

TORINO VENTURES INC.

- and -

TORINO ACQUISITION CORP.

- and –

SMART AUTONOMOUS SOLUTIONS INC.

AMALGAMATION AGREEMENT

Date: September 3rd, 2015

AMALGAMATION AGREEMENT

THIS AGREEMENT is dated the 3rd day of September, 2015

AMONG:

TORINO VENTURES INC., a corporation incorporated pursuant to the laws of the Province of British Columbia

(“**Torino**”)

AND:

TORINO ACQUISITION CORP., a corporation incorporated pursuant to the laws of the Province of British Columbia

(“**Subco**”)

AND:

SMART AUTONOMOUS SOLUTIONS INC., a corporation incorporated pursuant to the laws of the Province of British Columbia

(“**SAS**”)

WHEREAS Torino, Subco and SAS have agreed that they shall enter into a business combination pursuant to which the business and assets of Subco and Torino shall be combined with those of SAS by means of a reverse takeover of Torino by SAS (the “**Acquisition**”);

AND WHEREAS SAS and Torino intend to effect the Acquisition by way of an amalgamation of SAS with Subco pursuant to the *Business Corporations Act* (British Columbia) (the “**BCBCA**”);

AND WHEREAS pursuant to the terms of the amalgamation, Torino will issue to each registered holder of common shares of SAS one common share of Torino per each common share of SAS held by the registered holder as contemplated herein;

AND WHEREAS Torino proposes to complete a private placement of common shares of Torino of \$200,000;

AND WHEREAS Torino intends to list its securities for trading on the Canadian Securities Exchange (“**CSE**”);

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

In this Agreement (including the preamble, recitals and each Schedule hereto), the following terms have the meanings ascribed thereto as follows:

“**Acquisition**” has the meaning given to that term in the recitals hereof.

“**Acquisition Shares**” means the Torino Shares issuable by Torino to the SAS Shareholders upon completion of the Acquisition in accordance with section 2.6.

“**Affiliate**” has the meaning specified in the BCBCA.

“**Agreement**” means this Agreement and any instrument supplemental or ancillary hereto; and the expressions “Article”, “section”, and “subsection” followed by a number means and refers to the specified Article, section or subsection of this Agreement.

“**Amalco**” means the corporation resulting from the Amalgamation.

“**Amalgamating Companies**” means SAS and Subco.

“**Amalgamation**” means the amalgamation of the Amalgamating Companies pursuant to the provisions of the BCBCA in the manner contemplated in and pursuant to the terms and conditions of this Agreement.

“**Amalgamation Application**” means the amalgamation application to be filed by the Amalgamating Companies with the Registrar in accordance with the BCBCA.

“**Ancillary Agreements**” means all agreements, certificates and other instruments delivered or given pursuant to this Agreement.

“**Articles of Amalgamation**” means the articles of amalgamation of Amalco, a copy of which is set out in Schedule A attached hereto.

“**Assets**” means the SAS Assets.

“**BCBCA**” means the *Business Corporations Act* (British Columbia).

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia.

“**Certificate**” means the certificate of amalgamation to be issued by the Registrar under the BCBCA giving effect to the Amalgamation.

“**Claims**” means any suit, action, dispute, civil or criminal litigation, claim, arbitration or legal, administrative or other proceeding or governmental investigation, including appeals and applications for review.

“**Closing**” means the completion of the transactions contemplated herein.

“**Closing Date**” means November 30, 2015 unless further extended by all Parties in writing, which is intended to be the same day as the Effective Date or at such other time as may be mutually agreed to by the Parties hereto.

“**Commissions**” means the securities commissions where Torino is a reporting issuer.

“**Convertible Financing**” means the SAS arm’s length convertible financing for gross proceeds of \$361,115.

“**Disclosure Document**” means non-offering prospectus or listing statement.

“**Effective Date**” means the date shown on the Certificate.

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date, or such other time agreed to by the parties.

“**Encumbrance**” means any encumbrance of any kind whatever (registered or unregistered) and includes a royalty, profit interest, security interest, lien, charge, hypothec, pledge, mortgage, hypothecation, security interest under the *Bank Act* (Canada), trust or deemed trust (whether contractual, statutory or otherwise arising), and a voting trust or pooling agreement with respect to securities.

“**Environmental Laws**” has the meaning set out in section 4.13(a).

“**Government Authority**” means any federal, provincial or municipal government of Canada and any agency, tribunal or commission of any kind whatsoever exercising authority under or for the account of such government.

“**IFRS**” means International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as amended from time to time.

“**Laws**” mean all federal, provincial, state, municipal or local laws, rules, regulations, statutes, by-laws, ordinances, policies or orders of any federal, provincial, state, regional or local government or any subdivision thereof or any arbitrator, court, administrative or regulatory agency, commission, department, board or bureau or body or other government or authority or instrumentality or any entity or Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“**Letter of Intent**” means the binding letter of intent dated July 20, 2015 among Torino and SAS.

“**Listing Statement**” means a non-offering prospectus in the form prescribed by the *Commissions*, pertaining to the listing of the Torino Shares on the CSE.

“**Material Adverse Effect**” in respect of a Person, means any change, effect, event, occurrence, condition or development that has or could reasonably be expected to have, individually or in the aggregate, a material and adverse impact on the business,

operations, results of operations, assets, capitalization or financial condition of such Person, other than any changes related to the economy or the industry in which the Person carries on business.

“**Meeting**” means the special meeting of the shareholders of SAS for the consideration and, if deemed appropriate, approval of the Amalgamation.

“**Party**” means a party to this Agreement and “**Parties**” means all parties to this Agreement.

“**Person**” includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other juridical entity.

“**Private Placement**” means the private placement of securities by Torino to raise gross proceeds of \$200,000 prior to completion of the Amalgamation.

“**Registrar**” means the person appointed as the Registrar of Companies under the BCBCA.

“**SAS**” means Smart Autonomous Solutions Inc.

“**SAS Assets**” means the property and assets of SAS as a going concern, of every kind and description and wheresoever situated.

“**SAS Financial Statements**” means SAS’s consolidated audited financial statements for the period from December 31, 2013 to December 31, 2014, and the unaudited financial statements of SAS for the interim period required per applicable Securities Laws.

“**SAS Material Agreements**” means those material contracts set out in Schedule B attached hereto.

“**SAS Shareholders**” means holders of the SAS Shares.

“**SAS Shares**” means the common shares in the capital of SAS.

“**Securities Laws**” means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Torino**” means Torino Ventures Inc.

“**Torino Assets**” means the property and assets of Torino as a going concern, of every kind and description and wheresoever situated.

“**Torino Financial Statements**” means the audited financial statements of Torino for the year ended December 31, 2014.

“**Torino Information**” has the meaning given to the term in subsection 6.3(a) hereof.

“**Torino Shareholders**” means the holders of the Torino Shares.

“**Torino Shares**” means the common shares in the capital of Torino.

“**Roll-Back**” means the proposed 5:1 consolidation of common shares of Torino.

“**Subco**” means the direct, wholly-owned subsidiary of Torino incorporated and organized by Torino under the BCBCA for the sole purpose of effecting the Amalgamation in connection with the Acquisition.

“**Subco Shares**” means all of the outstanding common shares in the capital of Subco.

“**Subsidiary**” has the meaning set out in the BCBCA.

“**Termination Date**” means the date the Agreement is terminated in accordance with Article 10.

ARTICLE 2 AMALGAMATION AND RELATED MATTERS

2.1 General. The Amalgamation and this Agreement are intended, subject to their terms and conditions, to result in the business combination of Torino and SAS through the Amalgamation. To this end, each of SAS, Torino and Subco agree that they shall use commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it as soon as practical and in any event before the Effective Time, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Acquisition pursuant to the Amalgamation in accordance with the terms and conditions of this Agreement, and applicable law and to cooperate with each other in connection therewith.

2.2 Agreement to Amalgamate. Upon the terms and subject to the conditions contained in this Agreement, SAS, Torino and Subco hereby agree that the Amalgamating Companies shall Amalgamate and continue as one corporation under the BCBCA.

2.3 Shareholder Approval. Subject to the terms and conditions of this Agreement:

- (a) SAS shall call and hold the Meeting;
- (b) SAS shall distribute such documents as may be necessary or desirable to permit the SAS Shareholders to consider, and if deemed appropriate, approve the Amalgamation to be considered at the Meeting; and

- (c) provided the Amalgamation is approved at the Meeting and the conditions set out in Article 8 hereof have been satisfied or waived, as soon as reasonably practicable thereafter, SAS, Torino and Subco shall take all actions required to effect the Amalgamation.

2.4 Listing Statement. Amalco shall prepare the Listing Statement (including supplements or amendments thereto). Amalco shall:

- (a) ensure that all information provided by it or on its behalf that is contained in the Listing Statement does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Listing Statement and necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and

2.5 Public Announcement. Immediately after the execution of this Agreement, SAS and Torino shall issue a joint public announcement announcing the entering into of this Agreement, and shall be in form and substance acceptable to each of them, acting in a commercially reasonable manner. No Party shall issue any news release or public statements inconsistent with such public announcement.

2.6 Amalgamation Events. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time:

- (a) each SAS Share issued and outstanding before the Effective Time shall be exchanged for one fully paid and non-assessable Torino Share;
- (b) each Subco Share issued and outstanding immediately before the Effective Time shall be exchanged for one Amalco share;
- (c) each SAS Share held by Torino as a result of the exchange contemplated by subsection (a) shall be exchanged for one Amalco share; and
- (d) Amalco shall be a wholly-owned subsidiary of Torino.

2.7 Share Certificates. On the Effective Date:

- (a) upon surrender to Torino of the certificates or central securities register representing the issued and outstanding SAS Shares, the holders thereof shall be entitled to receive certificates representing Torino Shares in accordance with section 2.6 hereof, as provided in subsection (d) below;
- (b) the original share certificate of Subco registered in the name of Torino shall be cancelled and Torino shall be issued a share certificate for the number of Amalco shares to be issued to Torino as provided in section 2.6 hereof;
- (c) certificates representing the SAS Shares shall cease to represent any claim upon or interest in SAS other than the right of the SAS Shareholder to receive, pursuant to the terms hereof, Torino Shares in accordance with section 2.6 hereof; and

(d) Torino shall, on the later of:

(i) the Effective Date; and

(ii) the third Business Day following the Effective Date,

issue to each SAS Shareholder certificates representing the number of Torino Shares to which such holder is entitled.

2.8 Number of Directors. The number of directors of Amalco shall be not less than one and not more than 10, as the shareholders of Amalco may from time to time determine by special resolution or, if empowered to do so by resolution, as the directors of Amalco may from time to time determine.

2.9 Initial Directors. As of the Effective Time, the number of directors of Amalco shall be five. The directors of Amalco as of the Effective Time shall be as set forth below or such other persons as SAS and Torino may mutually agree:

Name	Address
Darren Fast	3-54 West Gate, Winnipeg, Manitoba, R3C 2E1
Suresh Singh	7850 Elliott Street, Vancouver, BC. V5S 2N9
Bryan Loree	7934 Government Rd. Burnaby, BC. V5A 2E2
Ravinder Mlait	850 Kinsac St, Coquitlam, BC, V3J 4T7
Alex Kanayev	55 Hammersmith Ave, Toronto, ON M4E 2W3

These directors shall hold office until the next meeting of the shareholders of Amalco or until their successors are elected or appointed in accordance with the provisions of the Articles of Amalco and the BCBCA. Notwithstanding the foregoing, until such time as the common shares of Torino are listed on the CSE or any other recognized stock exchange, Torino shall vote all of its securities in the capital of Amalco: (a) to keep the number of directors of Amalco set at five; and (b) in favour of each of Suresh Singh, Darren Fast and Alex Kanayev as directors of Amalco.

2.10 Escrowed Shares. Certain of the Torino Shares to be issued to SAS Shareholders under the Acquisition may be subject to escrow in accordance with the policies of the CSE. Any Torino Shares deposited into escrow shall be held in escrow and released in accordance with the policies of the CSE. The terms of the escrow shall be negotiated by counsel for the Parties and the CSE and the Parties agree to accept the terms imposed by the CSE. The escrowed securities shall be held in escrow under an escrow agreement in the form prescribed by the CSE.

2.11 Fiscal Year. The fiscal year end of Amalco shall be December 31st, until changed in accordance with the Articles of Amalgamation.

2.12 Name. The name of Amalco shall be “Torino Power Solutions Inc.” or such other name as agreed to by both parties.

2.13 Registered Office. The registered office of Amalco shall be the registered office of SAS, or such other registered office as agreed to by the parties.

2.14 Authorized Capital. The authorized capital of Amalco shall be the authorized capital of SAS as provided in its Notice of Articles.

2.15 Fractional Shares. No fractional Torino Shares will be issued or delivered to any SAS Shareholder pursuant to the Amalgamation, rather, if the number of Torino Shares issuable includes a fraction of a share, the number of Torino Shares shall be rounded down to the next whole number.

2.16 Filing of Amalgamation Application. Following the approval of this Agreement by the shareholders of the Amalgamating Companies, and subject to the satisfaction or waiver of all of the conditions precedent set forth herein, the Amalgamating Companies shall jointly file the Amalgamation Application with the Registrar appointed under the BCBCA.

2.17 Effect of Amalgamation. At the Effective Time:

- (a) the Amalgamating Companies are amalgamated and continue as one corporation under the terms and conditions prescribed in this Agreement;
- (b) the Amalgamating Companies cease to exist as entities separate from Amalco;
- (c) Amalco possesses all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the Amalgamating Companies;
- (d) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against either of the Amalgamating Companies before the Effective Time;
- (e) a conviction against, or ruling, order or judgment in favour or against either of the Amalgamating Companies may be enforced by or against Amalco;
- (f) the Notice of Articles are those contained in the Amalgamation Application; and
- (g) the Articles of Amalgamation are deemed to be the Articles of Amalco.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF TORINO

Torino hereby represents and warrants to SAS as follows and acknowledges that SAS is relying on such representations and warranties in connection with the transactions contemplated hereof:

3.1 Incorporation. Torino and Subco are corporations duly incorporated and validly existing under the laws of the Province of British Columbia, and are in good standing with respect to the filing of annual returns, and have the power, authority and capacity to enter into this Agreement and to carry out its terms and to conduct their business as such businesses are now being conducted. Torino and Subco are qualified to do business and are in good standing in each of the jurisdictions in which they own property, do business, or are required to do so.

3.2 Corporate Power and Authority. Torino and Subco have all corporate power and capacity to execute and deliver this Agreement and to consummate the transactions and otherwise perform their respective obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Torino and Subco and by the shareholders of Subco and no other corporate proceedings or approvals on the part of Torino or Subco are necessary to authorize this Agreement.

3.3 Subsidiaries. Torino has no Subsidiaries other than Subco and Subco has no Subsidiaries.

3.4 Reporting Issuer. Torino is a “reporting issuer” within the meaning of the Securities Laws of British Columbia and Alberta. Torino is not in default of any requirement of any applicable Securities Laws and no regulatory authority having jurisdiction has issued any order preventing or suspending trading of any securities of Torino. Torino is in compliance and up to date with all filings under applicable corporate and Securities Laws.

3.5 Public Record. As of their respective dates, all information and materials filed by Torino with the British Columbia Securities Commission and the Alberta Securities Commission, which are available through the SEDAR website as of the date hereof, (including all exhibits and schedules thereto and documents incorporated by reference therein) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and complied in all material respects with all applicable legal and stock exchange requirements.

3.6 Share Capital. The authorized share capital of Torino consists of an unlimited number of Torino Shares without par value and as of the date of this Agreement, 5,599,978 Torino Shares are issued and outstanding as fully paid and non-assessable shares and no preferred shares are issued and outstanding. Immediately following the Effective Time, there will be 5,599,978 Torino Shares issued and outstanding, in addition to the Acquisition Shares.

3.7 Additional Securities. Except for the “Convertible Financing” by SAS, no Persons have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance of any Torino Shares or other securities of Torino or Subco or securities convertible into, exchangeable for, or which carry the right to purchase Torino Shares or other securities of Torino or Subco, or as contemplated in the Acquisition.

3.8 Board Approval. The acceptance, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of Torino and Subco.

3.9 Share Issuance. Subject to Securities Laws, Torino has the full and lawful right and authority to issue the Acquisition Shares and upon completion of the Acquisition, the Acquisition Shares will be validly issued as fully paid and non-assessable and free and clear of all Encumbrances.

3.10 No Breach Caused by the Agreement. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will conflict with or result in the breach of any of the terms or provisions of, or constitute a default under, the constating documents, director or shareholder minutes of Torino or any agreement or instrument to which Torino is a party or by which Torino or the Torino Assets are bound or any order, decree, statute, regulation, covenant or restriction applicable to Torino.

3.11 Litigation. There are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Torino) pending or, to the best knowledge of Torino, threatened by or against Torino, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and Torino is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

3.12 No Default. Torino is not in default or breach of its obligations under any material contracts to which it is a party and to the best knowledge of Torino there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such material contracts are now in good standing and in full force and effect and Torino is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Agreement. Torino is not aware of any other party having an intention to terminate, either by notice or breach, any material contract made with Torino.

3.13 Compliance.

- (a) To the best knowledge of Torino, Torino is in compliance with, is not in default or violation in any material respect under, and has not been charged with or received any notice at any time of any material violation of any statute, law, ordinance, regulation, rule, decree or other applicable regulation to the business or operations of Torino;
- (b) Torino is not subject to any judgment, order or decree entered in any lawsuit or proceeding applicable to its business and operations that would constitute a Material Adverse Effect on Torino, its business or its assets, taken as a whole;
- (c) Torino and Subco have duly filed all reports and returns required to be filed by it with governmental authorities and has obtained all governmental permits and

other governmental consents, except as may be required after the execution of this Agreement. All of such permits and consents are in full force and effect, and no proceedings for the suspension or cancellation of any of them, and no investigation relating to any of them, is pending or to the best knowledge of Torino, threatened, and none of them will be adversely affected by the consummation of the Amalgamation; and

- (d) Torino has operated in material compliance with all laws, rules, statutes, ordinances, orders and regulations applicable to its business. Torino has not received any notice of any violation thereof, nor is Torino aware of any valid basis therefore.

3.14 Tax Matters. Torino has filed with appropriate federal, state, provincial and local taxation authorities, all returns, reports and declarations which are required to be filed by it and no taxing authority is asserting or has, to the best knowledge of Torino threatened to assert, or has any basis for asserting against Torino any claim for additional taxes or interest thereon or penalty.

3.15 Employees. Torino and Subco do not have, and never have had, any employees.

3.16 Financial Statements. The financial statements of Torino available on SEDAR, including the Torino Financial Statements, are based on the books and records of Torino and fairly present the financial condition of Torino at the date thereof and the results of the operations for such periods. No information has come to the attention of Torino since the dates that the Torino Financial Statements were issued that would or would reasonably be expected to require any restatement or revision of any such Torino Financial Statements.

3.17 Liabilities of Torino. Torino and Subco have no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) which are not disclosed to SAS in writing or in the financial statements available on SEDAR, except for those incurred in connection with the transactions contemplated by this Agreement or in the normal course of business.

3.18 Shareholder Loans. There are no loans or other liabilities of Torino or Subco outstanding in favour of any of the Torino Shareholders or Torino as sole shareholder of Subco, or any other former shareholder of Torino or Subco, or any party related to them, nor are there any loans outstanding or other amounts due to Torino or Subco from any such persons.

3.19 Indebtedness to Officers and Directors. Neither Torino nor Subco is indebted to any director, officer, employee or consultant of Torino or Subco, as applicable, except for amounts payable in the ordinary course of business.

3.20 Reportable Event. Torino has never had any reportable event (as such term is defined within National Instrument 51-102 - *Continuous Disclosure Obligations*) with the present or any former auditor of Torino.

3.21 Necessary Proceedings. All necessary and/or required corporate measures, proceedings and actions of the directors and shareholders of Torino and Subco have been taken

to authorize and enable Torino and Subco to enter into and deliver this Agreement and the Ancillary Agreements and to perform their obligations hereunder and thereunder.

3.22 Valid and Binding Obligation. This Agreement and each of the Ancillary Agreements to which Torino and/or Subco is a party have been duly executed and delivered by Torino and/or Subco, as the case may be, and constitute legal, valid and binding obligations of Torino and Subco, enforceable against them in accordance with their respective terms subject only to:

- (a) any limitation under applicable laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and
- (b) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

3.23 Material Change. There are no material facts or material information which exist, and there has been no material change in the capital, business, Torino Assets, liabilities, obligations (absolute, accrued, contingent or otherwise), operations, condition (financial or otherwise), results of operations, financial position, capital or long-term debt, affairs or prospects of Torino since July 20, 2015 (date of signing of LOI) which have not been disclosed in the manner required by Securities Laws.

3.24 Guarantees. Torino or Subco is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

3.25 Absence of Other Agreements. Other than as disclosed on SEDAR or provided to SAS in writing, Torino or Subco is not:

- (a) a party to any material contract;
- (b) bound by any outstanding contract or commitment which requires prior approval of any change of control of Torino; and
- (c) bound by any outstanding contract or commitment except those entered into in the ordinary course of business and is not in default under any material contract by which it is bound or under which it is entitled to the benefits of and advantages thereof.

3.26 Corporate Records. The corporate records and minute books of Torino and Subco contain complete and accurate minutes of all meetings of the directors and shareholders of Torino and Subco, respectively, held since their incorporation, and signed copies of all resolutions duly passed or confirmed by the directors or shareholders of Torino and Subco other than at a meeting, all such meetings having been duly called and held. With respect to Subco, the share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of Subco are complete and accurate in all material respects.

3.27 No Brokers. Except for any broker or agent who may be retained in regards to the Private Placement, Torino has not entered into any agreement which would entitle any Person to any valid claim against Torino for a broker's commission, finder's fee or any like payment in respect of the Acquisition or any other matters contemplated by this Agreement.

3.28 Dividends. Torino has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

3.29 No Bankruptcy. No proceedings have been taken, are pending or authorized by Torino or by any other person in respect of the bankruptcy, insolvency, liquidation or winding up of Torino.

3.30 Title to Property.

- (a) Other than the Monster Lake South property, located in the Hazeur Township, Quebec, Torino does not own any real property.
- (b) All Torino Assets are owned legally or beneficially by Torino with good and marketable title thereto, free and clear of all Encumbrances whether contingent or absolute, except as set out in the Torino Financial Statements.
- (c) No person has or will have any agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the acquisition of an interest in the Torino Assets.
- (d) There is no basis for and there is no action, suit, judgment, claim, demand or proceeding outstanding or pending, or, to the best knowledge of Torino, threatened against or affecting the Torino Assets that, if adversely resolved or determined, would have a Material Adverse Effect on the Torino Assets and there is no reasonable basis for any claim or action that, based upon the likelihood of its being asserted and its success if asserted, would have such a Material Adverse Effect.
- (e) Torino has provided SAS with copies of all of the material information relating to the material intellectual property and assets of SAS of which it has knowledge and which is not otherwise publicly available.

3.31 Environmental Laws. Except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on Torino:

- (a) Torino is not in violation of any applicable Law relating to pollution or occupational health and safety, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products

or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, “**Environmental Laws**”);

- (b) Torino has all permits, authorizations and approvals required under any applicable Environmental Laws and is in compliance with their requirements; and
- (c) to the knowledge of Torino, there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against Torino.

3.32 Transfer Agent and Registrar. Computershare Investor Services Inc. at its offices in Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar for the Torino Shares.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF SAS

SAS hereby represents and warrants to Torino as follows and acknowledges that Torino is relying on such representations and warranties in connection with the transactions contemplated hereof:

4.1 Incorporation. SAS is a corporation duly incorporated and validly existing under the laws of the Province of British Columbia and is in good standing with respect to the filing of annual returns, and has the power, authority and capacity to enter into this Agreement, to carry out its terms and has all necessary corporate power to own the SAS Assets and to conduct its business as such business is now being conducted. SAS is qualified to do business and is in good standing in each of the jurisdictions in which it owns property, does business, or is required to do so.

4.2 Corporate Power and Authority. SAS has all corporate power and capacity to execute and deliver this Agreement and to consummate the transactions and otherwise perform its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby has been duly and validly authorized by SAS and, except for receipt of shareholder approval of the Acquisition prior to the Closing Date, no other corporate proceedings or approvals on the part of SAS or its shareholders are necessary to authorize this Agreement.

4.3 Subsidiaries. SAS has no Subsidiaries.

4.4 Share Capital. The authorized share capital of SAS consists of an unlimited number of common shares without par value, of which as of the date of this Agreement 17,221,715 SAS Shares are issued and outstanding as fully paid and non-assessable shares and no preferred shares are issued and outstanding. A true and correct copy of the Central Securities Register of SAS (which includes outstanding convertible securities as well (i.e. warrants, convertible promissory notes) as of the date hereof is attached hereto as Schedule C.

4.5 No U.S. Shareholders. None of the SAS Shareholders are U.S. Persons, as that term is defined in Regulation S promulgated in the United States *Securities Act of 1933*, as amended, and SAS acknowledges that it is aware that the Torino Shares have not been and will not be registered under the *Securities Act of 1933* or the securities laws of any state and may not be offered or sold, directly or indirectly, in the United States without registration under the *Securities Act of 1933* and the applicable laws of all applicable states or an exemption from such registration requirements and SAS further acknowledges that Torino has no present intention of filing a registration statement under the *Securities Act of 1933* in respect of the Torino Shares.

4.6 Additional Securities. Except for the “Convertible Financing” completed by SAS, none of the outstanding SAS Shares are subject to pre-emptive rights and were issued in full compliance with the laws of the BCBCA and the Articles of SAS. Except as set out in the SAS Material Agreements, there are and will be at Closing no outstanding warrants, options or other rights or other arrangements under which SAS is bound or obligated to issue additional SAS Shares, warrants, options or other securities, options or rights to acquire SAS Shares. There are no agreements purporting to restrict the transfer of the SAS Shares, other than compliance with applicable Securities Laws and the Articles of SAS and there are no voting agreements, shareholders’ agreements, voting trusts, or other arrangements restricting or affecting the voting of the SAS Shares.

4.7 Board Approval. The acceptance, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors of SAS.

4.8 No Breach Caused by the Agreement. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the constating documents, director or shareholder minutes of SAS, or any agreement or instrument to which SAS is a party or by which SAS or the SAS Assets are bound or any order, decree, statute, regulation, covenant or restriction applicable to SAS.

4.9 Litigation. There are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of SAS) pending or, to the best knowledge of SAS, threatened by or against SAS or affecting any of the SAS Assets at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and SAS is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

4.10 No Default. SAS is not in default or breach of its obligations under any material contracts to which it is a party and to the best knowledge of SAS, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such material contracts are now in good standing and in full force and effect without amendment thereto and SAS is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Agreement. SAS is not

aware of any other party having an intention to terminate, either by notice or breach, any material contract made with SAS.

4.11 Material Contracts. SAS is not a party to any material contracts except the SAS Material Agreements. The SAS Material Agreements are duly authorized, enforceable on their respective terms, and all covenants required thereunder have been complied with in all material respects. The SAS Material Agreements are in full force and effect, and there exists no material breach or violation of or default by SAS or any other party to the SAS Material Agreements, or any event that with notice or the lapse of time, or both, will create a material breach or violation thereof or default under any of the SAS Material Agreements. The continuation, validity, and effectiveness of each SAS Material Agreement will in no way be affected by the consummation of the Amalgamation contemplated by this Agreement. There exists no actual or threatened termination, cancellation, or limitation of, or any amendment, modification, or change to any SAS Material Agreement.

4.12 Title to Property.

- (a) SAS does not own any real property.
- (b) All SAS Assets are owned legally or beneficially by SAS with good and marketable title thereto, free and clear of all Encumbrances whether contingent or absolute, except as set out in the SAS Material Agreements or as disclosed in the SAS Financial Statements.
- (c) Except as otherwise described in the SAS Material Agreements, no person other than SAS has or will have any agreement, option, understanding or commitment, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the acquisition of an interest in the SAS Assets.
- (d) There is no basis for and there is no action, suit, judgment, claim, demand or proceeding outstanding or pending, or, to the best knowledge of SAS, threatened against or affecting the SAS Assets that, if adversely resolved or determined, would have a Material Adverse Effect on the SAS Assets and there is no reasonable basis for any claim or action that, based upon the likelihood of its being asserted and its success if asserted, would have such a Material Adverse Effect.
- (e) SAS has provided Torino with copies of all of the material information relating to the material intellectual property and assets of SAS of which it has knowledge.
- (f) Subsequent to the entry into the SAS Material Agreements, SAS has not received any information from any Person that would modify or change the representations and warranties set out in section 4.12.

4.13 Environmental Laws. Except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on SAS:

- (a) SAS is not in violation of any applicable Law relating to pollution or occupational health and safety, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, “**Environmental Laws**”);
- (b) SAS has all permits, authorizations and approvals required under any applicable Environmental Laws and is in compliance with their requirements; and
- (c) to the knowledge of SAS, there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against SAS.

4.14 Compliance.

- (a) To the best knowledge of SAS, SAS is in compliance with, is not in default or violation in any material respect under, and has not been charged with or received any notice at any time of any material violation of any statute, law, ordinance, regulation, rule, decree or other applicable regulation to the business or operations of SAS;
- (b) To the best knowledge of SAS, SAS is not subject to any judgment, order or decree entered in any lawsuit or proceeding applicable to its business and operations that would constitute a Material Adverse Effect on SAS, its business or its assets, taken as a whole;
- (c) SAS has duly filed all reports and returns required to be filed by it with governmental authorities and has obtained all governmental permits and other governmental consents, except as may be required after the execution of this Agreement. All of such permits and consents are in full force and effect, and no proceedings for the suspension or cancellation of any of them, and no investigation relating to any of them, is pending or to the best knowledge of SAS, threatened, and none of them will be adversely affected by the consummation of the Amalgamation; and
- (d) SAS has operated in material compliance with all laws, rules, statutes, ordinances, orders and regulations applicable to its business. SAS has not received any notice of any violation thereof, nor is SAS aware of any valid basis therefore.

4.15 Employees. SAS does not have any employees, other than Sergey Khoudiakov. This employee will be offered a position with Amalco.

4.16 Tax Matters. SAS has filed with appropriate federal, state, provincial and local taxation authorities, all returns, reports and declarations which are required to be filed by it and no taxing authority is asserting or has, to the best knowledge of SAS threatened to assert, or has any basis for asserting against SAS any claim for additional taxes or interest thereon or penalty.

4.17 Financial Statements. The SAS Financial Statements, when available, will be based on the books and records of SAS and will fairly present the financial condition of SAS at the date thereof and the results of the operations for such periods.

4.18 Liabilities of SAS. SAS has no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) which will not be disclosed in the SAS Financial Statements or SAS Material Agreements, except for those incurred in the ordinary course of business, those incurred pursuant to the SAS Material Agreements and those incurred in connection with the transactions contemplated by this Agreement.

4.19 Creditors of SAS. SAS does not have any creditors that require notice of the Amalgamation pursuant to section 278 of the BCBCA.

4.20 Shareholder Loans. There are no loans or other liabilities of SAS outstanding in favour of any of the SAS Shareholders, or any other former shareholder of SAS, or any party related to them, nor are there any loans outstanding or other amounts due to SAS from any such persons.

4.21 Indebtedness to Officers and Directors. SAS is not indebted to any director, officer, employee or consultant of SAS, except for amounts payable in the ordinary course of business.

4.22 Necessary Proceedings. All necessary and/or required corporate measures, proceedings and actions of the directors have been taken to authorize and enable SAS to enter into and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder.

4.23 Valid and Binding Obligation. This Agreement and each of the SAS Material Agreements and Ancillary Agreements to which SAS is a party have been duly executed and delivered by SAS and constitute legal, valid and binding obligations of SAS, enforceable against it in accordance with their respective terms subject only to:

- (a) any limitation under applicable laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and
- (b) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

4.24 Guarantees. SAS is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

4.25 Absence of Other Agreements. Other than as disclosed herein or to Torino in writing, SAS:

- (a) is not a party to any material contract;
- (b) is not bound by any outstanding contract or commitment which requires prior approval of any change of control of SAS; and
- (c) is not bound by any outstanding contract or commitment except those entered into in the ordinary course of business and is not in default under any material contract by which it is bound or under which it is entitled to the benefits of and advantages thereof.

4.26 Corporate Records. The corporate records and minute books of SAS contain complete and accurate minutes of all meetings of the directors and shareholders of SAS held since its incorporation, and signed copies of all resolutions duly passed or confirmed by the directors or shareholders of SAS other than at a meeting, all such meetings having been duly called and held. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of SAS are complete and accurate in all material respects.

4.27 No Brokers. Other than any agent engaged pursuant to the Private Placement, SAS has not entered into any agreement which would entitle any Person to any valid claim against SAS, the SAS Shareholders or Torino for a broker's commission, finder's fee or any like payment in respect of the Acquisition or any other matters contemplated by this Agreement.

4.28 Dividends. SAS has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

4.29 No Bankruptcy. No proceedings have been taken, are pending or authorized by SAS or by any other person in respect of the bankruptcy, insolvency, liquidation or winding up of SAS.

ARTICLE 5 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

5.1 No Survival of Representations and Warranties. The representations and warranties made by the Parties and contained in this Agreement, or contained in any Ancillary Agreement shall not survive the Closing.

ARTICLE 6 COVENANTS OF SAS

SAS hereby covenants and agrees with Torino as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with its terms:

6.1 Investigations and Availability of Records. Torino and/or its directors, officers, auditors, counsel and other authorized representatives shall be permitted to make such commercially reasonable investigations of the Assets and business of SAS and of their respective financial and legal condition as Torino reasonably deems necessary or desirable, provided always that such investigations shall not unduly interfere with the operations of SAS as applicable. If reasonably requested, SAS shall provide copies of their respective corporate records, including their minute books, share ledgers and the records maintained in connection with the business of SAS, as applicable. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of Torino.

6.2 Business Plan. SAS shall provide Torino with a current business plan or detailed executive summary regarding the operations of Amalco, which outlines consolidated cash and working capital requirements for a 12-18 month period.

6.3 Confidentiality.

- (a) SAS shall keep confidential any confidential information, trade secrets or confidential financial or business documents (collectively the “**Torino Information**”) received by it from Torino concerning Torino or its business and shall not disclose such Torino Information to any third party provided that any of such Torino Information may be disclosed to SAS’s directors, officers, employees, representatives and professional advisors who need to know such Torino Information in connection with the transactions contemplated hereby (provided SAS shall use commercially reasonable efforts to ensure that such directors, officers, employees, representatives and professional advisors keep confidential such Torino Information) and provided further that SAS will not be liable for disclosure of Torino Information upon occurrence of one or more of the following events:
 - (i) Torino Information becoming generally known to the public other than through a breach of this Agreement;
 - (ii) Torino Information being lawfully obtained by SAS from a third party or parties without breach of this Agreement by SAS, as shown by documentation sufficient to establish the third party as a source of Torino Information;
 - (iii) Torino Information being known to SAS prior to disclosure by Torino, or its Affiliates, as shown by documentation sufficient to establish such knowledge; or
 - (iv) Torino having provided their prior written approval for such disclosure by SAS.
- (b) In the event this Agreement is terminated in accordance with the provisions hereof each of SAS shall:

- (i) use commercially reasonable efforts to ensure that all documents prepared or obtained in the course of its investigations of Torino or its business and all copies thereof are either destroyed or returned to Torino so as to insure that, so far as possible, any Torino Information obtained during and as a result of such investigations by the directors, officers, employees, representatives and professional advisors of SAS is not disseminated beyond those individuals concerned with such investigations; and
- (ii) not directly or indirectly, use for its own purposes, any Torino Information, discovered or acquired by the directors, officers, employees representatives and professional advisors of SAS as a result of Torino making available to them those documents and assets relating to the business of Torino.

6.4 Status and Filings. SAS will maintain its respective corporate status and comply with all applicable securities requirements (including any applicable filing requirements) prior to Closing.

6.5 Material Change. Each of SAS agrees to provide prompt and full disclosure to Torino of any material information, change or event in the respective business, operations, financial condition or other affairs of SAS prior to Closing.

6.6 Listing Statement. Amalco shall use its commercially reasonable efforts to prepare and file the Listing Statement related to the transactions contemplated herein in accordance with all applicable laws and the rules of the Commissions.

6.7 Shareholder Approval. SAS shall use its commercially reasonable efforts to obtain the approval of the SAS Shareholders of the Amalgamation. Additionally, provided that such recommendation is not contrary to their fiduciary duties as directors or as may otherwise be required by law, the board of directors of SAS shall recommend that the shareholders of SAS vote in favour of and approve the Acquisition.

6.8 Negative Covenants. Except as contemplated by or in connection with the Acquisition or as set out in the SAS Material Agreements, each of SAS will not, without the prior written consent of Torino, prior to the Closing Date:

- (a) issue any securities;
- (b) sell or dispose of any of its material assets;
- (c) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or division or any assets or properties, other than in the ordinary course of business, that involve payments exceeding \$75,000 in the aggregate;
- (d) terminate or default under any SAS Material Agreement;

- (e) declare or pay any (i) dividends or distribute any of the Assets or declare any (ii) management or employee bonuses;
- (f) enter into any contracts, other than in the ordinary course of business;
- (g) alter or amend the Articles or Notice of Articles of SAS; or
- (h) make any cash payments or incur any debt, other than in the ordinary course of business, that involve payments not exceeding \$10,000 in the aggregate.

6.9 Personal Information Forms. SAS shall cause its directors and officers who will be fulfilling such roles with Torino to file Personal Information Forms with the CSE on Closing.

6.10 SAS Financial Statements. SAS shall undertake commercially reasonable efforts to prepare the SAS Financial Statements required to be included in the Listing Statement in accordance with applicable Securities Laws and the policies of the Commissions.

6.11 Conditions Precedent. SAS shall use commercially reasonable efforts to cause each of the conditions precedent in section 8.2 hereof to be complied with.

6.12 Standstill. From the date of execution of this Agreement until completion of the transactions contemplated herein or the earlier termination hereof, SAS will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with or provide information relating to the securities, business, operations, affairs or financial condition of SAS to any person, entity or group in connection with the acquisition or distribution of any securities of SAS, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets or part thereof, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is satisfactory to, and is approved in writing in advance by the other Parties hereto (with such approval not being unreasonably withheld or delayed) or is necessary to carry on the normal course of business, provided that the officers and directors of SAS are specifically permitted to act in accordance with their fiduciary duties as officers and directors or as may otherwise be required by law.

6.13 All Other Action. SAS shall use commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it as soon as practical and in any event before the Effective Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Acquisition pursuant to the Amalgamation in accordance with the terms and conditions of this Agreement, and applicable law.

ARTICLE 7 COVENANTS OF TORINO

Torino hereby covenants and agrees with SAS as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with its terms:

7.1 Investigations and Availability of Records. SAS and/or its directors, officers, auditors, counsel and other authorized representatives shall be permitted to make such commercially reasonable investigations of the Torino Assets and business of Torino and of its financial and legal condition as SAS reasonably deems necessary or desirable, provided always that such investigations shall not unduly interfere with the operations of Torino. If reasonably requested, Torino shall provide copies of Torino's corporate records, including its minute books, share ledgers and the records maintained in connection with the business of Torino. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of SAS.

7.2 Necessary Consents. Torino shall use its commercially reasonable efforts to obtain from Torino's directors and all appropriate federal, provincial, municipal or other governmental or administrative bodies such approvals or consents as are required (if any) to complete the transactions contemplated herein.

7.3 Confidentiality.

- (a) Torino shall keep confidential any confidential information, trade secrets or confidential financial or business documents (collectively the "**SAS Information**") received by it from SAS concerning SAS or their business and shall not disclose such SAS Information to any third party provided that any of such SAS Information may be disclosed to Torino's directors, officers, employees, representatives and professional advisors who need to know such SAS Information in connection with the transactions contemplated hereby (provided Torino shall use commercially reasonable efforts to ensure that such directors, officers, employees, representatives and professional advisors keep confidential such SAS Information) and provided further that Torino will not be liable for disclosure of SAS Information upon the occurrence of one or more of the following events:
 - (i) SAS Information becoming generally known to the public other than through a breach of this Agreement;
 - (ii) SAS Information being lawfully obtained by Torino from a third party or parties without breach of this Agreement by Torino, as shown by documentation sufficient to establish the third party as a source of SAS Information;
 - (iii) SAS Information being known to Torino prior to disclosure by SAS, or their Affiliates, as shown by documentation sufficient to establish such knowledge; or
 - (iv) SAS having provided their prior written approval for such disclosure by Torino.
- (b) In the event this Agreement is terminated in accordance with the provisions hereof Torino shall:

- (i) use commercially reasonable efforts to ensure that all documents prepared or obtained in the course of its investigations of SAS or their business and all copies thereof are either destroyed or returned to SAS so as to insure that, so far as possible, any SAS Information obtained during and as a result of such investigations by the directors, officers, employees, representatives and professional advisors of Torino is not disseminated beyond those individuals concerned with such investigations; and
- (ii) not directly or indirectly, use for its own purposes, any SAS Information, discovered or acquired by the directors, officers, employees, representatives and professional advisors of Torino as a result of SAS making available to them those documents and assets relating to the business of SAS.

7.4 Status and Filings. Torino will maintain its corporate status and comply with all applicable securities requirements (including any applicable filing requirements) prior to Closing.

7.5 Material Change. Torino agrees to provide prompt and full disclosure to SAS of any material information, change or event in the business, operations, financial condition or other affairs of Torino prior to Closing.

7.6 Listing Statement. Amalco shall use its commercially reasonable efforts to prepare the Listing Statement contemplated by this Agreement.

7.7 Subco. Torino and Subco covenant and agree that Subco shall not carry on any business and shall not enter into any contracts, agreements, commitments, indentures or other instruments prior to the Closing Date other than with respect to effecting the Acquisition by way of the Amalgamation, or as otherwise contemplated herein.

7.8 Negative Covenants. Except as contemplated by or in connection with the Acquisition, Torino will not, without the prior written consent of SAS, prior to the Closing Date:

- (a) enter into any contracts;
- (b) alter or amend the Articles or Notice of Articles of Torino;
- (c) issue any securities;
- (d) sell or dispose of any of its material assets;
- (e) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or division or any assets or properties, other than in the ordinary course of business, that involve payments exceeding \$75,000 in the aggregate;
- (f) terminate or default under any Torino Material Agreement;

- (g) declare or pay any (i) dividends or distribute any of its material assets or declare any (ii) management or employee bonuses;
- (h) enter into any contracts, other than in the ordinary course of business; or
- (i) make any cash payments or incur any debt, other than in the ordinary course of business, that involve payments exceeding \$10,000 in the aggregate.

7.9 Stock Split and Return to Treasury. Prior to the Effective Time, Torino shall complete the Roll-Back.

7.10 Standstill. From the date of execution of this Agreement until completion of the transactions contemplated herein or the earlier termination hereof, Torino will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with or provide information relating to the securities, business, operations, affairs or financial condition of Torino to any person, entity or group in connection with the acquisition or distribution of any securities of Torino, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets or part thereof, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is satisfactory to, and is approved in writing in advance by the other Parties hereto or is necessary to carry on the normal course of business, provided that the officers and directors of Torino are specifically permitted to act in accordance with their fiduciary duties as officers and directors or as may otherwise be required by law.

7.11 Conditions Precedent. Torino shall use commercially reasonable efforts to cause each of the conditions precedent to which it is subject in Article 8 hereof to be complied with.

7.12 All Other Action. Torino shall use commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it as soon as practical and in any event before the Effective Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Acquisition pursuant to the Amalgamation in accordance with the terms and conditions of this Agreement, and applicable law.

ARTICLE 8 CONDITIONS PRECEDENT

8.1 Mutual Conditions. The respective obligations of the Parties hereto to consummate the transactions contemplated hereby are subject to the satisfaction, on the Closing Date, of the following conditions any of which may be waived by the mutual consent of such Parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) **Shareholder Approval.** The Amalgamation shall have been approved by the SAS Shareholders in accordance with the BCBCA and the Articles of SAS.

- (b) **Board Approval.** The board of directors of each of the Parties shall have approved the Acquisition.
- (c) **No Orders.** There shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Acquisition.
- (d) **Approvals and Consents.** All consents, orders and approvals required, necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the Parties hereto, acting reasonably.
- (e) **SAS Financial Statements.** SAS shall have coordinated the preparation and delivery of the SAS Financial Statements to Torino, and the auditor of SAS shall have approved the SAS Financial Statements and any pro forma financial statements required by the Commissions and applicable Securities Laws to be included in the Listing Statement.
- (f) **Private Placement and Roll-Back.** The Private Placement and Roll-Back shall have been completed.

8.2 Conditions for the Benefit of Torino. The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of Torino and may be waived, in whole or in part, by Torino in its sole discretion:

- (a) **Truth of Representations and Warranties.** The representations and warranties of each of SAS contained in this Agreement, the SAS Material Agreements, and in any Ancillary Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such Closing Date, save and except in any case which would not have a Material Adverse Effect on the business or financial condition of SAS.
- (b) **Due Diligence.** Torino, and its agents and representatives, shall have conducted and completed to Torino's satisfaction, acting reasonably, a legal and financial due diligence investigation of SAS by the closing date.
- (c) **Performance of Obligations.** SAS shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by them at or prior to the Closing Date.
- (d) **Deliveries.** SAS shall deliver or cause to be delivered to Torino the closing documents as set forth in section 9.2 in a form satisfactory to Torino acting reasonably.

- (e) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be satisfactory in form and substance to Torino, acting reasonably, and Torino shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith.
- (f) **No Legal Action.** No action or proceeding shall be pending or threatened by any Person in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of SAS to conduct its business after the Effective Time on substantially the same basis as operated immediately prior to the date hereof.
- (g) **SAS Expenditures.** From the date of this Agreement, SAS shall not have incurred any material liabilities other than those reasonably incurred in connection with the transactions contemplated in this Agreement and shall have spent its cash on hand from the date of this Agreement exclusively in accordance with the SAS Material Agreements, in the ordinary course of business, and for the purpose of completing the Acquisition and the matters contemplated thereunder.

8.3 Conditions for the Benefit of SAS. The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of SAS and may be waived, in whole or in part, by SAS in its sole discretion:

- (a) **Truth of Representations and Warranties.** The representations and warranties of Torino contained in this Agreement or in any Ancillary Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such Closing Date, save and except in any case which would not have a Material Adverse Effect on the business or financial condition of Torino.
- (b) **Due Diligence.** SAS, and its agents and representatives, shall have conducted and completed to SAS's satisfaction, acting reasonably, a legal and financial due diligence investigation of Torino by the closing date.
- (c) **Performance of Obligations.** Torino shall have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by Torino at or prior to the Closing Date.
- (d) **Deliveries.** Torino shall deliver or cause to be delivered to SAS the closing documents as set forth in section 9.3 in a form satisfactory to SAS acting reasonably.
- (e) **Proceedings.** All proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be

satisfactory in form and substance to SAS, acting reasonably, and SAS shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith.

- (f) **No Legal Action.** No action or proceeding shall be pending or threatened by any Person in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of Torino to conduct its business after the Effective Time on substantially the same basis as operated immediately prior to the date hereof.
- (g) **Torino Expenditures.** From the date of this Agreement, Torino shall not have incurred any material liabilities other than those reasonably incurred in connection with the transactions contemplated in this Agreement and shall have spent its cash on hand from the date of this Agreement exclusively in the ordinary course of business and for the purpose of completing the Acquisition and the matters contemplated thereunder.
- (h) **Directors.** Torino shall take all required action in accordance with applicable laws with effect immediately before the Effective Time, to obtain the successive resignations of the current directors of Torino, with the exception of Bryan Loree and Ravinder Mlait who shall remain as directors of Torino following the Closing Date. The resignations and appointments of directors will be carried out in such a way so that a shareholders' meeting is not required and such appointments are subject to the approval of the CSE.
- (i) **Officers.** Torino shall take all required action in accordance with applicable laws with effect immediately before the Effective Time, to make the appointments of officers of Torino currently anticipated to include Suresh Singh, Bryan Loree and Ravinder Mlait. Such appointments are subject to the approval of the CSE.
- (j) **Name Change.** Torino shall ensure that, with effect immediately before the Effective Time, the board of directors of Torino shall cause the name of Torino to be changed to "Torino Power Solutions Inc." or such other name as agreed to by both parties.
- (k) **Working Capital.** Torino shall ensure that it has not less than \$500 in working capital, or such other amount as may be mutually agreed to by the Parties hereto.

8.4 Merger of Conditions. The conditions set out in section 8.1, 8.2 and 8.3 shall be conclusively deemed to have been satisfied, waived or released on the filing by the Amalgamating Companies of the Amalgamation Application, and such other documents as are required to be filed under the BCBCA for acceptance by the Registrar to give effect to the Amalgamation and the issuance by the Registrar of the Certificate.

ARTICLE 9 CLOSING

9.1 Time of Closing. The Closing of the transactions contemplated herein shall be completed at the offices of Clark Wilson LLP at 11:00 a.m. (Vancouver time) on the Closing Date, or at such other time agreed to by the parties. Documents delivered at Closing shall be released from escrow at the Effective Time.

9.2 SAS Closing Documents. On the day of Closing, SAS shall deliver to Torino the following documents:

- (a) a copy of the resolutions of the directors and shareholders of SAS approving and authorizing the entry into this Agreement and the transactions herein contemplated;
- (b) a certificate of good standing for SAS dated as of the Closing Date issued by the Registrar;
- (c) a copy of the Articles and Notice of Articles of SAS, certified by a duly authorized officer of SAS to be true and complete as of the Closing Date;
- (d) a copy of the Central Securities Register of each of SAS dated as of the Closing Date, certified by a duly authorized officer of SAS to be true and complete as of the Closing Date;
- (e) a certificate of a duly authorized officer of SAS dated as of the Closing Date certifying that the representations and warranties of SAS set out in the Agreement are true and correct in all material respects on and as of the Closing Date and that all of the terms, covenants and conditions of SAS set out in the Agreement have been complied with or performed by SAS in all material respects on and as of the Closing Date;
- (f) consents to act as directors from each of the three (3) proposed directors to be appointed to the board of directors of Amalco on the Closing Date;
- (g) Other closing documents as may be required by Torino, acting reasonably.

9.3 Torino Closing Documents. On the day of Closing, Torino shall deliver to SAS the following documents:

- (a) Treasury Direction in the respective names of the SAS Shareholders who are to receive Torino Shares pursuant to the Amalgamation in accordance with section 2.6;
- (b) copies of the list of defaulting issuers published by the British Columbia and Alberta securities commissions showing that Torino does not appear on a list of defaulting reporting issuers maintained by such securities commissions;

- (c) a copy of the resolutions of the directors of Torino and Subco, and of Torino as the sole shareholder of Subco, approving and authorizing the entry into this Agreement and the transactions herein contemplated;
- (d) a certificate of good standing for Torino and Subco dated as of the Closing Date issued by the Registrar;
- (e) resignation from Brian Johnston from the board of directors of Torino on the Closing Date;
- (f) evidence of the Roll-Back;
- (g) a copy of the Articles and Notice of Articles of Torino and Subco, certified by a duly authorized officer of Torino and Subco to be true and complete as of the Closing Date;
- (h) a certificate of a duly authorized officer of Torino dated as of the Closing Date certifying that the representations and warranties of Torino set out in the Agreement are true and correct in all material respects on and as of the Closing Date and that all of the terms, covenants and conditions of Torino set out in the Agreement have been complied with or performed by Torino in all material respects on and as of the Closing Date;
- (i) a copy of the resolutions of the board of directors of Torino or Subco approving the name change of Torino to "Torino Power Solutions Inc." or such other name as requested by SAS and available with the Registrar;
- (j) signed copies of the documents required to effect the name change of Torino to "Torino Power Solutions Inc." or such other name as requested by the parties and available with the Registrar;
- (k) such other closing documents as may be required by SAS, acting reasonably.

ARTICLE 10 TERMINATION

10.1 Termination by Torino. Subject to section 11.7, if any of the conditions set forth in sections 8.1 or 8.2 have not been fulfilled or waived at or prior to the Closing Date or any obligation or covenant of SAS to be performed at or prior to the Closing Date has not been observed or performed by such time, Torino may terminate this Agreement by notice in writing to SAS, and in such event Torino and Subco shall be released from all obligations hereunder save and except for its obligations under this Article 10 and sections 7.3, 11.3 and 11.7, which shall survive. If Torino waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation, or covenant in whole or in part.

10.2 Termination by SAS. Subject to section 11.7, if any of the conditions set forth in sections 8.1 or 8.3 have not been fulfilled or waived at or prior to the Closing Date or any obligation or covenant of Torino and Subco to be performed at or prior to the Closing Date has not been observed or performed by such time, SAS may terminate this Agreement by notice in writing to Torino and Subco, and in such event SAS shall be released from all obligations hereunder save and except for their obligations under this Article 10 and sections 6.3, 11.3 and 11.7, which shall survive. If SAS waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

10.3 Other Termination Rights. Subject to section 11.7, this Agreement may, by notice in writing given prior to or on the Closing Date, be terminated:

- (a) by mutual written consent of the Parties;
- (b) by either Party if the Acquisition is not consummated by November 30, 2015 unless extended by all Parties in writing, provided, however, that the right to terminate this Agreement under this section 10.3(b) shall not be available to any Party whose failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date;

and, in such event, each Party shall be released from all obligations under this Agreement, save and except for its obligations, if any, under this Article 10 and sections 6.3 or 7.3, as applicable, and section 11.7 which shall survive.

10.4 Effect of Termination. Each Party's right of termination under this Article 10 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. Nothing in Article 10 shall limit or affect any other rights or causes of action either Torino or SAS may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

ARTICLE 11 GENERAL

11.1 Counterparts. This Agreement may be executed in several counterparts (by original signature, facsimile signature or other means of electronic transmission), each of which when so executed shall be deemed to be an original and all of which will together constitute a valid and enforceable agreement among the Parties.

11.2 Severability. In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

11.3 Applicable Law. This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

11.4 Dispute Resolution. In the event of any dispute arising under this Agreement, the parties agree to participate in mandatory mediation before either party proceed to binding arbitration. If mandatory mediation is unsuccessful, the aggrieved party may choose binding arbitration by way of an Arbitrator, and the decision of the Arbitrator on all issues or matters submitted to the Arbitrator for resolution will be conclusive, final and binding on all of the parties. The arbitration must take place in Vancouver, British Columbia. The prevailing party is entitled to recovery of the mediator's, Arbitrator's and lawyer's fees.

11.5 Successors and Assigns. This Agreement shall enure to the benefit of and be binding upon each of the Parties hereto and their respective successors and assigns, provided that this Agreement shall not be assigned by any one of the Parties without the prior written consent of the other Parties.

11.6 Interpretation.

- (a) **Schedules.** Schedules and other documents attached or referred to in this Agreement are an integral part of this Agreement.
- (b) **Sections and Headings.** The division of this Agreement into Articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

11.7 Expenses. Each of Torino and Subco, on the one hand, and SAS, on the other hand, agrees that it will pay for their respective costs incurred pursuant to the Acquisition, including legal, accounting, CSE, brokerage, and other customary expenses associated with transactions of the type herein contemplated.

11.8 Further Assurances. Each of the Parties hereto will from time to time after the Effective Date at the other's request and expense and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such further action as the other may reasonably require to give effect to any matter provided for herein.

11.9 Entire Agreement. This Agreement and the schedules referred to herein constitute the entire agreement among the Parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof including the Letter of Intent. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered on the Closing Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered on the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or

implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

11.10 Notices. Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent prepaid courier service or mail, or (iii) sent prepaid by facsimile or other similar means of electronic communication (confirmed on the same or following day by prepaid mail) addressed as follows:

in the case of notice to Torino:

Torino Ventures Inc.
7934 Government Rd
Burnaby, BC, V5A 2E2
Attention: Rav Mlait

Tel: 604-551-7831
Fax: 604-676-2767

with copies to (which does not constitute notice):

Clark Wilson LLP
Barristers & Solicitors
800 – 885 W Georgia Street
Vancouver, British Columbia, Canada V6C 3H1

Attention: Cam McTavish

Tel: (604) 891-7731
Fax: (604) 687-6314

in the case of notice to SAS:

Smart Autonomous Solutions Inc.
#275 - 625 West Kent Avenue North
Vancouver, BC, V6P 6T7
Attention: Suresh Singh

Tel: 604-722-2293
Email: suresh.singh@shaw.ca

with copies to (which does not constitute notice):

Miller Thompson
Address: 840 Howe St, Suite 1000
Vancouver, BC, V6Z 2M1

Attention: Blair Lowther

Tel: 604-643-1276
Fax: 604-643-1200
Email: blowther@millertomson.com

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid shall:

- (a) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery;
- (b) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same shall be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service, and
- (c) if sent by facsimile, be deemed to have been given, sent, delivered and received on the date the sender receives the facsimile answer back confirming receipt by the recipient.

11.11 Waiver. Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Date, provided however that such waiver shall be evidenced by written instrument duly executed on behalf of such Party.

11.12 Amendments. No modification or amendment to this Agreement may be made unless agreed to by the Parties hereto in writing.

11.13 Remedies Cumulative. The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

11.14 Currency. Unless otherwise indicated, all dollar amounts referred to in this Agreement are in the lawful money of Canada.

11.15 Number and Gender. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) words in the singular number include the plural and such words shall be construed as if the plural had been used;

- (b) words in the plural include the singular and such words shall be construed as if the singular had been used; and
- (c) words importing the use of any gender shall include all genders where the context or the Party referred to so requires, and the rest of the sentence shall be construed as if the necessary grammatical and terminological changes had been made.

11.16 Time of Essence. Time shall be of the essence hereof.

[Remainder of the page left intentionally blank.]

IN WITNESS WHEREOF this agreement has been executed by the Parties hereto as of the date first above written.

TORINO VENTURES INC.



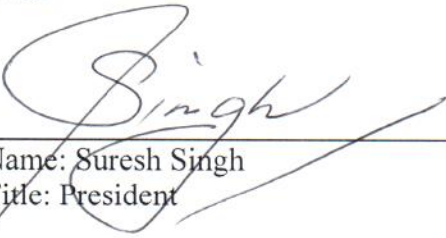
Name: Bryan Loree
Title: President

TORINO ACQUISITION CORP.



Name: Ravinder Mlait
Title: President

**SMART AUTONOMOUS SOLUTIONS
INC.**



Name: Suresh Singh
Title: President

SCHEDULE A

Articles of Amalgamation

See Attached.

BUSINESS CORPORATIONS ACT

ARTICLES

OF

AMALCO

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BUSINESS CORPORATIONS ACT

ARTICLES

OF

AMALCO.

PART 1 – INTERPRETATION

1.1 Definitions

Without limiting Article 1.2, in these Articles, unless the context requires otherwise:

- (a) **“adjourned meeting”** means the meeting to which a meeting is adjourned under Article 8.6 or 8.9;
- (b) **“board”** and **“directors”** mean the board of directors of the Company for the time being;
- (c) **“Business Corporations Act”** means the *Business Corporations Act*, S.B.C. 2002, c.57, and includes its regulations;
- (d) **“Company”** means SAS Holdings Corp.;
- (e) **“Interpretation Act”** means the *Interpretation Act*, R.S.B.C. 1996, c. 238; and
- (f) **“trustee”**, in relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder.

1.2 Business Corporations Act definitions apply

The definitions in the *Business Corporations Act* apply to these Articles.

1.3 Interpretation Act applies

The *Interpretation Act* applies to the interpretation of these Articles as if these Articles were an enactment.

1.4 Conflict in definitions

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

1.5 Conflict between Articles and legislation

If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2 – SHARES AND SHARE CERTIFICATES

2.1 Form of share certificate

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

2.2 Shareholder Entitled to Certificate or Acknowledgement

Unless the shares are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.3 Sending of share certificate

Any share certificate to which a shareholder is entitled may be sent to the shareholder by mail and neither the Company nor any agent is liable for any loss to the shareholder because the certificate sent is lost in the mail or stolen.

2.4 Replacement of worn out or defaced certificate

If the directors are satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit:

- (a) order the certificate to be cancelled; and
- (b) issue a replacement share certificate.

2.5 Replacement of lost, stolen or destroyed certificate

If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the directors receive:

- (a) proof satisfactory to them that the certificate is lost, stolen or destroyed; and
- (b) any indemnity the directors consider adequate.

2.6 Splitting share certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name 2 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 Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request.

2.7 Shares may be uncertificated

Notwithstanding any other provisions of this Part, the directors may, by resolution, provide that:

- (a) the shares of any or all of the classes and series of the Company's shares may be uncertificated shares; or
- (b) any specified shares may be uncertificated shares.

PART 3 – ISSUE OF SHARES

3.1 Directors authorized to issue shares

The directors may, subject to the rights of the holders of the issued shares of the Company, issue, allot, sell, grant options on or otherwise dispose of the unissued shares, and issued shares held by the Company, at the

times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices that the directors, in their absolute discretion, may determine.

3.2 Company need not recognize unregistered interests

Except as required by law or these Articles, the Company need not recognize or provide for any person's interests in or rights to a share unless that person is the shareholder of the share.

PART 4 – SHARE TRANSFERS

4.1 Recording or registering transfer

A transfer of a share of the Company must not be registered

- (a) unless a duly signed instrument of transfer in respect of the share has been received by the Company and the certificate (or acceptable documents pursuant to Article 2.5 hereof) representing the share to be transferred has been surrendered and cancelled; or
- (b) if no certificate has been issued by the Company in respect of the share, unless a duly signed instrument of transfer in respect of the share has been received by the Company.

4.2 Form of instrument of transfer

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

4.3 Signing of instrument of transfer

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

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

4.4 Enquiry as to title not required

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

4.5 Transfer fee

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

PART 5 – ACQUISITION OF SHARES

5.1 Company authorized to purchase shares

Subject to the special rights and restrictions attached to any class or series of shares, the Company may, if it is authorized to do so by the directors, purchase or otherwise acquire any of its shares.

5.2 Company authorized to accept surrender of shares

The Company may, if it is authorized to do so by the directors, accept a surrender of any of its shares.

5.3 Company authorized to convert fractional shares into whole shares

The Company may, if it is authorized to do so by the directors, convert any of its fractional shares into whole shares in accordance with, and subject to the limitations contained in, the *Business Corporations Act*.

PART 6 – BORROWING POWERS

6.1 Powers of directors

The directors may from time to time on behalf of the Company:

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

PART 7 – GENERAL MEETINGS

7.1 Annual general meetings

Unless an annual general meeting is deferred or waived in accordance with section 182(2)(a) or (c) of the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual general meeting.

7.2 When annual general meeting is deemed to have been held

If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 7.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

7.3 Calling of shareholder meetings

The directors may, whenever they think fit, call a meeting of shareholders.

7.4 Notice for meetings of shareholders

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

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

- (b) otherwise, 10 days.

7.5 Record date for notice

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

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

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

7.6 Record date for voting

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

7.7 Failure to give notice and waiver of notice

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

7.8 Notice of special business at meetings of shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 8.1, the notice of meeting must:

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

PART 8 – PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

8.1 Special business

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

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting or the election or appointment of directors;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting,

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

8.2 Special resolution

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

8.3 Quorum

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

8.4 Other persons may attend

The directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those persons do attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

8.5 Requirement of quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote at the meeting is present at the commencement of the meeting.

8.6 Lack of quorum

If, within 1/2 hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and
- (b) in the case of any other meeting of shareholders, the shareholders entitled to vote at the meeting who are present, in person or by proxy, at the meeting may adjourn the meeting to a set time and place.

8.7 Chair

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

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

8.8 Alternate chair

At any meeting of shareholders, the directors present must choose one of their number to be chair of the meeting if: (a) there is no chair of the board or president present within 15 minutes after the time set for holding the meeting; (b) the chair of the board and the president are unwilling to act as chair of the meeting; or (c) if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting. If, in any of the foregoing circumstances, all of the directors present decline to accept the position of chair or fail to choose one of their number to be chair of the meeting, or if no director is present, the shareholders present in person or by proxy must choose any person present at the meeting to chair the meeting.

8.9 Adjournments

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

8.10 Notice of adjourned meeting

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

8.11 Motion need not be seconded

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

8.12 Manner of taking a poll

Subject to Article 8.13, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken
 - (i) at the meeting, or within 7 days after the date of the meeting, as the chair of the meeting directs, and
 - (i) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be a resolution of, and passed at, the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn.

8.13 Demand for a poll on adjournment

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

8.14 Demand for a poll not to prevent continuation of meeting

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

8.15 Poll not available in respect of election of chair

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

8.16 Casting of votes on poll

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

8.17 Chair must resolve dispute

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

8.18 Chair has no second vote

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

8.19 Declaration of result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting.

8.20 Meetings by telephone or other communications medium

A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Section shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by this Article 8.20:

- (a) each such shareholder or proxy holder shall be deemed to be present at the meeting; and
- (b) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

PART 9 – ALTERATIONS AND RESOLUTIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by resolution of the directors:

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

- (g) consolidate all or any of its unissued or fully paid issued shares without par value; or
- (h) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Change of Name

The Company may by resolution of the directors authorize an alteration to its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.3 Other Alterations or Resolutions

If the *Business Corporations Act* does not specify:

- (a) the type of resolution and these Articles do not specify another type of resolution, the Company may by resolution of the directors authorize any act of the Company, including without limitation, an alteration of these Articles; or
- (b) the type of shareholders' resolution and these Articles do not specify another type of shareholders' resolution, the Company may by ordinary resolution authorize any act of the Company.

PART 10 – VOTES OF SHAREHOLDERS

10.1 Voting rights

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 10.3:

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

10.2 Trustee of shareholder may vote

A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or satisfies all of the directors present at the meeting, that the person is a trustee for a shareholder who is entitled to vote on the resolution.

10.3 Votes by joint shareholders

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

- (a) any one of the joint shareholders, but not both or all, may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, the joint shareholder present whose name stands first on the central securities register in respect of the share is alone entitled to vote in respect of that share.

10.4 Trustees as joint shareholders

Two or more trustees of a shareholder in whose sole name any share is registered are, for the purposes of Article 10.3, deemed to be joint shareholders.

10.5 Representative of a corporate shareholder

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

- (a) for that purpose, the instrument appointing a representative must
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 2 business days before the day set for the holding of the meeting, or
 - (ii) unless the notice of the meeting provides otherwise, be provided, at the meeting, to the chair of the meeting; and
- (b) if a representative is appointed under this Article 10.5,
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder, and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

10.6 When proxy provisions do not apply

Articles 10.7 to 10.13 do not apply to the Company if and for so long as it is a public company.

10.7 Appointment of proxy holder

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

10.8 Alternate proxy holders

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

10.9 When proxy holder need not be shareholder

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

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 10.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

10.10 Form of proxy

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

(Name of Company)

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

Signed this day of,

.....
Signature of shareholder

10.11 Provision of proxies

A proxy for a meeting of shareholders must:

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

10.12 Revocation of proxies

Subject to Article 10.13, every proxy may be revoked by an instrument in writing that is:

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

10.13 Revocation of proxies must be signed

An instrument referred to in Article 10.12 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her trustee; or
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 10.5.

10.14 Validity of proxy votes

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

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

10.15 Production of evidence of authority to vote

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

PART 11 – DIRECTORS

11.1 First directors; number of directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 12.7, is set at:

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

11.2 Change in number of directors

If the number of directors is set under Articles 11.1(b) or 11.1(c):

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

11.3 Directors' acts valid despite vacancy

An act or proceeding of the directors is not invalid merely because fewer directors have been appointed or elected than the number of directors set or otherwise required under these Articles.

11.4 Qualifications of directors

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

11.5 Remuneration of directors

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

11.6 Reimbursement of expenses of directors

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

11.7 Special remuneration for directors

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

11.8 Gratuity, pension or allowance on retirement of director

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

PART 12 – ELECTION AND REMOVAL OF DIRECTORS

12.1 Election at annual general meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 7.2:

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

12.2 Consent to be a director

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

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

12.3 Failure to elect or appoint directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 7.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 7.2, to elect or appoint any directors;

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

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

12.4 Directors may fill casual vacancies

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

12.5 Remaining directors' power to act

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

12.6 Shareholders may fill vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, and the directors have not filled the vacancies pursuant to Article 12.5 above, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

12.7 Additional directors

Notwithstanding Articles 11.1 and 11.2, between annual general meetings or unanimous resolutions contemplated by Article 7.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 12.7 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 12.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 12.1(a), but is eligible for re-election or re-appointment.

12.8 Ceasing to be a director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 12.9 or 12.10.

12.9 Removal of director by shareholders

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

12.10 Removal of director by directors

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

12.11 Nominations of directors

- (a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company.
- (b) Nominations of persons for election to the board may be made at any annual meeting of shareholders or at any special meeting of shareholders (if one of the purposes for which the special meeting was called was the election of directors):
 - (i) by or at the direction of the board, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or

- (iii) by any person (a “**Nominating Shareholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below in this Article 12.11 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 12.11.
- (c) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof (as provided for in Article 12.11(d)) in proper written form to the secretary of the Company at the principal executive offices of the Company.
- (d) To be timely, a Nominating Shareholder’s notice to the secretary of the Company must be given:
 - (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10th) day after the Notice Date in respect of such meeting; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

- (e) To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Company must set forth:
 - (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person during the past five years; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (D) a statement as to whether such person would be “independent” of the Company (as such term is defined under Applicable Securities Laws (as defined below)) if elected as a director at such meeting and the reasons and basis for such determination; (E) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such Nominating Shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting jointly or in concert therewith, on the one hand, and such nominee, and his or her respective associates, or others acting jointly or in concert therewith, on the other hand; and (F) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
 - (ii) as to the Nominating Shareholder giving the notice: (A) any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company; (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of the record by the Nominating Shareholder as of the record date for the

meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (C) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

- (f) The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (g) The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the provisions set forth in this Article 12.11 and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination shall be disregarded.
- (h) For purposes of this Article 12.11:
 - (i) **"Affiliate"**, when used to indicate a relationship with a person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
 - (ii) **"Applicable Securities Laws"** means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
 - (iii) **"Associate"**, when used to indicate a relationship with a specified person, means:
 - A. any corporation or trust of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding,
 - B. any partner of that person,
 - C. any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity,
 - D. a spouse of such specified person,
 - E. any person of either sex with whom such specified person is living in a conjugal relationship outside marriage, or
 - F. any relative of such specified person or of a person mentioned in clauses D or E of this definition if that relative has the same residence as the specified person;
 - (iv) **"Derivatives Contract"** means a contract between two parties (the **"Receiving Party"** and the **"Counterparty"**) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the **"Notional Securities"**), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks

approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

- (v) **“owned beneficially”** or **“owns beneficially”** means, in connection with the ownership of shares in the capital of the Company by a person:
 - A. any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,
 - B. any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,
 - C. any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however, that the number of shares that a person owns beneficially pursuant to this clause in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty’s Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate, and
 - D. any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and
- (vi) **“public announcement”** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (i) Notwithstanding any other provision of this Article 12.11, notice given to the secretary of the Company pursuant to this Article 12.11 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid, provided that receipt of confirmation of such transmission has been received) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

- (j) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 12.11.

PART 13 – PROCEEDINGS OF DIRECTORS

13.1 Meetings of directors

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

13.2 Chair of meetings

Meetings of directors are to be chaired by:

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

13.3 Voting at meetings

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

13.4 Meetings by telephone or other communications medium

A director may participate in a meeting of the directors or of any committee of the directors in person, or by telephone or other communications medium, if all directors participating in the meeting are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 13.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

13.5 Who may call extraordinary meetings

A director may call a meeting of the board at any time. The secretary, if any, must on request of a director, call a meeting of the board.

13.6 Notice of extraordinary meetings

Subject to Articles 13.7 and 13.8, if a meeting of the board is called under Article 13.4, reasonable notice of that meeting, specifying the place, date and time of that meeting, must be given to each of the directors:

- (a) by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose;
- (b) by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose; or

- (c) orally, by delivery of written notice or by telephone, voice mail, e-mail, fax or any other method of legibly transmitting messages.

13.7 When notice not required

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

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed;
- (b) the director has filed a waiver under Article 13.9; or
- (c) the director attends such meeting.

13.8 Meeting valid despite failure to give notice

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

13.9 Waiver of notice of meetings

Any director may file with the Company a notice waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal.

13.10 Effect of waiver

After a director files a waiver under Article 13.9 with respect to future meetings of the directors, and until that waiver is withdrawn, notice of any meeting of the directors need not be given to that director unless the director otherwise requires in writing to the Company.

13.11 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is a majority of the directors.

13.12 If only one director

If, in accordance with Article 11.1, the number of directors is one, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

PART 14 – COMMITTEES OF DIRECTORS

14.1 Appointment of committees

The directors may, by resolution:

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

14.2 Obligations of committee

Any committee formed under Article 14.1, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held after the act or thing has been done.

14.3 Powers of board

The board may, at any time:

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

14.4 Committee meetings

Subject to Article 14.2(a):

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

PART 15 – OFFICERS

15.1 Appointment of officers

The board may, from time to time, appoint a president, secretary or any other officers that it considers necessary or desirable, and none of the individuals appointed as officers need be a member of the board.

15.2 Functions, duties and powers of officers

The board may, for each officer:

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

15.3 Remuneration

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the board thinks fit and are subject to termination at the pleasure of the board.

PART 16 – CERTAIN PERMITTED ACTIVITIES OF DIRECTORS

16.1 Other office of director

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

16.2 No disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise.

16.3 Professional services by director or officer

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

16.4 Remuneration and benefits received from certain entities

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

PART 17 – INDEMNIFICATION

17.1 Indemnification of directors

The directors must:

- (a) cause the Company to indemnify its directors and former directors, and their respective heirs and personal or other legal representatives (the “**Indemnitee**”) to the greatest extent permitted by Division 5 of Part 5 of the *Business Corporations Act*;
- (b) cause the Company to indemnify and save harmless the Indemnitee of, from and against all liability, loss, costs, damages and expenses which the Indemnitee may have, sustain or incur in, about or by reason of any claim made or action, suit or proceeding brought, commenced or prosecuted against him/her (a “**Liability**”) for or in respect of any act, deed, matter or thing now or hereafter made, done or permitted by him/her in or about the execution of his/her duties as an officer and/or director of the Company, including, without limitation, any loss, costs, damages and expenses which the Indemnitee might have, sustain or incur at any time or times:
 - (i) to the Company, or any corporation affiliated or associated with the Company (within the meaning of *Business Corporations Act* (an “**Affiliate**”), and any directors, officers, employees, agents or contractors of the Company or any Affiliates, together with any third party claiming by or through such persons, whether under the provisions of the *Business Corporations Act* or otherwise,
 - (ii) to clerks, labourers, servants, apprentices and other wage earners of the Company or any Affiliate, under the provisions of the *Business Corporations Act* or otherwise,
 - (iii) to the Workers Compensation Board under the provisions of *The Workers Compensation Act* (British Columbia),

- (iv) to the Minister of Finance under the provisions of *The Sale of Goods Act* (British Columbia) or the provisions of *The Income Tax Act* (British Columbia),
- (v) to Her Majesty the Queen under the provisions of the *Canada Pension Plan Act* (Canada),
- (vi) to the Canada Employment Insurance Commission under the provisions of the *Employment Insurance Act* (Canada),
- (vii) as a result of any offence committed by the Company or any Affiliate under *The Environment Management Act* (British Columbia), the *Criminal Code* (Canada) or *The Securities Act* (British Columbia),
- (viii) to the Canada Revenue Agency (Canada) under the provisions of the *Income Tax Act* (Canada) or the provisions of the *Excise Tax Act* (Canada),

and including, without limitation, all legal, professional or advisory fees and disbursements that the Indemnitee may have, sustain or incur at any time or times in connection with any such Liability; and

- (c) cause the Company to indemnify and save harmless the Indemnitee of, from and against all liability, loss, costs, damages and expenses which the Indemnitee may have, sustain or incur in, about or by reason of any claim made or action, suit or proceeding brought, commenced or prosecuted against him/her for or in respect of any any acts, receipts, neglects or defaults of any director or officer or employee of the Company or of any Affiliate or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Company or any Affiliate through the insufficiency or deficiency of title to any property acquired by order of the board of directors of the Company or any Affiliate for or on behalf of the Company or any Affiliate or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Company or any Affiliate shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any monies, securities or effects of the Company or any Affiliate shall be lodged or disputed or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of the office of a director or officer of the Company or any Affiliate or in relation thereto, unless all or any of the same shall happen by or through the Indemnitee's wilful neglect or default.

17.2 Deemed contract

Each director is deemed to have contracted with the Company on the terms of the indemnity referred to in Article 17.1.

17.3 Survival

The indemnity rights conferred on the Indemnitee referred to in Article 17.1 shall continue after the Indemnitee has ceased to be a director, officer, employee or other agent of the Company.

PART 18 – AUDITOR

18.1 Remuneration of an auditor

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

18.2 Waiver of appointment of an auditor

The Company shall not be required to appoint an auditor if all of the shareholders of the Company, whether or not their shares otherwise carry the right to vote, resolve by a unanimous resolution to waive the appointment of an auditor. Such waiver may be given before, on or after the date on which an auditor is required to be appointed under the *Business Corporations Act*, and is effective for one financial year only.

PART 19 – DIVIDENDS

19.1 Declaration of dividends

Subject to the rights, if any, of shareholders holding shares with special rights as to dividends, the directors may from time to time declare and authorize payment of any dividends the directors consider appropriate.

19.2 No notice required

The directors need not give notice to any shareholder of any declaration under Article 19.1.

19.3 Directors may determine when dividend payable

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

19.4 Dividends to be paid in accordance with number of shares

Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

19.5 Manner of paying dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or fractional shares, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific assets.

19.6 Dividend bears no interest

No dividend bears interest against the Company.

19.7 Fractional dividends

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

19.8 Payment of dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed:

- (a) subject to paragraphs (b) and (c), to the address of the shareholder;
- (b) subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares; or
to the person and to the address as the shareholder or joint shareholders may direct in writing.

19.9 Receipt by joint shareholders

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

PART 20 – ACCOUNTING RECORDS

20.1 Recording of financial affairs

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

PART 21 – EXECUTION OF INSTRUMENTS

21.1 Who may attest seal

The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of:

- (a) any 2 directors;
- (b) any officer, together with any director;
- (c) if the Company has only one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

21.2 Sealing copies

For the purpose of certifying under seal a true copy of any resolution or other document, the seal must be impressed on that copy and, despite Article 21.1, may be attested by the signature of any director or officer.

21.3 Execution of documents not under seal

Any instrument, document or agreement for which the seal need not be affixed may be executed for and on behalf of and in the name of the Company by any one director or officer of the Company, or by any other person appointed by the directors for such purpose.

PART 22 – NOTICES

22.1 Method of giving notice

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

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

22.2 Deemed receipt of mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 22.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

22.3 Certificate of sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 22.1, prepaid and mailed or otherwise sent as permitted by Article 22.1 is conclusive evidence of that fact.

22.4 Notice to joint shareholders

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

22.5 Notice to trustees

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

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description, and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in Article 22.5(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 23 – RESTRICTION ON SHARE TRANSFER

23.1 Application

Article 23.2 does not apply to the Company if and for so long as it is a public company.

23.2 Consent required for transfer

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

PART 24 - SPECIAL RIGHTS AND RESTRICTIONS

24.1 Preferred shares issuable in series

The Preferred shares may include one or more series and, subject to the *Business Corporations Act*, the directors may, by resolution, if none of the shares of that particular series are issued, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

- (a) determine the maximum number of shares of that series that the Company is authorized to issue, determine that there is no such maximum number, or alter any such determination;

- (b) create an identifying name for the shares of that series, or alter any such identifying name; and
- (c) attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

SCHEDULE B

SAS Material Agreements

1. IP subscription and assignment agreement between SAS and University of Manitoba dated June 4, 2012.
2. Consulting agreement between SAS and Suresh Singh, dated February 11, 2013.
3. Employment agreement between SAS and Serguei Khoudiakov, dated February 13, 2013.
4. Consulting agreement between SAS and John McLeod, dated February 11, 2013.
5. Consulting agreement between SAS and Tarek Ward, dated May 28, 2013.
6. Consulting agreement between SAS and Ilya Bobrov, dated November 10, 2014.
7. SAS lease agreement dated May 6, 2014.
8. SAS Convertible Financing agreements/ Convertible Promissory Notes.
9. Voting Agreement with University of Manitoba dated June 29, 2012.

SCHEDULE C
SAS Central Securities Register

[attached next page]

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
May 13, 2011	May 13, 2011	Blair Lowther 1000 - 840 Howe Street Vancouver, BC V6Z 2M1 (Incorporator)	1	Allotment (1)		1	Cash	\$1.00	[1 repurchased by company]
May 13, 2011	Mar 7, 2012	Enginomix Consulting Inc. 6355 Salish Drive Vancouver, BC V6N 4C2	500,000	Allotment (500,000)		2	Other		Consideration for past services rendered [250,000 transferred to Suresh Singh (SC#52) Balance to SC#53]
May 13, 2011	Mar 7, 2012	Enginomix Consulting Inc. 6355 Salish Drive Vancouver, BC V6N 4C2	1,000,000	Allotment (1,000,000)		3	Other		Consideration for past services rendered [500,000 transferred to Suresh Singh (SC#54) Balance to SC#55]

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
May 13, 2011	Jan 1, 2014	Naftaly Ramrajkar 207 - 1365 West 12th Ave. Vancouver, BC V6H 1M2	500,000	Allotment (500,000)		4	Other		Consideration for past services rendered [50,000 transferred to John McLeod (SC#86)] [50,000 transferred to Fred L. Feldman (SC#87)] [400,000 transferred to AIP Venture Capital Corporation (SC#88)]
May 13, 2011	Aug 28, 2015	Naftaly Ramrajkar 207 - 1365 West 12th Ave. Vancouver, BC V6H 1M2	1,000,000	Allotment (1,000,000)		5	Other		Consideration for past services rendered [1,000,000 repurchased by company]

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

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							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
May 13, 2011	Jan 1, 2014	Suresh Singh 7850 Elliott Street Vancouver, BC V5S 2N9	500,000	Allotment (500,000)		6	Other		Consideration for past services rendered [100,000 transferred to John McLeod (SC#86)] [50,000 transferred to Serguei Khoudiakov (SC#89)] [50,000 transferred to Lynita Johnson (SC#90)] [300,000 transferred to AIP Venture Capital Corporation (SC#88) Balance to SC#91]
May 13, 2011	Jan 1, 2014	Suresh Singh 7850 Elliott Street Vancouver, BC V5S 2N9	1,000,000	Allotment (1,000,000)		7	Other		Consideration for past services rendered [300,000 transferred to AIP Venture Capital Corporation (SC#88) Balance to SC#91]

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									<i>[Cancel details]</i>
Oct 19, 2011		AIP Venture Capital Corporation Royal Bank Plaza - North Tower 200 Bay Street, Suite 2020 Toronto, ON M5J 2J1	562,500	Allotment (562,500)		8	Cash	\$0.005	
Oct 19, 2011		AIP Venture Capital Corporation Royal Bank Plaza - North Tower 200 Bay Street, Suite 2020 Toronto, ON M5J 2J1	562,500	Allotment (562,500)		9	Cash	\$0.005	
Nov 16, 2011		BMO Nesbitt Burns ITF 402 202 6621 1 First Canadian Place 50th Floor Toronto, ON M5X 1H3	125,000	Allotment (125,000)		10	Cash	\$0.20	
Nov 24, 2011		Avarice Investments 10 Anson Road #21 - 12 International Plaza Singapore 079903	100,000	Allotment (100,000)		11	Cash	\$0.20	

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
Nov 24, 2011	Oct 1, 2014	Anthony De Silva 2016 Blairwood Court Pickering, ON L1X 2S3	25,000	Allotment (25,000)		12	Cash	\$0.20	[Lost and replaced]
Nov 24, 2011		Jeffrey Cheah 95 Scarboro Beach Blvd Toronto, ON M4E 2W9	100,000	Allotment (100,000)		13	Cash	\$0.20	
Nov 24, 2011		Gino Di Petta Suite 702 - 920 Sheppard Avenue West Toronto, ON M3H 2T6	50,000	Allotment (50,000)		14	Cash	\$0.20	
Nov 24, 2011		Nurlan Apushev Suite 201 - 2485 Maison Avenue East Montreal, QC H2K 4K8	12,500	Allotment (12,500)		15	Cash	\$0.20	
Nov 24, 2011		Nick Sawrantschuk 9 Messina Avenue Brampton, ON L6Y 0M6	25,000	Allotment (25,000)		16	Cash	\$0.20	
Nov 24, 2011		David Edwards 38 Roycroft Way Kanata, ON K2W 1C7	75,000	Allotment (75,000)		17	Cash	\$0.20	

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

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							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
Nov 24, 2011		Valentine Edwards 38 Roycroft Way Kanata, ON K2W 1C7	75,000	Allotment (75,000)		18	Cash	\$0.20	
Nov 24, 2011		Bridgewater Holdings Corp. 1st Floor, Dekk House, Zippora Street Providence Industrial Estate, Mane, Seychelles	125,000	Allotment (125,000)		19	Cash	\$0.20	
Nov 24, 2011	Nov 27, 2014	Bemolle Trading Ltd. 16, Krinon Street PC 3110 Limassol, Cyprus	125,000	Allotment (125,000)		20	Cash	\$0.20	[125,000 transferred to Pioneer Innovation S.A. (SC#92)]
Nov 24, 2011		Guy Boutin 1340 Cote Des Erables Quebec City, QC G2K 1V1	25,000	Allotment (25,000)		21	Cash	\$0.20	
Nov 24, 2011		Gaetan Poirier 71 Gabriel-Lausse Gatineau, QC J9A 1K2	25,000	Allotment (25,000)		22	Cash	\$0.20	
Nov 24, 2011		Denis Lepine 1441 Le Page Quebec City, QC G2K 2E5	25,000	Allotment (25,000)		23	Cash	\$0.20	

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

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							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									<i>[Cancel details]</i>
Nov 24, 2011		Alexey Kanayev 55 Hammersmith Toronto, ON M4E 2W3	12,500	Allotment (12,500)		24	Cash	\$0.20	
Nov 24, 2011		Ghislain Boutin #51 - 1370 Avenue Du Golf De Belair Quebec City, QC G3J 0H3	25,000	Allotment (25,000)		25	Cash	\$0.20	
Nov 24, 2011		Jayahari Balasubramaniam 111 Halfmoon Square Toronto, ON M1C 3V2	12,500	Allotment (12,500)		26	Cash	\$0.20	
Nov 24, 2011		Jayson de Graaf Suite 1306 - 215 Fort York Blvd Toronto, ON M5V 1B2	12,500	Allotment (12,500)		27	Cash	\$0.20	
Nov 24, 2011		Manik Verma 207 - 77 Carlton Street Toronto, ON M5B 2J7	25,000	Allotment (25,000)		28	Cash	\$0.20	
Nov 24, 2011		Suresh Singh 7850 Elliott Street Vancouver, BC V5S 2N9	33,333	Allotment (33,333)		29	Cash	\$0.20	

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									<i>[Cancel details]</i>
Nov 24, 2011	Dec 16, 2014	Naftaly Ramrajkar 207 - 1365 West 12th Ave. Vancouver, BC V6H 1M2	33,333	Allotment (33,333)		30	Cash	\$0.20	[Lost and replaced]
Nov 24, 2011	Nov 6, 2013	Enginomix Consulting Inc. 6355 Salish Drive Vancouver, BC V6N 4C2	33,333	Allotment (33,333)		31	Cash	\$0.20	[Lost and replaced]
Nov 24, 2011		Arseniy Streltsov 1359 Fieldcrest Lane Oakville, ON L6M 2W8	25,000	Allotment (25,000)		32	Cash	\$0.20	
Nov 24, 2011		Bryan Loree 7934 Government Road Burnaby, BC V5A 2E2	25,000	Allotment (25,000)		33	Cash	\$0.20	
Nov 24, 2011		Stephen Nelson 252 Beach Avenue Toronto, ON M4E 3J2	25,000	Allotment (25,000)		34	Cash	\$0.20	
Nov 24, 2011		Abubakr Saad Atieque 83 Dowswell Drive Scarborough, ON M1B 1H5	20,000	Allotment (20,000)		35	Cash	\$0.20	
Nov 24, 2011		Faisal Qureshi 20 Queen Street West Toronto, ON M5H 3R3	25,000	Allotment (25,000)		36	Cash	\$0.20	

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

Date Share Certificate Issued	Date Share Certificate Cancelled	Full Name and Address of Shareholder	Number of Shares	Acquired by Allotment, Conversion, Transfer (or)	If Transferred, from whom	Cert. No.	Consideration Paid to Company		
							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
Nov 24, 2011		Umeshan Shanmugadasan Suite 4403 - 55 Bremner Blvd. Toronto, ON M5J 0A6	25,000	Allotment (25,000)		37	Cash	\$0.20	
Nov 24, 2011	Apr 11, 2012	John Walter 616868 Grey Road 29 Chatsworth, ON N0H 1G0	25,000	Allotment (25,000)		38	Cash	\$0.20	[25,000 transferred to Mackie Research Capital Corp ITF John Walter (SC#58)]
Nov 24, 2011		Jeff Masina 208 Morningside Avenue Scarborough, ON M1E 3E1	5,000	Allotment (5,000)		39	Cash	\$0.20	
Nov 24, 2011		Paget Warner 495 Summerpark Crescent Pickering, ON L1V 7A8	39,500	Allotment (39,500)		40	Cash	\$0.20	
Nov 24, 2011		Tanveer Ali 19 Heathmore Court Unionville, ON L3R 8J2	3,000	Allotment (3,000)		41	Cash	\$0.20	
Nov 24, 2011		Tung Wai Yeung 34 Patricia Avenue Toronto, ON M2M 1H8	5,000	Allotment (5,000)		42	Cash	\$0.20	
Nov 24, 2011		Young Woong Park 832B - 77 Finch Avenue East Toronto, ON M2N 6H8	5,000	Allotment (5,000)		43	Cash	\$0.20	

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									<i>[Cancel details]</i>
Nov 24, 2011		Jayson de Graaf Suite 1306 - 215 Fort York Blvd Toronto, ON M5V 1B2	5,000	Allotment (5,000)		44	Cash	\$0.20	
Mar 5, 2012		HNW Management Inc. 91 Teddington Park Avenue Toronto, ON M4N 2C7	100,000	Allotment (100,000)		45	Cash	\$1.00	
Mar 5, 2012		HNW Management Inc. 91 Teddington Park Avenue Toronto, ON M4N 2C7	1,000	Allotment (1,000)		46	Cash	\$1.00	
Mar 5, 2012		NBCN Inc. ITF Evan Warsh 2CE035E 350 Lauder Avenue York, ON M6E 3H8	25,000	Allotment (25,000)		47	Cash	\$1.00	
Mar 5, 2012		NBCN Inc. ITF Christopher Foster 2CP010E 157 Hammersmith Avenue Toronto, ON M4E 2W7	50,000	Allotment (50,000)		48	Cash	\$1.00	

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SMART AUTONOMOUS SOLUTIONS INC.

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									[Cancel details]
Mar 5, 2012		NBCN Inc. ITF Dorothy Brace and Hugh Hanson 2C0028E 900 Bogart Mill Trail, Suite 221 Newmarket, ON L3Y 8V5	35,000	Allotment (35,000)		49	Cash	\$1.00	
Mar 5, 2012		NBCN Inc. ITF Briar Foster 2CE004E 80 Frost St. E., Apt. 225 Toronto, ON M5E 1T4	65,000	Allotment (65,000)		50	Cash	\$1.00	
Mar 5, 2012		David Edwards 38 Roycroft Way Kanata, ON K2W 1C7	15,000	Allotment (15,000)		51	Cash	\$1.00	
Mar 7, 2012		Suresh Singh 7850 Elliott Street Vancouver, BC V5S 2N9	250,000	Transfer (250,000)	Enginomix Consulting Inc. (SC#2)	52			
Mar 7, 2012	Aug 28, 2015	Enginomix Consulting Inc. 6355 Salish Drive Vancouver, BC V6N 4C2	250,000	Balance remaining after transfer	Self (SC#2)	53			[750,000 repurchased by company (250,000 from SC#53)]
Mar 7, 2012		Suresh Singh 7850 Elliott Street Vancouver, BC V5S 2N9	500,000	Transfer (500,000)	Enginomix Consulting Inc. (SC#3)	54			

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

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							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
Mar 7, 2012	Aug 28, 2015	Enginomix Consulting Inc. 6355 Salish Drive Vancouver, BC V6N 4C2	500,000	Balance remaining after transfer	Self (SC#3)	55			[750,000 repurchased by company (500,000 from SC#55)]
Mar 28, 2012		BMO Nesbitt Burns ITF 402 202 6621 1 First Canadian Place 50th Floor Toronto, ON M5X 1H3	25,000	Allotment (25,000)		56	Cash	\$1.00	
Mar 28, 2012		BMO Nesbitt Burns ITF 402 21077 93 One First Canadian Place B1 Level Stock Cage Toronto, ON M5X 1H3	278,000	Allotment (278,000)		57	Cash	\$0.90	
Apr 11, 2012		Mackie Research Capital Corp ITF John Walter 199 Bay Street, Suite 4600 Commerce Court West Toronto, ON M5L 1G2	25,000	Transfer (25,000)	John Walter (SC#38)	58			
Jun 28, 2012		The University of Manitoba 66 Chancellor's Circle Winnipeg, MB R3T 2N2	2,200,000	Allotment (2,200,000)		59	Other		Other

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

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									<i>[Cancel details]</i>
Jul 20, 2012		Union Securities Ltd. Suite 1300 - 151 Yonge Street Toronto, ON M5C 2W7	12,500	Allotment (12,500)		60	Cash	\$1.00	
Sep 24, 2012		Penson Financial Services Canada Inc. ITF Lesley Nykoliation and Stanley Nykoliation 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	50,000	Allotment (50,000)		61	Cash	\$1.00	
Sep 24, 2012		Penson Financial Services Canada Inc. ITF Neil Chapman 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	50,000	Allotment (50,000)		62	Cash	\$1.00	
Sep 24, 2012		Penson Financial Services Canada Inc. ITF 4574002 Manitoba Ltd. 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	50,000	Allotment (50,000)		63	Cash	\$1.00	

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

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									<i>[Cancel details]</i>
Sep 24, 2012		Penson Financial Services Canada Inc. ITF Arden McEachern 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	25,000	Allotment (25,000)		64	Cash	\$1.00	
Sep 24, 2012		Penson Financial Services Canada Inc. ITF Dr. Jay Winburn 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	25,000	Allotment (25,000)		65	Cash	\$1.00	
Sep 24, 2012		Penson Financial Services Canada Inc. ITF Henry Goerzen and Mary Goerzen 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	25,000	Allotment (25,000)		66	Cash	\$1.00	
Sep 24, 2012		Penson Financial Services Canada Inc. ITF Brian McVicar and Yvette McVicar 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	25,000	Allotment (25,000)		67	Cash	\$1.00	

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

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									[Cancel details]
Sep 24, 2012		Penson Financial Services Canada Inc. ITF Ronald Finley 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	25,000	Allotment (25,000)		68	Cash	\$1.00	
Sep 25, 2012		Penson Financial Services Canada Inc. ITF Ron Nykoliation and Dianna Nykoliation 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	25,000	Allotment (25,000)		69	Cash	\$1.00	
Sep 26, 2012		Penson Financial Services Inc. ITF Murray Stewart and Margaret Stewart 330 Bay Street, Suite 711 Toronto, ON M5H 2S8	25,000	Allotment (25,000)		70	Cash	\$1.00	
Sep 26, 2012	Feb 15, 2013	Northern Securities Inc. 145 King Street, Suite 2020 Toronto, ON M5H 2S8	16,250	Allotment (16,250)		71	Cash	\$1.00	[8,125 transferred to Penson Financial Services Canada Inc. (SC#84)] [8,125 transferred to Penson Financial Services Canada Inc. (SC#85)]

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SMART AUTONOMOUS SOLUTIONS INC.

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								Cash	Other Than Cash Particulars
									<i>[Cancel details]</i>
Oct 10, 2012		Cecile Chambers 16 Southwick Close Winnipeg, MB R3R 3G4	12,500	Allotment (12,500)		72	Cash	\$1.00	
Oct 10, 2012		Shawn Chambers 17 Southwick Close Winnipeg, MB R3R 3G4	12,500	Allotment (12,500)		73	Cash	\$1.00	
Oct 10, 2012		Glenn Wayne Lange 130 Taylor St. Emerson, MB R0A 0L0	27,500	Allotment (27,500)		74	Cash	\$1.00	
Oct 10, 2012		Brenda Lee Lange 131 Taylor St. Emerson, MB R0A 0L0	27,500	Allotment (27,500)		75	Cash	\$1.00	
Oct 10, 2012		Royle Derbitsky 42 Herron Rd. Winnipeg, MB R2P 0S3	5,000	Allotment (5,000)		76	Cash	\$1.00	
Oct 10, 2012		Alexander Henry Arthur Schorn 926 Beaver Brook St. Winnipeg, MB R3N 1P1	25,500	Allotment (25,500)		77	Cash	\$1.00	

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SMART AUTONOMOUS SOLUTIONS INC.

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							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
Oct 10, 2012	Oct 10, 2012	Gerhary Paul Walter 30 Dec Brook Cres. Winnipeg, MB R2A 3H4	10,000	Allotment (10,000)		78	Cash	\$1.00	[10,000 cancellation of share certificate b/c of typographical of shareholder name]
Oct 10, 2012		Gerhard Paul Walter Roehr 30 Dec Brook Cres. Winnipeg, MB R2A 3H4	10,000	issuance of replacement share certificate b/c of typographical of shareholder name		78(R)		\$1.00	
Oct 10, 2012		Robert K. Sanderson	15,000	Allotment (15,000)		79	Cash	\$1.00	
Oct 10, 2012		Timothy Jonk	15,000	Allotment (15,000)		80	Cash	\$1.00	
Oct 10, 2012		Aime Grenier 295 Broadway Winnipeg, MB R3C 0R9	1,500	Allotment (1,500)		81	Cash	\$1.00	
Oct 10, 2012		David Finley 6 Deer Place Brandon, MB R7B 3B6	6,500	Allotment (6,500)		82	Cash	\$1.00	

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SMART AUTONOMOUS SOLUTIONS INC.

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									[Cancel details]
Oct 10, 2012		Alternative Investment Partners Inc. RBC Plaza - North Tower 200 Bay Street, Suite 200 Toronto, ON M5J 2J1	53,300	Allotment (53,300)		83	Cash	\$1.00	
Feb 15, 2013		Penson Financial Services Canada Inc. 360 St.-Jacques Ouest Suite 1100 Montreal, QC H2Y 1P5	8,125	Transfer (8,125)	Northern Securities Inc. (SC#71)	84			
Feb 15, 2013		Penson Financial Services Canada Inc. 360 St.-Jacques Ouest Suite 1100 Montreal, QC H2Y 1P5	8,125	Transfer (8,125)	Northern Securities Inc. (SC#71)	85			
Nov 6, 2013		Enginomix Consulting Inc. 6355 Salish Drive Vancouver, BC V6N 4C2	33,333	Replacement of lost certificate		31(R)			
Jan 1, 2014		John McLeod 15070-61 Avenue Surrey, BC V3S 7W9	150,000	Transfer (50,000) Transfer (100,000)	Naftaly Ramrajkar (SC#4) Suresh Singh (SC#6)	86			

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SMART AUTONOMOUS SOLUTIONS INC.

Common shares without par value

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							Cash or Other	Paid Per Share	
								Cash	Other Than Cash Particulars
									[Cancel details]
Jan 1, 2014		Fred L. Feldman 29402 Deerview Court Agoura Hills, CA, USA 91301	50,000	Transfer (50,000)	Naftaly Ramrajkar (SC#4)	87			
Jan 1, 2014		AIP Venture Capital Corporation Royal Bank Plaza - North Tower 200 Bay Street, Suite 2020 Toronto, ON M5J 2J1	1,000,000	Transfer (400,000) Transfer (600,000)	Naftaly Ramrajkar (SC#4) Suresh Singh (SC#6, 7)	88			
Jan 1, 2014		Serguei Khoudiakov 305 - 8080 Jones Rd. Richmond, BC V6Y 4A9	50,000	Transfer (50,000)	Suresh Singh (SC#6)	89			
Jan 1, 2014		Lynita Johnson 7850 Elliott Street Vancouver, BC V5S 2N9	50,000	Transfer (50,000)	Suresh Singh (SC#6)	90			
Jan 1, 2014		Suresh Singh 7850 Elliott Street Vancouver, BC V5S 2N9	700,000	Balance remaining after transfer	Self (SC#6 7)	91			
Oct 1, 2014		Anthony De Silva 2016 Blairwood Court Pickering, ON L1X 2S3	25,000	Replacement of lost certificate		12(R)			

CENTRAL SECURITIES REGISTER

SMART AUTONOMOUS SOLUTIONS INC.

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									[Cancel details]
Nov 27, 2014		Pioneer Innovation S.A. 26, Olesya Honchara Str., apartment 18 Kyiv, Ukraine 01034	125,000	Transfer (125,000)	Bemolle Trading Ltd. (SC#20)	92			
Dec 16, 2014		Naftaly Ramrajkar 207 - 1365 West 12th Ave. Vancouver, BC V6H 1M2	33,333	Replacement of lost certificate		30(R)			
Aug 28, 2015		Investohills Capital Ltd.	142,857	Allotment (142,857)		93	Other		Finders' Fee
Aug 28, 2015		CAC Consulting Inc.	373,021	Allotment (373,021)		94	Other		Finders' Fee
Aug 28, 2015		Ravinder Mlait	250,000	Allotment (250,000)		95	Cash	\$0.10	
Aug 28, 2015		Bryan Loree 7934 Government Road Burnaby, BC V5A 2E2	250,000	Allotment (250,000)		96	Cash	\$0.10	
Aug 28, 2015		Suresh Singh 7850 Elliott Street Vancouver, BC V5S 2N9	250,000	Allotment (250,000)		97	Cash	\$0.10	

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									[Cancel details]
Aug 28, 2015		CAC Consulting Inc.	1,000,000	Allotment (1,000,000)		98	Cash	\$0.10	
Aug 28, 2015		3287980 Canada Ltd. 885 West Georgia Street Suite 2200 Vancouver, BC V6C 3E8	620,000	Allotment (620,000)		99	Other		Debt Settlement
Aug 28, 2015		John McLeod 15070-61 Avenue Surrey, BC V3S 7W9	60,000	Allotment (60,000)		100	Other		Debt Settlement
Aug 28, 2015		The University of Manitoba 66 Chancellor's Circle Winnipeg, MB R3T 2N2	550,000	Allotment (550,000)		101	Other		Debt Settlement
Total issued:		12,062,927							