

The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other firms or corporations as the Board may determine from time to time by resolution and such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the Board may designate, or authorize from time to time by resolution and to the extent therein provided.

3.5 Execution of Instruments.

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by:

- (a) any officer who has been appointed by the Board; or
- (b) any two directors,

and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board shall have power from time to time by resolution to appoint any director or directors, officer or officers, or any person or persons, on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

3.6 Securities.

In particular without limiting the generality of the foregoing:

- (a) the Chairman of the Board, the President or a Vice-President together with the Secretary or the Treasurer, or
- (b) any two directors; or
- (c) any director or directors, officer or officers, or any person or person, on behalf of the Corporation appointed from time to time by resolution of the Board;

shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

3.7 Signatures.

The signature or signatures of the Chairman of the Board, the President, the Chief Executive Officer, a Vice-President, the Secretary, the Treasurer, or any director of the Corporation and/or of any other officer or officers, person or persons, appointed as aforesaid by resolution of the Board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the directors shall be deemed to have been manually signed by such officers or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation.

3.8 Execution of Documents In Ordinary Course.

Nothing contained herein shall restrict or in any way limit the authority of the directors, officers and employees of the Corporation to sign contracts, documents or instruments in writing on behalf of the Corporation in the ordinary course of business and such contracts, documents or instruments in writing when so signed shall be binding on the Corporation.

3.9 Voting of Shares by Corporation.

All securities of any other body corporate or issuer of securities held from time to time by the Corporation may be voted

at all meetings of shareholders, bondholders, debenture holders or holders of such securities, as the case may be, of such other body corporate or issuer and in such manner and by such person or persons as the Board shall from time to time determine.

3.10 Information Available to Shareholders.

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

ARTICLE 4 BORROWING

4.1 Borrowing.

Subject to the provisions of the Act, the Board may from time to time authorize the Corporation, without authorization of the shareholders to:

- (a) borrow money on the credit of the Corporation;
- (b) issue, resell, sell or pledge debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person;
- (d) mortgage, charge, hypothecate, pledge or otherwise create a security interest on all or any property of the Corporation, owned or subsequently acquired to secure any obligation of the Corporation; and
- (e) give financial assistance to any person, directly or indirectly, by way of loan, guarantee, the provision of security or otherwise.

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

4.2 Bonds, Debentures or other debt obligations.

- (a) The directors may make any bonds, debentures or other debt obligations issued by the Corporation by their terms assignable free from any equities between the Corporation and the person to whom they may be issued or any other person who lawfully acquires them by assignment, purchase or otherwise.
- (b) The directors may authorize the issue of any bonds, debentures or other debt obligations of the Corporation at a discount, premium or otherwise and with special or other rights or privileges as to redemption, surrender, drawings, allotment of or conversion into or exchange for shares, attending and voting at general meetings of the Corporation and otherwise as the directors may determine at or before the time of issue.
- (c) The Corporation shall keep or cause to be kept at its registered office in accordance with the Act a register of its debentures and a register of debentureholders, which registers may be combined, and, subject to the provisions of the Act, may keep or cause to be kept one or more branch registers of its debentureholders at such place or places as the directors may from time to time determine and the

directors may by resolution, regulation or otherwise make such provisions as they think fit respecting the keeping of such branch registers.

- (d) Every bond, debenture or other debt obligation of the Corporation shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a trustee, registrar, branch registrar, transfer agent or branch transfer agent for the bond, debenture or other debt obligations appointed by the Corporation or under any instrument under which the bond, debenture or other debt obligation is issued and any additional signatures may be printed or otherwise mechanically reproduced thereon and, in such event, a bond, debenture or other debt obligation so signed is as valid as if signed manually notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that he is stated on such bond, debenture or other debt obligation to hold at the date of the issue thereof.
- (e) The Corporation shall keep or cause to be kept a register of its indebtedness to every director or officer of the Corporation or an associate of any of them in accordance with the provisions of the Act.

4.3 Delegation.

The directors may by resolution, delegate all or any of the powers conferred on the Board by Section 4.1 above or by the Act to a director, a committee of the Board, or an officer of the Corporation to such extent and in such manner as the Board may determine at the time of such delegation.

ARTICLE 5 DIRECTORS

5.1 Number.

The number of directors shall, subject to the articles of the Corporation and any unanimous shareholder agreement, be fixed by the Board or if not so fixed, shall be the number of directors elected or continued as directors at the immediately preceding annual meeting of the Corporation. The business and affairs of the Corporation shall be managed by a Board of whom at least twenty-five percent shall be resident Canadians and of whom, if the Corporation is or becomes a reporting issuer under the securities laws of a province of Canada, at least two shall not be officers or employees of the Corporation or any affiliate of the Corporation.

Pursuant to the Articles of Incorporation, the directors are authorized to appoint one (1) or more directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of shareholders.

5.2 Qualification.

Every director shall be an individual 18 or more years of age, and no one who is of unsound mind and has been found by a court in Canada or elsewhere, or who has the status of a bankrupt shall be a director. Unless the articles otherwise provide, a director need not be a shareholder. Subject to the Act, at least 25% of the directors of the Corporation must be resident Canadians. If at any time the Corporation has less than four directors, at least one director must be a resident Canadian.

5.3 Term of Office.

A director's term of office (subject to the provisions, if any, of the Corporation's articles, and subject to his election for an expressly stated term) shall be from the date of the meeting at which he is elected or appointed until the close of the annual meeting next following, or until his successor is elected or appointed.

5.4 Election and Removal.

At each annual meeting of the Corporation, all the directors shall retire and the shareholders entitled to vote thereat shall elect a Board consisting of the number of directors for the time being fixed pursuant to the by-laws.

5.5 Retiring.

A retiring director shall be eligible for re-election.

5.6 No Meeting.

Where the Corporation fails to hold an annual meeting in accordance with the Act, the directors then in office shall be deemed to have been elected or appointed as directors on the last day on which the annual meeting could have been held pursuant to the Act and the by-laws and they may hold office until other directors are appointed or elected or until the day on which the next annual meeting is held, whichever shall first occur.

5.7 Continuance in Office.

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

5.8 Casual Vacancy.

The remaining directors or director shall have the power from time to time to appoint any person as a director to fill any casual vacancy occurring in the Board.

5.9 Additional Directors.

Between successive annual meetings the directors shall have power to appoint one or more additional directors but the number of additional directors shall not be more than one-third of the number of directors elected or appointed at the last annual meeting. Any director so appointed shall hold office only until the next following annual meeting of the Corporation, but shall be eligible for election at such meeting and, so long as he is an additional director, the number of directors shall be increased accordingly.

5.10 Vacation of Office.

The office of a director shall ipso facto be vacated:

- (a) if he becomes bankrupt or suspends payments of his debts generally or compromises with his creditors or makes an authorized assignment or is declared insolvent;
- (b) if he is found to be a mentally incompetent person; or
- (c) if by notice in writing to the Corporation he resigns his office.

5.11 Ceasing.

A director ceases to hold office when he:

- (a) dies;
- (b) resigns his office by notice in writing delivered to the Corporation;

- (c) is convicted of an indictable offence and the other directors shall have resolved to remove him;
- (d) ceases to be qualified to act as a director pursuant to the Act; or
- (e) is removed in accordance with the Act and this by-law.

5.12 Resignation.

Every resignation of a director becomes effective at the time a written resignation is delivered to the Corporation or at the time specified in the resignation, whichever is later.

5.13 Removal.

Subject to the Act, the Corporation may by ordinary resolution remove any director before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead.

5.14 Powers.

Subject to the Act, and any unanimous shareholder agreement, the directors shall manage or supervise the management of the affairs and business of the Corporation and shall have the authority to exercise all such powers of the Corporation as are not, by the Act or by the articles or by-laws, required to be exercised by the Corporation in general meeting.

5.15 Attorney.

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

5.16 Committee of Directors.

The directors may appoint from among their number a committee of directors and subject to the Act may delegate to such committee any of the powers of the directors.

5.17 Validity of Acts.

An act by a director is valid notwithstanding an irregularity in his election or appointment or a defect in his qualification.

5.18 Shareholder Qualification.

A director shall not be required to hold a share in the capital of the Corporation as qualification for his office but shall be qualified as required by the Act to become or act as a director. Any director who is not a shareholder shall be deemed to have agreed to be bound by the provisions of the articles and by-laws of the Corporation to the same extent as if he were a shareholder of the Corporation.

5.19 Remuneration and Expenses.

The remuneration to be paid to the directors shall be such as the directors shall from time to time determine. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the routine work ordinarily required of a director of a Corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

Any remuneration or expenses so payable shall be in addition to any other amount payable to any director acting in another capacity.

5.20 Disclosure of Interest.

- (a) A director who is in any way, directly or indirectly, interested in an existing or proposed contract or transaction with the Corporation or who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to conflict with his duty or interest as a director shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict with his duty and interest as a director, as the case may be, in accordance with the provisions of the Act.
- (b) A director shall not vote in respect of any such contract or transaction with the Corporation in which he is interested and if he shall do so his vote shall not be counted, but he shall be counted in the quorum present at the meeting at which such vote is taken. Subject to the provisions of the Act, the prohibitions contained in this by-law shall not apply to:
 - (i) any contract or transaction relating to a loan to the Corporation, the repayment of all or part of which a director or a specified corporation or a specified firm in which he has an interest has guaranteed or joined in guaranteeing;
 - (ii) any contract or transaction made, or to be made, with or for the benefit of an affiliated corporation of which a director is a director or officer;
 - (iii) any contract by a director to subscribe for or underwrite shares or debentures to be issued by the Corporation or a subsidiary of the Corporation, or any contract, arrangement or transaction in which a director is, directly or indirectly interested if all the other directors are also, directly or indirectly interested in the contract, arrangement or transaction;
 - (iv) determining the remuneration of the directors in that capacity;
 - (v) purchasing and maintaining insurance to cover directors against liability incurred by them as directors; or
 - (vi) the indemnification of any director by the Corporation.

These exceptions may from time to time be suspended or amended to any extent approved by the Corporation in general meeting and permitted by the Act, either generally or in respect of any particular contract or transaction or for any particular period.

- (c) A director may hold any office or position with the Corporation, other than the office of auditor of the Corporation, in conjunction with his office of director for such period and on such terms, as to remuneration or otherwise, as the directors may determine and no director or intended director shall be disqualified by his office from contracting with the Corporation either with regard to his tenure of any such other office or position or as vendor, purchaser or otherwise, and, subject to compliance with the provisions of the Act, no contract or transaction entered into by or on behalf of the Corporation in which a director is in any way interested shall be liable to be voided by reason thereof.

- (d) Subject to compliance with the provisions of the Act, a director or his firm may act in a professional capacity for the Corporation and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- (e) A director may be or become a director or other officer or employee of, or otherwise interested in, any corporation or firm in which the Corporation may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the Act, such director shall not be accountable to the Corporation for any remuneration or other benefits received by him as director, officer or employee of, or from his interest in, such other corporation or firm.

ARTICLE 6 MEETING OF DIRECTORS

6.1 Place of Meetings.

Meetings of the Board and of a committee of directors (if any) may be held within or outside of Canada.

6.2 Calling of Meetings.

A director may, and the Secretary or an Assistant Secretary upon request of a director shall, call a meeting of the Board at any time.

6.3 Notice of Meetings.

Notice of the time and place of each meeting of the Board shall be given in the manner provided in Section 17.1 to each director not less than 48 hours (excluding non-business days) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, and for any proposal to:

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

A director may in any manner waive notice of or otherwise consent to a meeting of the Board. Attendance of a director at a meeting of directors is a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

6.4 Waive Notice.

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

6.5 No Notice.

It shall not be necessary to give notice of a meeting of directors to any director if such meeting is to be held immediately following a general meeting at which such director shall have been elected or is the meeting of directors at which such director is appointed.

6.6 Chair.

The Chairman of the Board, if any, or in his absence any Vice-Chairman or the President, shall preside as chairman at every meeting of the directors, or if neither the Chairman of the Board, Vice-Chairman nor the President is present within fifteen minutes of the time appointed for holding the meeting or is willing to act as chairman, or, if the Chairman of the Board, if any, any Vice-Chairman and the President have advised the Secretary that they will not be present at the meeting, the directors present shall choose one of their number to be chairman of the meeting. With the consent of the meeting, the solicitor of the Corporation may act as chairman of a meeting of the directors.

6.7 Vacancy.

The directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed pursuant to the by-laws of the Corporation as the necessary quorum of directors, the directors may act for the purpose of increasing the number of directors to that number, or to summon a special meeting of the Corporation, but for no other purpose. If the directors fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

6.8 Defect.

Subject to the provisions of the Act, all acts done at any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such directors or of the members of such committee or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly elected or appointed and was qualified to be a director.

6.9 Quorum.

Subject to the Act, a quorum for the transaction of business at any meeting of the Board shall be:

- (a) where the articles set out the number of directors, a majority of that number; or
- (b) where the articles set out the minimum and maximum number of directors, a majority of the number of directors which then constitutes the Board.

6.10 Meetings by Telephone or Electronic Conference.

A director may participate in a meeting of the Board or of any committee of the Board by means of a telephone or electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in a meeting in such a meeting by such means is deemed to be present at that meeting.

6.11 Voting.

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

6.12 Resolution in Lieu of Meeting.

Notwithstanding any of the foregoing provisions of this by-law, a resolution consented to in writing, whether by document, telegram, telex, facsimile, electronic or any method of transmitting legibly recorded messages, by all of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and held. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the directors and shall be effective on the date stated thereon or on the latest day stated on any counterpart. A resolution may be consented to by a director who has an interest in the subject matter of the resolution provided that he has otherwise complied with the provisions of the articles, by-laws and the Act.

ARTICLE 7 COMMITTEES

7.1 Committees of Directors.

The directors may appoint one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board except those which pertain to items which, under the Act, a committee of the Board has no authority to exercise.

7.2 Transaction of Business.

Subject to the provisions of Section 7.1, the powers of such committee or committees of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

7.3 Audit Committee.

The directors shall appoint annually from among its number an audit committee to be composed of not fewer than three directors. At least such number of directors as may be specified by the Act, other applicable law or stock exchange requirements shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers provided in the Act and in other applicable law and in, addition, such other powers and duties as the directors may determine.

7.4 Advisory Bodies.

The directors may from time to time appoint advisory bodies as they may deem advisable.

7.5 Procedure.

Unless otherwise determined by the directors, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

ARTICLE 8
SUBMISSION OF CONTRACTS OR TRANSACTIONS TO SHAREHOLDERS FOR APPROVAL

8.1 Ratification.

The Board in its discretion may submit any contract, act or transaction for approval or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same and, subject to the Act, any such contract, act or transaction that shall be approved or ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

ARTICLE 9
OFFICERS

9.1 Appointment.

The Board may, from time to time, designate the offices of the Corporation and from time to time appoint a chairman of the Board, a vice-chairman of the Board, a lead director, a president, a chief executive officer, a chief operating officer, a chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), one or more general managers (to which title may be added words indicating seniority or function), a secretary, a treasurer, a controller and/or such other officers as the directors may determine, including without limitation one or more assistants to any of the officers so appointed. None of such officers need be a director of the Corporation except for the chairman, vice-chairman or lead director of the Board, if any.

9.2 Vacancies.

If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the Board by resolution shall, in the case of the President, and may, in the case of any other office, appoint a person to fill such vacancy.

9.3 Remuneration and Removal.

The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving remuneration in his role as an officer or employee as may be determined by the Board. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board at any time, with or without cause.

9.4 Powers and Duties.

All officers shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Board.

9.5 Duties may be Delegated.

In case of the absence or inability to act of any officer of the Corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, subject to the Act, all or any of the powers of such officer to any other officer or to any director for the time being.

9.6 Chairman of the Board.

The Chairman of the Board (if any) shall, when present, preside at all meetings of the Board, the executive committee

of directors (if any) and the shareholders.

9.7 President.

Unless the Board determines otherwise, the President shall be the Chief Executive Officer of the Corporation. He shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board and/or Vice-Chairman of the Board if none be appointed or if the Chairman of the Board and the Vice-Chairman of the Board are absent or are unable or refuse to act; provided, however, that unless he is a director he shall not preside as chairman at any meeting of directors or of the executive committee of directors (if any) or, subject to Section 11.9 of this by-law, at any meeting of shareholders.

9.8 Vice-President.

The Vice-President or, if more than one, the Vice-Presidents, in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President; provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors or of the executive committee of directors (if any) or, subject to Section 11.9 of this by-law, at any meeting of shareholders.

9.9 Secretary.

The Secretary shall give or cause to be given notices for all meetings of the Board, the executive committee of directors (if any) and the shareholders when directed to do so and shall have charge of the minute books of the Corporation and, subject to the provisions of this by-law, of the records (other than accounting records) referred to in the Act.

9.10 Treasurer.

Subject to the provisions of any resolution of the Board, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depository of depositaries as the Board may direct. He or she shall keep or cause to be kept the accounting records referred to in the Act. He or she may be required to give such bond for the faithful performance of his duties as the Board in its uncontrolled discretion may require but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

9.11 Powers and Duties of Other Officers.

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

9.12 Term of Office.

All officers, employees and agents, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board at any time, with or without cause. Otherwise, each officer appointed by the Board shall hold office until his or her successor is appointed or until the earlier of his or her resignation or death.

9.13 Variation of Powers and Duties.

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

9.14 Remuneration.

The Board may settle from time to time the terms of employment of the officers and other persons appointed by the directors and may remove at the pleasure of the directors any such person without prejudice to his rights, if any, to compensation under any employment contract. Otherwise each such officer and person shall hold his office or position until he resigns or ceases to be qualified to hold his office or position or until his successor is appointed.

9.15 Conflicts.

Every officer of the Corporation who holds any office or possesses any property whereby, whether directly or indirectly, his duties or interests might be in conflict with his duties or interests as an officer of the Corporation shall, in writing, disclose to the President the fact and the nature, character and extent of the conflict in accordance with the provisions of the Act.

9.16 Agents and Attorneys.

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

9.17 Fidelity Bonds.

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

**ARTICLE 10
STANDARD OF CARE AND PROTECTION OF DIRECTORS AND OFFICERS**

10.1 Standard of Care.

Every director and officer of the Corporation in exercising his powers and discharging his duties to the Corporation shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

10.2 Limitation of Liability.

Subject to the Act, no director or officer of the Corporation shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer, employee or agent, or for joining in any receipt or act for conformity or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person including any person with whom or which any moneys, securities or effects of the Corporation shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation, or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto, unless the same shall happen by or through his or her failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation other than as a director or officer or shall be a member of a firm or a shareholder, director, or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his or her being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

10.3 Indemnity.

Every individual who at any time is or has been a director or officer of the Corporation or who at any time acts or has acted at the request of the Corporation as a director or officer or in a similar capacity of another entity, (for purposes of this Section 10.3 an “Other Entity”) together with the heirs and legal representatives of every such individual (each such individual for purposes of this Section 10.3 being an “Indemnified Person”), shall at all times be indemnified and held harmless against all costs, charges, expenses, damages and liabilities of whatsoever nature or kind (including any amount paid to settle an action or to satisfy a fine or judgment) by the Corporation to the fullest extent possible and in every circumstance permitted by the Act. In addition and without prejudice to the foregoing, but subject to the limitations in the Act regarding indemnities in respect of derivative actions, each Indemnified Person shall at all times be indemnified and held harmless by the Corporation against all costs, charges and expenses, including any amount paid to settle an action or to satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of the association of the individual with the Corporation or Other Entity, if:

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

The Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of any proceeding contemplated by the foregoing provisions of this Section 10.3; provided that the individual shall repay the money if the individual does not meet the conditions set out in clauses (a) and (b) above. Nothing in this Section 10.3 shall affect any other right to indemnity to which any individual may be or become entitled by contract or otherwise, and no settlement or plea of guilty in any action or proceeding shall alone constitute evidence that the Indemnified Person did not meet either of the conditions set out in clause (a) or (b) above of this Section 10.3 or the corresponding conditions in the Act. From time to time the directors may determine that this Section 10.3 shall also apply to employees of the Corporation who are not directors or officers of the Corporation or to any particular class of such employees, either generally or in respect of a particular occurrence or class of occurrences and either prospectively or retroactively. From time to time the directors of the Corporation may also revoke, limit or vary the continued application of this Section 10.3; provided that no such action shall affect any right of any individual or any liability of the Corporation which has arisen prior to the date of such action. With the approval of the court (and the Corporation shall be obligated to apply for such approval at the cost and expense of the Corporation unless the Indemnified Person consents otherwise), the Corporation shall indemnify an Indemnified Person in respect of an action by or on behalf of the Corporation or Other Entity to procure a judgment in its favour, to which the Indemnified Person is made a party because of the association of the individual with the Corporation or Other Entity, against all costs, charges and expenses reasonably incurred by the Indemnified Person in connection with such action if:

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

Notwithstanding anything to the contrary contained in this Section 10.3, an Indemnified Person shall be indemnified by the Corporation in respect of all costs, charges and expenses reasonably incurred by such individual in connection with the defence of any civil, criminal or administrative, investigative or other proceeding to which the individual is subject because of the association of the individual with the Corporation or Other Entity, if the individual seeking indemnity:

- (i) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and
- (ii) fulfils the conditions set out in clauses (a) and (b) above in this Section 10.3.

With the approval of the court (and the Corporation shall be obligated to apply for such approval at the cost and expense of the Corporation unless the Indemnified Person consents otherwise), the Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of any proceeding contemplated by the foregoing provisions of this Section 10.3; provided that the individual shall repay the money if the individual does not meet the conditions set out in clauses (a) and (b) above in this Section 10.3.

10.4 Failure.

The failure of a director or officer of the Corporation to comply with the provisions of the Act or of the articles or the by-laws shall not invalidate any indemnity to which he is entitled under the by-laws.

10.5 Insurance.

Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of any individual referred to in Section 10.3 as the Board may from time to time determine.

10.6 Conflicts.

In supplement of and not by way of limitation upon any rights conferred upon directors by the Act, it is declared that no director shall be disqualified from his office or vacate his office by reason of holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in a contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise, nor shall any director be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of any fiduciary relationship.

**ARTICLE 11
SHAREHOLDERS' MEETINGS**

11.1 Annual Meeting.

Subject to the Act and the Articles, the annual meeting of the shareholders shall be held on such day in each year and at such time as the Board may by resolution determine at any place within Canada.

11.2 Special Meetings.

Subject to the Act and the Articles, special meetings of the shareholders may be convened by order of the Board at any date and time and at any place within Canada.

11.3 Meeting held Entirely by Electronic Means.

The directors (but not the shareholders of the Corporation) who call a meeting of shareholders pursuant to the Act may determine that:

- (a) the meeting shall be held, in accordance with the regulations under the Act, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting; and/or

- (b) any vote at the meeting shall be held, in accordance with the regulations under the Act, if any, entirely by means of a telephonic, electronic or other communication facility that the Corporation has made available for that purpose, if the facility:
 - (i) enables the votes to be gathered in a manner that permits their subsequent verification; and
 - (ii) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how each shareholder or group of shareholders voted.

11.4 Notice.

A notice stating the day, hour and place of meeting shall be given by serving such notice on such persons as are entitled by law or under this by-law to receive such notice from the Corporation in the manner specified in Sections 17.1 or 17.2 of this by-law or in such manner as may be prescribed by the directors, not less than twenty-one days or more than sixty days (in each case exclusive of the day on which the notice is delivered or sent and of the day for which notice is given) before the day of the meeting. Notice of a meeting at which special business is to be transacted shall state:

- (a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and
- (b) the text of any special resolution to be submitted to the meeting. Except as otherwise provided by the Act, where any special business at a general meeting includes considering, approving, ratifying, adopting or authorizing any document or the execution thereof or the giving of effect thereto, the notice convening the meeting shall, with respect to such document, be sufficient if it states that a copy of the document or proposed document is or will be available for inspection by shareholders at the registered office or records office of the Corporation or at some other place designated in the notice during usual business hours up to the date of such general meeting.

11.5 Waiver of Notice.

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice or reduce the period of notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11.6 Omission of Notice.

The accidental omission to give notice of any meeting or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or shareholders, director or directors or the auditor of the Corporation shall not invalidate any resolution passed or any proceedings taken at any meeting of shareholders.

11.7 Show of Hands.

Subject to the Act, every question submitted to any meeting of shareholders shall be decided in the first instance by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is directed by the Chairman or a shareholder or proxyholder entitled to vote at the meeting has demanded a ballot and in the case of an equality of votes the chairman of the meeting shall on a show of hands or on a ballot not have a second or casting vote in addition to the vote or votes to which he may be otherwise entitled as a member or proxyholder and this provision shall apply notwithstanding the Chairman is interested in the subject matter of the resolution.

11.8 Declaration.

At any meeting, unless a ballot is demanded, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

11.9 Chairman and Secretary

The chairman of the Board or, in his absence, any of the co-chairmen of the Board, or, in their absence, the lead director or, in his absence, the president or, in the absence of all of them or in the event the directors otherwise so determine, such individual, who need not be a shareholder, as is designated by the directors, shall be the chairman of any meeting of shareholders. If no such individual is present within 15 minutes after the time fixed for the holding of the meeting, the persons present and entitled to vote thereat shall choose one of them to be the chairman of the meeting. The secretary or another officer of the Corporation may act as secretary of the meeting. The chairman of the meeting may appoint an individual, who need not be a shareholder or officer of the Corporation, to act as secretary of the meeting.

11.10 Ballot.

A ballot may be demanded either before or after any vote by a show of hands by any person entitled to vote at the meeting. No poll may be demanded on the election of the chairman. If at any meeting a ballot is demanded on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of directors, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairman of the meeting directs but in no event later than seven days after the meeting. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. Any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. A demand for a ballot may be withdrawn.

11.11 Determination.

In the case of any dispute as to the admission or rejection of a vote, whether by show of hands or on a poll, the chairman shall determine the same, and his determination made in good faith is final and conclusive,

11.12 Action.

Unless the Act, the articles or the by-laws otherwise provide, any action to be taken by a resolution of the shareholders may be taken by an ordinary resolution.

11.13 Votes.

Subject to any special voting rights or restrictions attached to any class of shares and the restrictions on joint registered holders of shares:

- (a) on a show of hands;
 - (i) every shareholder who is present in person and entitled to vote shall have one vote; and
 - (ii) a proxyholder duly appointed by a holder of a share who would have been entitled to vote shall have one vote; and
- (b) on a poll, every shareholder shall have one vote for each share of which he is the registered holder and may exercise such vote either in person or by proxy.

11.14 Not Registered.

Any person who is not registered as a shareholder but is entitled to vote at any meeting in respect of a share, may vote the share in the same manner as if he were a shareholder; but, unless the directors have previously admitted his right to vote at that meeting in respect of the share, he shall satisfy the directors of his right to vote the share before the time for holding the meeting, or adjourned meeting, as the case may be, at which he proposes to vote.

11.15 Corporate Representative.

Any corporation not being a subsidiary which is a shareholder of the Corporation may by resolution of its directors or

other governing body authorize such person as it thinks fit to act as its representative at any general meeting or class meeting. The person so authorized shall be entitled to exercise in respect of and at such meeting the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual shareholder of the Corporation personally present, including, without limitation, the right, unless restricted by such resolution, to appoint a proxyholder to represent such corporation, and shall be counted for the purpose of forming a quorum if present at the meeting. Evidence of the appointment of any such representative may be sent to the Corporation in writing by written instrument, telegram, telex, facsimile or any method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation being a shareholder may appoint a proxyholder.

11.16 Unsound Mind.

A shareholder of unsound mind entitled to attend and vote, in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or curator bonis or other person in the nature of a committee or curator bonis appointed by that court, and any such committee or curator bonis, or other person may appoint a proxyholder. The chairman may require such proof of such appointment as he sees fit.

11.17 Joint Registered Holders.

In the case of joint registered holders of a share, the vote of the senior who exercises a vote, whether in person or by proxyholder, shall be accepted to the exclusion of the votes of the other joint registered holders; and for this purpose, seniority shall be determined by the order in which the names stand in the register of shareholders. Several legal personal representatives of a deceased shareholder whose shares are registered in his sole name shall, for the purpose of this by-law, be deemed joint registered holders. Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present in person or by proxy, they shall vote as one the shares jointly held by them.

11.18 Proxyholders.

- (a) A shareholder holding more than one share in respect of which he is entitled to vote shall be entitled to appoint one or more (but not more than two) proxyholders to attend, act and vote for him on the same occasion. If such a shareholder should appoint more than one proxyholder for the same occasion he shall specify the number of shares each proxyholder shall be entitled to vote. A shareholder may also appoint one or more alternate proxyholders to act in the place and stead of an absent proxyholder.
- (b) Any person, having attained the age of majority, may act as proxyholder whether or not he is entitled on his own behalf to be present and to vote at the meeting at which he acts as proxyholder. The proxy may authorize the person so appointed to act as proxyholder for the appointor for the period, at any meeting or meetings, and to the extent permitted by the Act.
- (c) A person appointed by proxy need not be a shareholder.

11.19 Proxies.

A proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the seal of the corporation or under the hand of a duly authorized officer or attorney of that corporation.

11.20 Deposit of Proxies.

- (a) Unless the directors fix some other time by which proxies must be deposited, a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, shall be deposited at the registered office of the Corporation or at such other place as is specified for that purpose in the notice convening the meeting or form of proxy, not less than 48 hours (excluding

Saturdays and holidays) before the time for holding the meeting in respect of which the person named in the instrument is appointed.

- (b) In addition to any other method of depositing proxies provided for in the by-laws, the directors may by resolution make regulations relating to the depositing of proxies at any place or places and fixing the time for depositing the proxies. If the Corporation is or becomes a reporting issuer under the securities laws of a province of Canada, the time so fixed shall not exceed 48 hours (excluding Saturdays and holidays) preceding the meeting or adjourned meeting specified in the notice calling a meeting of shareholders and providing for particulars of such proxies to be sent to the Corporation or any agent of the Corporation in writing or by letter, telegram, telex, facsimile, emails or any method of transmitting legibly recorded messages so as to arrive before the commencement of the meeting or adjourned meeting at the office of the Corporation or of any agent of the Corporation appointed for the purpose of receiving such particulars and providing that proxies so deposited may be acted upon as though the proxies themselves were deposited as required by this Section.

11.21 Death or Incapacity.

A vote given in accordance with the terms of a proxy is valid notwithstanding the previous death or incapacity of the shareholder giving the proxy or the revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no notification in writing of such death, incapacity, revocation or transfer shall have been received at the registered office of the Corporation or by the chairman of the meeting or adjourned meeting for which the proxy was given before the vote was taken.

11.22 Retain Ballots.

Every ballot cast upon a poll and every proxy appointing a proxyholder who casts a ballot upon a poll shall be retained by the Secretary for such period and be subject to such inspection as the Act may provide.

11.23 Votes on Poll.

On a poll a person entitled to cast more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

11.24 Determinations.

The chairman of the meeting may determine whether or not a proxy, deposited for use at such meeting, which may not strictly comply with the requirements of this Part as to form, execution, accompanying documentation, time of filing, or otherwise, shall be valid for use at such meeting and any such determination made in good faith shall be final, conclusive and binding upon such meeting.

11.25 Electronic Voting.

Despite Section 11.13, any vote referred to in Section 11.13 may be held, in accordance with the Act, entirely by means of telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility.

11.26 Revocation.

Every proxy may be revoked by an instrument in writing:

- (a) executed by the shareholder giving the same or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation; and
- (b) delivered either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof at which the proxy is to

be used, or to the chairman of the meeting on the day of the meeting or any adjournment thereof before any vote in respect of which the proxy is to be used shall have been taken,

or in any other manner provided by law.

11.27 Adjournment.

The chairman of any meeting may and shall, if so directed by the meeting, adjourn the same from time to time to a fixed time and place and no notice of such adjournment need to be given to the shareholders unless the meeting is adjourned by one or more adjournments for an aggregate of thirty days or more in which case notice of the adjourned meeting shall be given as for an original meeting. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

11.28 Seconds.

No motion proposed at a meeting of shareholder need be seconded and the chairman may propose a motion.

11.29 Quorum.

- (a) Save as herein otherwise provided, a quorum for a meeting of shareholders shall be two shareholders, or two proxyholders representing shareholders, or any combination thereof, present at the opening of the meeting who are entitled to vote thereat either as shareholders or proxyholders. If there is only one shareholder the quorum is one person present and being, or representing by proxy, such shareholder. The directors, the Secretary or, in his absence, an Assistant Secretary, and the solicitor of the Corporation shall be entitled to attend at any meeting of shareholders but no such person shall be counted in the quorum or be entitled to vote at any meeting of shareholders unless he shall be a shareholder or proxyholder entitled to vote thereat.
- (b) If within half an hour from the time appointed for a meeting of shareholders a quorum is not present, the meeting, if convened upon requisition by the shareholders shall be dissolved. In any other case, it shall stand adjourned to a day, time and place as determined by the Chairman, but may not transact any other business. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the person or persons present and being, or representing by proxy, a shareholder or shareholders entitled to attend and vote at the meeting shall be a quorum.

11.30 Opening Quorum.

No business other than the election of the chairman or the adjournment of the meeting shall be transacted at any general meeting unless a quorum of shareholders entitled to attend and vote is present at the commencement of the meeting, but the quorum need not be present throughout the meeting.

11.31 Scrutineers.

One or more scrutineers, who need not be a shareholder of the Corporation, may be appointed by the chairman of the meeting or by a resolution of the shareholders to act as scrutineer of the meeting.

11.32 Resolution in lieu of Meeting.

Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of the shareholders is, subject to the Act, as valid as if it had been passed at a meeting of the shareholders. Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the shareholders and shall be effective on the date stated thereon or on the latest day stated on any counterpart.

11.33 Class Meetings.

Unless the Act, the articles or by-laws otherwise provide, the provisions of this by-law relating to meetings shall apply with the necessary changes, and so far as they are applicable, to a class meeting of shareholders holding a particular class of shares.

11.34 Only One Shareholder.

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

ARTICLE 12 SHARES

12.1 Allotment and Issuance.

Subject to the provisions of the Act, the shares shall be under the control of the directors who may, subject to the rights of the holders of the shares of the Corporation for the time being outstanding, issue, allot, sell or otherwise dispose of, and/or grant options on or otherwise deal in, shares authorized but not outstanding, and outstanding shares held by the Corporation, at such times, to such persons (including directors), in such manner, upon such terms and conditions and at such price or for such consideration, as the directors, in their absolute discretion, may determine.

12.2 Fully Paid.

No share may be issued until it is fully paid and the Corporation shall have received the full consideration therefor in cash, property or past services actually performed for the Corporation. The value of property or services for the purposes of this by-law shall be the value determined by the directors by resolution to be, in all circumstances of the transaction, the fair market value thereof, and the full consideration received for a share issued by way of dividend shall be the amount declared by the directors to be the amount of the dividend.

12.3 Discounts.

Subject to the Act, the Corporation or the directors on behalf of the Corporation, may pay a commission or allow a discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares, debentures, share rights, warrants or debenture stock in the Corporation, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any such shares, debentures, share rights, warrants or debenture stock, provided that the rate of the commission and discount shall not in the aggregate exceed 25 per cent of the amount of the subscription price of such shares. The Corporation may also pay such brokerage fees as may be lawful.

12.4 Certificates.

- (a) Every shareholder is entitled, without charge, to one certificate representing the share or shares of each class or series held by him; provided that, in respect of a share or shares held jointly by several persons, the Corporation shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint registered holders or to his duly authorized agent shall be sufficient delivery to all; and provided further that the Corporation shall not be bound to issue certificates representing redeemable shares, if such shares are to be redeemed within one month of the date on which they were allotted. Any share certificate may be sent through the mail by prepaid mail to the shareholder entitled thereto, and neither the Corporation nor any transfer agent shall be liable for any loss occasioned to the shareholder owing to any such share certificate so sent being lost in the mail or stolen.

- (b) Every share certificate issued by the Corporation shall be in such form as the directors approve and shall comply with the Act.

12.5 Replacement Certificates.

If a share certificate:

- (a) is worn or defaced, the Board or any officer or agent designated by the Board shall, upon production to them of the said certificate and upon such other terms, if any, as they may think fit, order the said certificate to be cancelled and shall issue a new certificate in lieu thereof;
- (b) is lost, stolen or destroyed, then, upon proof thereof to the satisfaction of the Board or any officer or agent designated by the Board and upon such indemnity, if any, as the Board deem adequate being given, a new share certificate in lieu thereof shall be issued to the person entitled to such lost, stolen or destroyed certificate; or
- (c) represents more than one share and the registered owner thereof surrenders it to the Corporation with a written request that the Corporation issue in his name two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Corporation shall cancel the certificate so surrendered and issue in lieu thereof certificates in accordance with such request.

There shall be paid to the Corporation such sum as the Board may from time to time fix, for each certificate to be issued under this by-law.

12.6 Trust.

Except as required by law, statute or the by-laws, no person shall be recognized by the Corporation as holding any share upon any trust, and the Corporation shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except only as by law, statute or the by-laws provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in its registered holder.

12.7 Two Names.

The certificate representing shares registered in the name of two or more persons shall be delivered to the person first named on the register of shareholders.

12.8 Purchase or Redemption of Shares.

Subject to the Act, the articles and the special rights and restrictions attached to any class of shares of the Corporation, the Corporation may, by a resolution of the directors and in compliance with the Act, purchase or redeem any of its shares in accordance with the special rights and restrictions attaching thereto. No such purchase or redemption shall be made if the Corporation is insolvent at the time of the proposed purchase or redemption or if the proposed purchase or redemption would render the Corporation insolvent. Subject to the Act, any shares purchased or redeemed by the Corporation may be sold or, if cancelled, reissued by it, but while such shares are held by the Corporation, it shall not exercise any vote in respect of such shares and no dividend or other distribution shall be paid or made thereon. If the Corporation proposes at its option to purchase or redeem some but not all of the shares of any class or series, the directors may, subject to the special rights and restrictions attached to such shares, decide the manner in which the shares to be purchased or redeemed shall be selected and such purchase or redemption may or may not be made pro rata among every shareholder holding any such shares as the directors may determine.

12.9 Signatures.

Subject to the Act, the signature of the Chairman of the Board, the President, a Vice-President or the Secretary, or any

other director or officer of the Corporation may be printed, engraved, lithographed or otherwise mechanically reproduced upon certificates for shares of the Corporation. Certificates so signed shall be deemed to have been manually signed by the Chairman of the Board, the President, the Vice-President or the Secretary, the director or the officer whose signature is so printed, engraved, lithographed or otherwise mechanically reproduced thereon and shall be as valid to all intents and purposes as if they have been signed manually. Where the Corporation has appointed a registrar, transfer agent, branch registrar or branch transfer agent for the shares (or for the shares of any class or classes) of the Corporation, the signature of the Secretary or Assistant Secretary may also be printed, engraved, lithographed or otherwise mechanically reproduced on certificates representing the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation and when countersigned by or on behalf of a registrar, transfer agent, branch registrar or branch transfer agent, such certificates so signed shall be as valid to all intents and purposes as if they had been signed manually. A share certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be an officer of the Corporation and shall be as valid as if he were an officer at the date of its issue.

ARTICLE 13 TRANSFER OF SECURITIES

13.1 Transfer of Shares.

Subject to the restrictions, if any, set forth in the articles and the by-laws, any shareholder may transfer any of his shares by instrument in writing executed by or on behalf of such shareholder and delivered to the Corporation or its transfer agent. The instrument of transfer of any share of the Corporation shall be in the form, if any, on the back of the Corporation's share certificates or in such other form as the directors may from time to time approve or accept. If the directors so determine, each instrument of transfer shall be in respect of only one class of share. Except to the extent that the Act may otherwise provide, the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of shareholders or a branch register of shareholders in respect thereof.

13.2 Signature.

The signature of the registered owner of any shares, or of his duly authorized attorney, upon an authorized instrument of transfer shall constitute a complete and sufficient authority to the Corporation, its directors, officers and agents to register, in the name of the transferee as named in the instrument of transfer, the number of shares specified therein or, if no number is specified, all the shares of the registered owner represented by share certificates deposited with the instrument of transfer. If no transferee is named in the instrument of transfer, the instrument of transfer shall constitute a complete and sufficient authority to the Corporation, its directors, officers and agents to register, in the name of the person on whose behalf any certificate for the shares to be transferred is deposited with the Corporation for the purpose of having the transfer registered, the number of shares if specified in the instrument of transfer or, if no number is specified, all the shares represented by all share certificates deposited with the instrument of transfer.

13.3 Transferee.

Neither the Corporation nor any director, officer or agent thereof shall be bound to enquire into the title of the person named in the form of transfer as transferee, or, if no person is named therein as transferee, of the person on whose behalf the certificate is deposited with the Corporation for the purpose of having the transfer registered or be liable to any claim by such registered owner or by any intermediate owner or holder of the certificate or of any of the shares represented thereby or any interest therein for registering the transfer, and the transfer, when registered, shall confer upon the person in whose name the shares have been registered a valid title to such shares.

13.4 Instrument of Transfer.

Every instrument of transfer shall be executed by the transferor and left at the registered office of the Corporation or at the office of its transfer agent or registrar for registration together with the share certificate for the shares to be

transferred and such other evidence, if any, as the directors or the transfer agent or registrar may require to prove the title of the transferor or his right to transfer the shares and the right of the transferee to have the transfer registered. All instruments of transfer, where the transfer is registered, shall be retained by the Corporation or its transfer agent or registrar and any instrument of transfer, where the transfer is not registered, shall be returned to the person depositing the same together with the share certificate which accompanied the same when tendered for registration.

13.5 Fees.

There shall be paid to the Corporation in respect of the registration of any transfer such sum, if any, as the directors may from time to time determine.

13.6 Restriction on Transfers.

Notwithstanding any other provision of the by-laws, while the Corporation is, or becomes a corporation which is not a reporting issuer under the securities laws of a province of Canada, then no shares shall be transferred and entered on the register of shareholders without the previous consent of the directors expressed by a resolution of the Board and the directors shall not be required to give any reason for refusing to consent to any such proposed transfer. The consent of the Board required by this by-law may be in respect of a specific proposed trade or trades or trading generally, whether or not over a specified period of time, or by specific persons or with such other restrictions or requirements as the directors may determine.

13.7 Transmission of Shares.

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

13.8 Death or Bankruptcy.

- (a) Upon the death or bankruptcy of a shareholder, his personal representative or trustee in bankruptcy, although not a shareholder, shall have the same rights, privileges and obligations that attach to the shares formerly held by the deceased or bankrupt shareholder if the documents required by the Act shall have been deposited with the Corporation. This by-law does not apply on the death of a shareholder with respect to shares registered in his name and the name of another person in joint tenancy.
- (b) Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder shall, upon such documents and evidence being produced to the Corporation as the Act requires, or who becomes entitled to a share as a result of an order of a Court of competent jurisdiction or a statute, has the right either to be registered as a shareholder in his representative capacity in respect of such share, or, if he is a personal representative, instead of being registered himself, to make such transfer of the shares as the deceased or bankrupt person could have made; but the directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

13.9 Transfer Agent and Registrar.

The directors may from time to time by resolution appoint or remove one or more transfer agents and/or branch transfer agents and/or registrars and/or branch registrars (which may or may not be the same individual or body corporate) for

the securities issued by the Corporation in registered form (or for such securities of any class or classes) and may provide for the registration of transfers of such securities (or such securities of any class or classes) in one or more places and such transfer agents and/or branch transfer agents and/or registrars and/or branch registrars shall keep all necessary books and registers of the Corporation for the registering of such securities (or such securities of the class or classes in respect of which any such appointment has been made). In the event of any such appointment in respect of the shares (or the shares of any class or classes) of the Corporation, all share certificates issued by the Corporation in respect of the shares (or the shares of the class or classes in respect of which such appointment has been made) of the Corporation shall be countersigned by or on behalf of one of the said transfer agents and/or branch transfer agents or by or on behalf of one of the said registrars and/or branch registrars, if any.

13.10 Securities Registrars.

A central securities register of the Corporation shall be kept at the registered office of the Corporation or at such other office or place in Canada as may from time to time be designated by resolution of the Board and a branch securities register or registers may be kept at such office or offices of the Corporation or other place or places, either in or outside Canada, as may from time to time be designated by resolution of the directors.

13.11 Shareholder Indebted to the Corporation.

If so provided in the articles or by-laws of the Corporation, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation. By way of enforcement of such lien the directors may refuse to permit the registration of a transfer of such share.

ARTICLE 14 DIVIDENDS

14.1 Dividends.

The Board may from time to time declare and authorize payment of such dividends, if any, as they may deem advisable and need not give notice of such declaration to any shareholder. No dividend shall be paid otherwise than out of funds and/or assets properly available for the payment of dividends and a declaration by the Board as to the amount of such funds or assets available for dividends shall be conclusive. The Corporation may pay any such dividend wholly or in part by the distribution of specific assets, and in particular by paid up shares, bonds, debentures or other securities of the Corporation or any other corporation, or in any one or more such ways as may be authorized by the Corporation or the Board, and where any difficulty arises with regard to such a distribution the Board may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled shall be made to any shareholders on the basis of the value so fixed to adjust the rights of all parties, and may vest any such specific assets in trustees for the persons entitled to the dividend as may seem expedient to the Board.

14.2 Payment Date.

Any dividend declared on shares of any class by the Board may be made payable on such date as is fixed by the Board.

14.3 Declaration.

Subject to the rights of shareholders (if any) holding shares with specific rights as to dividends, all dividends on shares of any class shall be declared and paid according to the number of such shares held.

14.4 Funds.

The Board may, before declaring any dividend, set aside out of the funds properly available for the payment of dividends such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Board, be

applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which such funds of the Corporation may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Corporation or be invested in such investments as the Board may from time to time think fit. The Board may also, without placing the same in reserve, carry forward such funds which they think prudent not to divide.

14.5 Joint Holders.

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

14.6 No Interest.

No dividend shall bear interest against the Corporation. Where the dividend to which a shareholder is entitled includes a fraction of a cent, such fraction shall be disregarded in making payment thereof and such payment shall be deemed to be payment in full.

14.7 Deliver.

Any dividend, bonus or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register, or to such person and to such address as the holder or joint holders may direct in writing. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The mailing of such cheque or warrant shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the dividend, unless such cheque or warrant shall not be paid on presentation or the amount of tax so deducted shall not be paid to the appropriate taxing authority.

14.8 Surplus.

Notwithstanding anything contained in the by-laws, the Board may from time to time capitalize any undistributed surplus on hand of the Corporation and may from time to time issue as fully paid and non-assessable any unissued shares, or any bonds, debentures or debt obligations of the Corporation as a dividend representing such undistributed surplus on hand or any part thereof.

14.9 Fractions.

Notwithstanding any other provisions of the by-laws, should any dividend result in any shareholders being entitled to a fractional part of a share of the Corporation, the Board shall have the right to pay such shareholders in place of that fractional share, the cash equivalent thereof calculated on the price or consideration for which such shares were or were deemed to be issued, and shall have the further right and complete discretion to carry out such distribution and to adjust the rights of the shareholders with respect thereon on as practical and equitable a basis as possible including the right to arrange through a fiscal agent or otherwise for the sale, consolidation or other disposition of those fractional shares on behalf of those shareholders of the Corporation.

14.10 Unclaimed Dividends.

Any dividend unclaimed after a period of 3 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

**ARTICLE 15
VOTING SHARES AND SECURITIES IN OTHER COMPANIES**

15.1 Voting Other Securities.

All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the Board of the Corporation shall from time to time determine. The proper signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Board.

ARTICLE 16 INFORMATION AVAILABLE TO SHAREHOLDERS

16.1 Information.

Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the Board it would be inexpedient in the interests of the Corporation to communicate to the public.

16.2 Inspection.

The Board may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the Board or by a resolution of the shareholders.

ARTICLE 17 NOTICES

17.1 Electronic Communication.

The Corporation may send any notice or other document or information pursuant to these by-laws and acts and other rules and regulations applicable to the Corporation to a shareholder by publishing that notice or other document or information on a website where:

- (a) the shareholder has consented in writing (or is taken to have agreed in accordance with the acts and other rules and regulations applicable to the Corporation) to him having access to the notice or document or information on a website (instead of it being sent to him);
- (b) the notice or document is one to which that agreement applies;
- (c) the shareholder is notified in writing, of:
 - (i) the publication of the notice or document on a website;
 - (ii) the address of that website; and
 - (iii) the place on that website where the notice or document may be accessed, and how it may be accessed.

17.2 All Other Communication.

In the event that the shareholder does not provide written consent to electronic communication pursuant to Section 17.1 of this by-law, any notice or other document required by the Act, the Regulations, the articles or the by-laws to be sent

to any shareholder or director or to the auditor shall be delivered personally or sent by prepaid mail, fax, email, cable, telegram or telex to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent and to any such director at his latest address as shown in the records of the Corporation or in the last notice filed under section 106 or 113 of the Act, and to the and/or at his business address; provided always that notice may be waived or the time for the notice may be waived or abridged at any time with the consent in writing of the person entitled thereto. If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

17.3 Shares Registered in More than One Name.

All notices or other documents with respect to any shares registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficient notice or delivery to all the holders of such shares.

17.4 Persons Becoming Entitled by Operation of Law.

Subject to the Act, every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any share or shares shall be bound by every notice or other document in respect of such share or shares which, previous to his name and address being entered in the records of the Corporation, shall be duly given to the person or person from who he derives his title to such share or shares.

17.5 Deceased Shareholders.

Subject to the Act, any notice or other document delivered or sent by post, fax, email, cable, telegram or telex or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with any other person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested with him in such shares.

17.6 Signature to Notices.

The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

17.7 Errors or Omission.

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

17.8 Waiver.

Any person may at any time waive notice, or abridge the time for notice, of any meeting and ratify, approve and confirm any or all proceedings taken or had thereat.

17.9 Notices to Joint Shareholders.

Any notice with respect to any share or shares in the capital of the Corporation registered in more than one name shall be given to whichever of such persons is named first in the records of the Corporation and any notice so given shall be sufficient notice to all the holders of such share or shares.

17.10 Computation of Time.

Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles or by-laws of the Corporation the day of service or posting of the notice or document shall, unless it is otherwise provided, be counted in such number of days or other period.

17.11 Proof of Service.

With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in Section 17.1 of this by-law and put into a post office or into a letter box. A certificate of an officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to facts in relation to the sending or delivery of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation as the case may be.

17.12 Record Dates.

- (a) The Board may fix in advance a date, which shall not be more than the maximum number of days permitted by the Act, preceding the date of any meeting of shareholders, including class and series meetings, or of the payment of any dividend or to participate in a liquidation distribution or of the proposed taking of any other proper action requiring the determination of shareholders, as the record date for the determination of the shareholders entitled to notice of, or to attend and vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or for any other proper purpose and, in such case, notwithstanding anything elsewhere contained in the by-laws, only shareholders of record on the date so fixed shall be deemed to be shareholders for the purposes aforesaid.
- (b) Where no record date is so fixed for the determination of shareholders as provided in the preceding by-law, the record date of the determination of shareholders entitled to receive notice of a meeting of shareholders shall be:
 - (i) at the close of business on the day immediately preceding the day on which the notice is given; or
 - (ii) if no notice is given, the day on which the meeting is held; and

the record date for the determination of shareholders for any purpose other than to establish a shareholders' right to receive notice of a meeting or to vote shall be at the close of business on the day on which the Board passes the resolution relating thereto.

**ARTICLE 18
CHEQUES, DRAFTS AND NOTES**

18.1 Cheques.

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or person, whether or not officers of the Corporation, and in such manner as the Board may from time to time designate by resolution.

**ARTICLE 19
CUSTODY OF SECURITIES**

19.1 Custody.

All shares and securities owned by the Corporation may be lodged (in the name of the Corporation) with a chartered bank or trust company or in a safety deposit box or, if so authorized by resolution of the Board, with such other depositaries or in such other manner as may be determined from time to time by the Board.

19.2 Nominees.

All share certificates, bonds, debentures, notes or other obligations belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the name of more than one nominee, shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable the transfer to be completed and registration to be effected.

**ARTICLE 20
GENERAL**

20.1 Unanimous Shareholder Agreement.

Notwithstanding anything contained in the by-laws, the provisions of the by-laws shall be amended to the extent necessary to give effect to the provisions of any unanimous shareholder agreement in force between Corporation and its shareholders, and to the extent that there is any conflict between the provisions of the by-laws and any such unanimous shareholder agreement, the provisions of the unanimous shareholder agreement shall prevail.

**ARTICLE 21
REPEAL**

21.1 Upon this By-Law No. 1-A coming into force, By-Law No. 1 of the Corporation is repealed provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal.

The By-Law No. 1-A of the Corporation shall come into force upon being passed by the directors in accordance with the Act.

ENACTED by the board the 24th day of April, 2013.

WITNESS the seal of the Corporation.

“Tom Drivas”
Tom Drivas,
President & C.E.O.

“Frank van de Water”
Frank van de Water,
Secretary