

GENCAN CAPITAL INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 21, 2019

- AND -

MANAGEMENT INFORMATION CIRCULAR

May 22, 2019

GENCAN CAPITAL INC.

GENCAN CAPITAL INC.

May 22, 2019

Dear Shareholder:

You are invited to attend a special meeting (the “**Meeting**”) of the holders (the “**Gencan Shareholders**”) of common shares (the “**Common Shares**”) of Gencan Capital Inc. (“**Gencan**”) to be held at the Toronto Don Valley Hotel & Suites, 175 Wynford Drive, Toronto, Ontario, M3C 1J3, on June 21, 2019 commencing at 9:00 a.m. (Toronto time).

At the meeting, you will be asked to consider and vote upon (i) the proposed share split (the “**Share Split**”) of the Common Shares, whether issued or unissued, on the basis of up to three Common Shares for every one Common Share; and (ii) the proposed continuance (the “**Continuance**”) of Gencan from the *Business Corporations Act* (Ontario) (“**OBCA**”) to the *Business Corporations Act* (British Columbia) (“**BCBCA**”).

Share Split

If the Share Split is approved, assuming a subdivision ratio of three post-Share Split Common Shares for every one pre-Share Split Common Share, the effect of the Share Split would be to triple the number of Common Shares issued and outstanding. The Share Split will not change a shareholder's proportionate ownership in the Corporation or the rights of Gencan Shareholders.

The board of directors of Gencan (the “**Board**”) is unanimously recommending that the Gencan Shareholders vote FOR the Share Split. The Board believes that the Share Split will optimize the capital structure of the Corporation and may provide Gencan with greater flexibility to pursue future opportunities, when and if such opportunities may be identified. If the Share Split is approved, Gencan Shareholders will not need to take any further action in the implementation of the Share Split.

Continuance to British Columbia

At the meeting, you will also be asked to approve the discontinuance of Gencan from the province of Ontario under the OBCA and its continuance into the province of British Columbia under the BCBCA. The Board believes it is in the best interest of the Corporation to continue to British Columbia, as it would provide additional flexibility to the Corporation, including with regards to the composition of the Board and in capital management. The BCBCA provides increased flexibility with respect to capital management, resulting from more flexible rules relating to dividends, share purchases and redemptions, and accounting for capital.

The BCBCA provides shareholders with substantially the same rights as are available to shareholders under the OBCA, including approval rights over fundamental changes, rights of dissent and appraisal and rights to bring derivative actions and oppression actions. However, the Continuance under the BCBCA will affect certain rights as they currently exist. A summary of the corporate law differences between the BCBCA and the OBCA is provided in Schedule “A” to the attached Management Information Circular (the “**Circular**”).

Voting

The attached Circular contains a detailed description of the Share Split and Continuance and includes certain other information to assist you in considering the matters to be voted upon. You are urged to carefully consider all of the information in the accompanying Circular. If you require assistance, you should consult your financial, legal or other professional advisors.

Your vote is important regardless of the number of Common Shares you own.

If you are not registered as the holder of your Common Shares but hold your shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your Common Shares. See the section in the accompanying Circular entitled "*Notice to Beneficial Holders of Securities*" for further information on how to vote your Common Shares.

If you are a registered holder of Common Shares, we encourage you to vote by completing the enclosed form of proxy. You should specify your choice by marking the box on the enclosed form of proxy and by dating, signing and returning your proxy in the enclosed return envelope addressed to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at least forty-eight hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment or postponement thereof. Please do this as soon as possible. Voting by proxy will not prevent you from voting in person if you attend the Meeting and revoke your proxy, but will ensure that your vote will be counted if you are unable to attend.

Sincerely,

(signed) "Mark Litwin"

Mark I. Litwin
President & Chief Executive Officer

GENCAN CAPITAL INC.

106 Avenue Road, Toronto, Ontario M5R 2H3

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS to be held on Friday June 21, 2019

TAKE NOTICE that a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Gencan Capital Inc. ("**Gencan**" or the "**Corporation**") will be held at Toronto Don Valley Hotel & Suites, 175 Wynford Drive, Toronto, Ontario, M3C 1J3, on Friday June 21, 2019 at 9:00 a.m. (EST) for the following purposes:

1. to consider and, if deemed appropriate, adopt, with or without variation, a special resolution authorizing an amendment to the articles of the Corporation pursuant to Section 168 of the *Business Corporations Act* (Ontario) to subdivide the number of Common Shares of the Corporation, whether issued or unissued, on the basis of up to three Common Shares for every one Common Share, such that each Common Share will become up to three Common Shares, all as more particularly described in the section of the accompanying management information circular (the "**Information Circular**") dated as of the date of this Notice, entitled "*Particulars of Matters to be Acted Upon – Approval of Share Split*";
2. to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Continuance Resolution**"), to authorize and approve the continuance of Gencan from the *Business Corporations Act* (Ontario) to the *Business Corporations Act* (British Columbia) (the "**Continuance**"), all as more particularly described in the section of the Information Circular entitled "*Particulars of Matters to be Acted Upon – Continuance of the Corporation to British Columbia*";
3. to transact such other business as may properly come before the Meeting or any postponement or adjournments thereof.

The notice of meeting (the "**Notice**") and the Information Circular, dated May 22, 2019, in respect of the Meeting, have been posted and are available for review on the Corporation's profile on SEDAR at www.sedar.com.

Shareholders are reminded to review the Information Circular carefully before voting as the Information Circular has been prepared to help you make an informed decision.

Registered Shareholders may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the form of proxy must be received by Computershare at its offices at 100 University Avenue, 8th Floor, North Tower, Toronto, ON, M5J 2Y1 (according to the instructions on the proxy), not less than forty-eight (48) hours (other than a Saturday, Sunday or holiday) immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time).

If you are a nonregistered holder of Common Shares and have received these materials through your broker or through another intermediary, please follow the instructions set out in the voting instruction form or other instructions received from the financial intermediary to ensure that your common shares will be voted at the Meeting.

Registered Shareholders have the right to dissent with respect to the Continuance Resolution and, to be paid the fair value of their Common Shares in accordance with the provisions of section 185 of the OBCA. A registered Shareholder wishing to exercise rights of dissent with respect to the Continuance Resolution must send to Gencan a written objection to the aforementioned resolutions and must strictly comply with the dissent procedures prescribed by the OBCA. A Shareholder's right to dissent is more particularly described in the Information Circular. A copy of the text of section 185 of the OBCA is set forth in Schedule "C" of the Information Circular.

In order to be valid for use at the Meeting, proxies must be received by Computershare by 9:00 a.m. (EST) on June 19, 2019 or, if the Meeting is adjourned or postponed, 48 hours prior to the time to which the Meeting has been adjourned or postponed, excluding Saturdays, Sundays and holidays. The chair of the Meeting may waive or extend the proxy cut-off without notice. Beneficial Shareholders of Gencan who receive these materials through their broker or other intermediary should carefully follow the instructions provided by their broker or intermediary.

DATED at Toronto, Ontario this 22nd day of May, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Mark Litwin"

Mark Litwin
President and Chief Executive Officer

GENCAN CAPITAL INC.

106 Avenue Road, Toronto, Ontario, M5R 2H3

MANAGEMENT INFORMATION CIRCULAR

VOTING INFORMATION

Persons Making This Solicitation

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Gencan Capital Inc. ("**Gencan**" or the "**Corporation**") for use at the special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") to be held at Don Valley Hotel & Suites, 175 Wynford Drive, Toronto, Ontario, M3C 1J3, on Friday June 21, 2019 at 9:00 a.m. (EST) and at any postponement or adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the "**Notice**"). It is expected that the solicitation of proxies will be primarily by mail. Proxies may also be solicited personally by directors, officers or employees of Gencan. The cost of solicitation by or on behalf of management will be borne by Gencan. The information contained herein is given as of May 22nd, 2019, except where otherwise indicated.

The board of directors (the "**Board**") has fixed the record date for the Meeting as at the close of business on April 22, 2019 (the "**Record Date**"). Only Shareholders of record at the Record Date are entitled to receive notice of and to attend and vote at the Meeting or any postponement(s) or adjournment(s) thereof.

The enclosed form of proxy must be executed by the Shareholder or by the Shareholder's attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

No person is authorized to give any information or make any representations other than as contained in this Information Circular, and if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

Appointment of Proxies

A registered Shareholder ("**Registered Shareholder**") is a shareholder that has a share certificate registered in his, hers or its own name as of the Record Date. If you are a Registered Shareholder, you can attend the Meeting and vote in person or appoint someone to vote at the Meeting on your behalf in the manner described above.

The persons named in the enclosed form of proxy are directors and/or officers of Gencan. Each Shareholder submitting a proxy has the right to appoint a person other than the persons designated in the proxy, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided in the form of proxy.

Registered Shareholders may vote by proxy by delivering the completed form of proxy by postal or other delivery to the Corporation's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), located at 100 University Ave, 8th Floor, Toronto, Ontario M5J 2Y1, so

that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any postponement(s) or adjournment(s) thereof.

Revocation of Proxies

A Registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited at Gencan's registrar and transfer agent, Computershare, located at 100 University Ave, 8th Floor, Toronto, Ontario M5J 2Y1, at any time up to and including the close of business on the last business day preceding the day of the Meeting or any postponement(s) or adjournment(s) thereof, and upon either of such deposits the proxy shall be revoked.

Exercise of Discretion by Proxy

Where the Shareholder specifies a choice with respect to any matter to be acted upon, such Common Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the proxy furnished by Gencan are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and the notice of Meeting. At the time of printing this Information Circular, management of Gencan knows of no such amendment, variation or other matter.

Notice to Beneficial Holders of Securities

Most shareholders of the Corporation are beneficial shareholders ("**Beneficial Shareholders**") because the Common Shares they beneficially own are not registered in their names but are instead registered in the name of an intermediary such as a brokerage firm, bank, trust corporation, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans through which they purchased the Common Shares (an "**Intermediary**"). A Beneficial Shareholder typically holds their Common Shares either: (a) in the name of the Intermediary that the Beneficial Shareholder deals with in respect of the Common Shares; or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.), of which the Intermediary is a participant.

Beneficial Shareholders who have not objected to their Intermediary disclosing certain beneficial ownership information about themselves to the Corporation are referred to as "NOBOs". Beneficial Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Corporation are referred to as "OBOs". National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") permits the Corporation to send the Meeting Materials directly to the NOBOs. In accordance with NI 54-101, the Corporation has elected to send the Information Circular and the form of proxy (collectively, the "**Meeting Materials**") directly to NOBOs and has distributed copies of the Meeting Materials to Intermediaries for distribution to OBOs. The Corporation will pay for an Intermediary to deliver the Meeting Materials to Beneficial Shareholders who are OBOs, including a voting instruction form (a "**Voting Instruction Form**").

If you are a Beneficial Shareholder and you have not declined to receive the Meeting Materials, then you will receive either a Voting Instruction Form or, less frequently, a partially completed form of proxy. The purpose of these forms is to permit you to direct the voting of the Common Shares that you beneficially own. If you are a Beneficial Shareholder, you should follow the procedures set out below, depending on which type of form you receive.

- (a) Voting Instruction Form - In most cases in lieu of a proxy, you will receive, as part of the Meeting Materials, a Voting Instruction Form. If you do not wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), the Voting Instruction Form must be completed, signed and returned in accordance with the directions on the Voting Instruction Form. If you wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), then you must complete, sign and return the Voting Instruction Form in accordance with the directions provided and a form of proxy giving the right to attend and vote at the Meeting will be forwarded to you.

or

- (b) Form of Proxy - Less frequently, you will receive, as part of the Meeting Materials, a form of proxy that has already been executed by the Intermediary (typically by a facsimile, stamped signature) and which is restricted as to the number of Common Shares beneficially owned by you, but which is otherwise incomplete. If you do not wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must complete the form of proxy and deposit it with Computershare, located at 100 University Ave, 8th Floor, Toronto, Ontario M5J 2Y1, as described above. If you wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must insert your name (or such other person's) name in the blank space provided.

In any case, the purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Beneficial Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Beneficial Shareholder should insert the Beneficial Shareholder's name in the blank space provided. **Beneficial Shareholders should follow the instructions on the forms they receive, including those regarding when and where the forms are to be delivered, and contact their Intermediaries promptly if they need assistance.**

FORWARD LOOKING STATEMENTS

This Information Circular contains "forward-looking information" within the meaning of Canadian securities laws which may include, but is not limited to, statements relating to the possible completion of the Share Split (as hereinafter defined), the Continuance (as hereinafter defined), the expected effects thereof and the future business prospects and opportunities of the Corporation.

Such forward-looking information reflects the Corporation's views with respect to future events and is subject to risks, uncertainties and assumptions, including the risk that the Share Split Resolution and the Continuance Resolution will not receive the requisite Shareholder approval. Although the Corporation believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this Information Circular. The Corporation expressly disclaims any intention or obligation

to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

Any forward-looking information in this Information Circular represents the Corporation's views as of the date of this Information Circular and such information should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this Information Circular. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on any such forward-looking information.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Share Split

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, adopt a special resolution (the "**Share Split Resolution**") authorizing an amendment to the articles of the Corporation pursuant to Section 168 of the *Business Corporations Act* (Ontario) ("**OBCA**") to subdivide the number of Common Shares of the Corporation (the "**Share Split**"), whether issued or unissued, on the basis of a ratio of up to three post-Share Split Common Shares for every one pre-Share Split Common Share (the "**Subdivision Ratio**"). The full text of the Share Split Resolution is set out below.

The Board believes that the Share Split will optimize the capital structure of the Corporation and may provide the Corporation with greater flexibility to pursue future opportunities, when and if such opportunities may be identified.

As provided in the Share Split Resolution, the Board may, in its sole discretion and without further approval of the Shareholders, decide not to proceed with the Share Split.

Effect of the Share Split

The Corporation is authorized to issue an unlimited number of Common Shares, and as at the close of markets on May 22nd, 2019, had 16,092,284 Common Shares issued and outstanding. Since January 1, 2019, the Common Shares have had a trading range of between \$0.05 and \$0.25 per share on the Canadian Securities Exchange.

The Share Split will increase the number of Common Shares issued and outstanding in proportion with the Subdivision Ratio and is expected to initially reduce the market price per Common Share on a basis proportionate to the Subdivision Ratio. For example, assuming a Subdivision Ratio of three post-Share Split Common Shares for every one pre-Share Split Common Share, the Share Split will triple the number of Common Shares issued and outstanding. The Share Split will not change a shareholder's proportionate ownership in the Corporation or the rights of holders of Common Shares. Each Common Share outstanding after the Share Split will be entitled to one vote and will be fully paid and non-assessable.

For Canadian federal income tax purposes, the Share Split, when and if given effect, should not result in taxable income or in any gain or loss to Shareholders. Notwithstanding the foregoing, Shareholders are advised to consult their own tax advisors, as the foregoing should not be

considered to be legal or tax advice to any particular Shareholder and only applies to Shareholders who, for Canadian federal income tax purposes, hold their Common Shares as capital property.

Implementation of the Share Split

Shareholders do not need to take any action. Shareholders of record as at the close of business on a date to be determined by the Board (the "**Share Split Record Date**") will receive up to two additional Common Shares for each Common Share held. Computershare, the Corporation's transfer agent, will send to all Registered Holders a notice under the direct registration system indicating the number of additional Common Shares that they received as a result of the Share Split. These additional Common Shares will be held in book-entry form and registered electronically in the transfer agent's recordkeeping system, unless a physical share certificate is requested by the Registered Holder. Currently outstanding share certificates representing Common Shares of the Corporation will continue to be effective and should be retained by Registered Holders and should not be forwarded to the Corporation or its transfer agent. Beneficial Shareholders will have their brokerage accounts automatically updated to reflect the Share Split.

Assuming that the Share Split Resolution is passed by the required majority described above, the Board retains the discretion to revoke it prior to the Share Split becoming effective without further approval of the Shareholders. Subject to the exercise of such discretion by the Board, articles of amendment in prescribed form will be filed with the Director under the OBCA and such articles of amendment will become effective upon the issuance by the Director of a Certificate of Amendment.

Share Split Resolution

In order to be effective, the Share Split Resolution requires approval by a majority of not less than two thirds of the votes cast by Shareholders who vote in respect of such resolution.

The text of the Share Split Resolution is as follows:

"BE IT RESOLVED as a special resolution of the shareholders of the Corporation that:

1. the Corporation be authorized to amend the articles of the Corporation, pursuant to Section 168 of the *Business Corporations Act* (Ontario) (the "**OBCA**") and subject to regulatory approval, to subdivide the number of common shares of the Corporation (the "**Share Split**"), whether issued or unissued, on a basis of a ratio of up to three post-Share Split Common Shares for every one pre-Share Split Common Share (the "**Subdivision Ratio**"), at the record date and effective date determined by the Board;
2. the directors of the Corporation be and are hereby authorized, in their discretion, to determine the Subdivision Ratio, provided that such Subdivision Ratio shall not exceed three post-Share Split Common Shares for every one pre-Share Split Common Share;
3. the directors of the Corporation be and are hereby authorized, in their discretion, to give effect to the aforesaid amendment to the articles of the Corporation and effect the Share Split at any time prior to the next annual general meeting of shareholders of the Corporation by making such filings with the Director under the OBCA as are required by the OBCA;

4. any director or officer of the Corporation is hereby authorized to sign all such documents, including without limitation, articles of amendment, and to do all such acts and things, including without limitation, delivering such articles of amendment to the Director under the OBCA, as such director or officer determines, in his or her discretion, to be necessary or advisable in order to properly implement and give effect to the Share Split; and
5. the directors of the Corporation may, in their discretion, without further approval of or notice to the shareholders of the Corporation decide not to proceed with the Share Split and otherwise revoke this special resolution at any time prior to the Share Split being given effect."

The Board believes the passing of the foregoing special resolution is in the best interests of the Corporation and recommends that Shareholders of the Corporation vote in favour of the resolution.

The persons named in the form of proxy accompanying this Information Circular intend to vote FOR the approval of the Share Split Resolution, unless the Shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be voted against the resolution approving the Share Split Resolution.

Continuance of the Corporation to British Columbia

At the meeting, the Shareholders will also be asked to approve a special resolution (the "**Continuance Resolution**") authorizing the Board to apply for the discontinuance of the Corporation from the province of Ontario under Section 181 of the OBCA and the continuance (the "**Continuance**") of the Corporation into the province of British Columbia under Section 302 of the *Business Corporations Act* (British Columbia) ("**BCBCA**"). The full text of the Continuance Resolution is set out below, under "*Continuance Resolution*".

The Board believes it is in the best interest of the Corporation to continue to British Columbia, as it would provide additional flexibility to the Corporation, including with regards to the composition of the Board and in capital management. The BCBCA provides increased flexibility with respect to capital management, resulting from more flexible rules relating to dividends, share purchases and redemptions, and accounting for capital.

The Continuance Resolution confers discretionary authority on the Board to revoke the Continuance Resolution before the Continuance occurs. The Board may exercise its discretion and elect not to proceed with the Continuance, notwithstanding Shareholder approval, for any number of reasons, including, for example, the number of Registered Shareholders that dissent in respect of the Continuance Resolution.

Effect of Continuance and Corporate Law Differences

Upon completion of the Continuance, the OBCA will cease to apply to Gencan and Gencan will become subject to the BCBCA as if it had been originally incorporated under the BCBCA. The registration of the Continuance does not create a new legal entity, nor does it prejudice or affect the continuity of Gencan. The BCBCA provides shareholders with substantially the same rights as are available to shareholders under the OBCA, including approval rights over fundamental

changes, rights of dissent and appraisal and rights to bring derivative actions and oppression actions.

However, the Continuance of Gencan under the BCBCA will affect certain rights of Shareholders as they currently exist under the OBCA and the Corporation's by-laws. A summary of certain corporate law differences between the BCBCA and the OBCA is provided in Schedule "A" to this Information Circular. The summary is not intended to be a comprehensive review of the two statutes. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and Shareholders should consult their legal or other professional advisors with regard to all of the implications of the Continuance which may be of importance to them.

Further, the current articles and by-laws of the Corporation will be replaced by a "Notice of Articles" and "Articles" under the BCBCA, which will include changes to reflect certain corporate law differences of the BCBCA in comparison to the OBCA. These differences in the articles are also summarized in Schedule "A". The proposed form of the Notice of Articles and Articles under the BCBCA are attached to this Information Circular as Schedule "B".

Procedure for Continuance

In order to effect the Continuance, the Continuance Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting. If the Continuance Resolution is approved, the Corporation will apply to the Director appointed under the OBCA to continue under the BCBCA. The Director will generally authorize a continuance from the OBCA to the BCBCA upon: (i) receipt of an application for authorization to continue into another jurisdiction; (ii) being satisfied that certain rights, obligations, liabilities and responsibilities of the Corporation as set out in Section 181(9) of the OBCA will remain unaffected as a result of the Continuance; and (iii) receipt of the consent of the Ontario Securities Commission and the Ministry of Finance (Ontario) with respect to the Continuance. After the authorization from the Director is obtained, one or more of the directors of the Corporation signs the proposed articles of the Corporation, the Corporation applies to the BC Registrar to continue under the BCBCA, and the BC Registrar issues a certificate of continuation, at which time the Continuance will be effective. The Corporation then files the certificate of continuation with the Director under the OBCA and the Director issues a certificate of discontinuance under the OBCA.

Continuance Resolution

The text of the Continuance Resolution is as follows:

"BE IT RESOLVED as a special resolution of the shareholders of the Corporation that:

1. the continuance of the Corporation from the Province of Ontario to the Province of British Columbia pursuant to Section 181 of the *Business Corporations Act* (Ontario) ("**OBCA**") and Section 302 of the *Business Corporations Act* (British Columbia) ("**BCBCA**"), is hereby authorized and approved;
2. the Corporation is authorized to make application to the Director under the OBCA, pursuant to Section 181 of the OBCA, for authorization to continue under the BCBCA;

3. the Corporation is authorized to make application to the Registrar of Companies under the BCBCA, pursuant to Section 302 of the BCBCA, for a certificate of continuation continuing the Corporation under the BCBCA;
4. upon the issuance of a certificate of continuation continuing the Corporation under the BCBCA, the articles and by-laws of the Corporation shall be replaced in their entirety by the notice of articles described in, and the articles substantially in the form attached to Schedule "B" to, the Management Information Circular of the Corporation dated May 22, 2019;
5. notwithstanding that the foregoing resolutions have been passed by the holders of the outstanding common shares of the Corporation ("**Shareholders**"), the board of directors of the Corporation may revoke these resolutions and abandon the continuance, in whole or in part, without any further approval of Shareholders; and
6. any two directors or officers of the Corporation are hereby authorized and directed to execute or cause to be executed, whether under corporate seal or otherwise, and to deliver or cause to be delivered, all such documents, agreements or instruments and to do or cause to be done all such acts and things, as in the opinion of such directors or officers may be necessary or desirable in connection with the foregoing resolutions, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or the doing of any such act or thing."

The Board believes the passing of the foregoing special resolution is in the best interests of the Corporation and recommends that Shareholders of the Corporation vote in favour of the resolution.

The persons named in the form of proxy accompanying this Information Circular intend to vote FOR the approval of the Continuance Resolution, unless the Shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be voted against the resolution approving the Continuance Resolution.

Dissent Rights

The following is a summary of the dissent rights of the Shareholders and is qualified in its entirety by the provisions of Section 185 of the OBCA, the full text of which is attached to this Information Circular as Schedule "C".

Pursuant to the OBCA, Registered Shareholders have the right to dissent with respect to the Continuance Resolution by sending a written objection (the "**Dissent Notice**") to such resolution to the registered office of Gencan at or before the Meeting. The registered office address of the Corporation is 106 Avenue Road, Toronto, Ontario, M5R 2H3.

Only Registered Shareholders may dissent. Beneficial Shareholders who wish to dissent should be aware that they may only do so through the registered owner of such Common Shares. Accordingly, a Beneficial Shareholder who desires to exercise the right of dissent must make arrangements for the Common Shares beneficially owned by such holder to be registered in the holder's name prior to the time the written objection to the Continuance Resolution is required

to be sent to Gencan or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on the holder's behalf.

Each Shareholder who properly dissents ("**Dissenting Shareholder**") will be entitled to be paid the fair value of the Common Shares in respect of which such holder dissents in accordance with Section 185 of the OBCA. A proxy submitted instructing the proxyholder to vote against the Continuance Resolution, an abstention or a vote against the Continuance Resolution will not constitute a Dissent Notice. The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote; however, **a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Continuance Resolution will no longer be considered a Dissenting Shareholder. Any Shareholder who has voted in favour of the Continuance Resolution, in person or by proxy, shall not be accorded the right to dissent.**

The statutory provisions covering the right to dissent are technical and complex. **Failure to strictly comply with the requirements set forth in Section 185 of the OBCA may result in the loss of any right to dissent. A Dissenting Shareholder may dissent only with respect to all of the Common Shares held by such Dissenting Shareholder, or on behalf of any one Beneficial Shareholder and registered in the Dissenting Shareholder's name.**

Within 10 days after the approval of the Continuance Resolution by Shareholders, the Corporation is required to send notice to each Dissenting Shareholder who properly delivered a Dissent Notice, has otherwise complied with the requirements of Section 185 of the OBCA and has not withdrawn the Dissent Notice, that the Continuance Resolution has been approved. A Dissenting Shareholder must, within 20 days after receiving such notification or, if such notification is not received, within 20 days after learning that the Continuance Resolution has been approved, send to Gencan at its registered address set forth above, a written notice (a "**Payment Demand**") containing the Dissenting Shareholder's name and address, the number of Common Shares in respect of which that Dissenting Shareholder dissents and a demand for payment of the fair value of such Common Shares.

Within 30 days after sending the Payment Demand, a Dissenting Shareholder must send the certificate(s) representing the Common Shares in respect of which such Dissenting Shareholder dissents to Gencan at its registered address set forth above. A Dissenting Shareholder who fails to make a Payment Demand or send such certificates within the aforementioned time limits, as the case may be, forfeits his, her or its right to make a claim under section 185 of the OBCA. Gencan or Computershare will endorse on such certificates a notice that the holder thereof is a Dissenting Shareholder under section 185 of the OBCA and will forthwith return such certificates to the Dissenting Shareholder.

On filing a Payment Demand, a Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of such Dissenting Shareholder's Common Shares as determined under Section 185 of the OBCA, except where (a) the Dissenting Shareholder withdraws the Payment Demand before the Corporation makes an Offer to Pay (as defined below), (b) the Corporation fails to make a timely Offer to Pay and the Dissenting Shareholder withdraws the Payment Demand or (c) the Board revokes the Continuance Resolution, in which case the Corporation will be required to reinstate the Dissenting Shareholder's rights as a Shareholder.

The Corporation is required, not later than 7 days after the later of the effective date of the Continuance or the date on which the Corporation received a Payment Demand from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Payment Demand to it a written offer to pay ("**Offer to Pay**") for such Dissenting Shareholder's Common Shares in an

amount considered by the Board to be the fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay, as between shares of the same class, must be on the same terms. The amount specified in the Offer to Pay which has been accepted by a Dissenting Shareholder shall be paid by the Corporation within 10 days after the acceptance by the Dissenting Shareholder of the Offer to Pay, but any such Offer to Pay lapses if the Corporation does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.

If the Corporation fails to make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the effective date of the Continuance or within such further period as a court may allow, apply to a court to fix a fair value for the Common Shares of Dissenting Shareholders. If the Corporation fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Upon an application to a court, all Dissenting Shareholders whose Common Shares have not been purchased by the Corporation will be joined as parties and bound by the decision of the court, and the Corporation will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of such Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon any such application to a court, the court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Common Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Corporation in favour of each Dissenting Shareholder and for the amount of the fair value of such Dissenting Shareholder's Common Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the effective date of the Continuance until the date of payment.

THE FOREGOING IS ONLY A SUMMARY OF SECTION 185 OF THE OBCA. IT IS STRONGLY SUGGESTED THAT ANY SHAREHOLDERS WISHING TO DISSENT SEEK INDEPENDENT LEGAL ADVICE WELL IN ADVANCE OF THE MEETING, AS THE FAILURE TO STRICTLY COMPLY WITH THE PROVISIONS OF THE OBCA MAY PREJUDICE SUCH SHAREHOLDER'S RIGHT TO DISSENT.

Other Business

As of the date of this Information Circular, management of Gencan knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each Common Share entitles the holder of such Common Share to one (1) vote on all matters coming before the Meeting. Only Shareholders of record as of the close of business on the Record Date are entitled to receive notice of the Meeting. The holders of a majority of Common Shares entitled to vote at a meeting of Shareholders, whether present in person or represented by proxy,

constitute a quorum for the transaction of business at any meeting of Shareholders. As of the close of business on May 22, 2019, there were 16,092,284 Common Shares issued and outstanding.

To the best of the knowledge of the directors and senior officers of Gencan, no person or company beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the Meeting other than Fred A. Litwin, the Chairman of the Board, who directly and indirectly controls 13,865,810 Common Shares (86.2%). The Common Shares controlled by Fred A. Litwin are comprised of the following:

- (a) 12,564,188 Common Shares (78.1%) beneficially owned by Genterra Capital Inc., ("**Genterra**") which corporation is indirectly controlled by Fred A. Litwin; and
- (b) 1,301,622 Common Shares (8.1%) beneficially owned by Forum Financial Corporation, which corporation is directly controlled by Fred A. Litwin.

As of May 22, 2019, the directors and officers of Gencan as a group owned beneficially, directly and indirectly, 13,865,810 Common Shares, representing 86.2% of the presently issued and outstanding Common Shares.

MANAGEMENT CONTRACTS

During the year ended September 30, 2018, Genterra provided administrative services to the Corporation for fees of \$6,000. Fred A. Litwin, Stan Abramowitz and Mark I. Litwin are directors and/or officers of Genterra.

During the year ended September 30, 2018, the Corporation paid to Highroad Estates Inc. ("**Highroad**") fees of \$45,667 for the management by Highroad of the Corporation's solar energy generation operation which was located on the roof of one of Genterra's properties. Mark I. Litwin and Stan Abramowitz are officers and/or directors of Highroad.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

On July 4, 2018, pursuant to a purchase and sale agreement between the Corporation and Highroad Estates Inc., ("**Highroad**") the Corporation completed the sale of its solar energy generation equipment to Highroad for gross proceeds of \$2,635,000 (the "**Transaction**"). Part of the consideration was paid by Highroad's assumption of the loan of \$2,057,970, payable to Genterra, as described below. The balance of \$577,030 was paid in cash. Mark I. Litwin and Stan Abramowitz are directors and/or officers of Highroad and Gencan.

The Corporation's solar energy generation project was located on the roof of a property owned by Genterra, which roof was being leased by the Corporation for \$52,813 per annum ending August 2034. This lease was assumed by Highroad on the completion of the Transaction. Further, Gencan had a loan payable to Genterra of \$2,057,970, due on August 1, 2019 and bearing interest at 4% per annum. This loan was also assumed by Highroad on completion of the Transaction.

The Corporation has an administrative services agreement with Genterra for \$6,000 per annum. Fred A. Litwin, Stan Abramowitz and Mark I. Litwin are directors and/or officers of Genterra and Gencan.

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

Except as disclosed herein, the directors and officers of Gencan are not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director, senior officer, anyone who has held office as such at any time since the beginning of the last financial year, proposed nominee for election as a director of Gencan, or their respective associates or affiliates, in any matter to be acted on at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, officer, employee or former director, officer or employee of Gencan, or any associate of any such director, officer or employee is, or has been, at any time since the beginning of the most recently completed financial year of Gencan, indebted to the Corporation or has indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Gencan.

AUDITOR

The auditor of Gencan is BDO Canada LLP, Chartered Professional Accountants, which has been Gencan's auditor since 2015.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Securityholders may request copies of the Corporation's financial statements and related management's discussion and analysis by emailing their requests to ivy@forumfinancialcorp.com. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the fiscal year ended September 30, 2018 and subsequent interim periods, which are filed on SEDAR.

Schedule "A"

Corporate Law Differences Between the OBCA and the BCBCA

The following is a summary of certain differences between the *Business Corporations Act* (Ontario) and the *Business Corporations Act* (British Columbia). The summary is not intended to be a comprehensive review of the two statutes. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and Shareholders should consult their legal or other professional advisors with regard to all of the implications of the Continuance which may be of importance to them.

Charter Documents

Under the OBCA, a corporation's charter documents consist of (i) "articles of incorporation," which set forth, among other things, the name of the corporation, the amount and type of authorized capital and the terms (including any special rights and restrictions) attaching thereto, and the minimum and maximum number of directors of the corporation; and (ii) the "by-laws," which govern the management of the corporation's affairs. The articles are filed with the Director under the OBCA and the by-laws are filed with the corporation's registered office, or at another location designated by the corporation's directors.

Under the BCBCA, a corporation's charter documents consist of (i) a "notice of articles," which sets forth, among other things, the name of the corporation, the amount and type of authorized capital and whether any special rights and restrictions are attached to each class or series thereof, and certain information about the directors of the corporation; and (ii) the "articles" which govern the management of the corporation's affairs and set forth the special rights and restrictions attached to each authorized class or series of shares. The notice of articles is filed with the BC Registrar, while articles are filed only with the corporation's records office.

Sale of Business or Assets

Under the OBCA a sale, lease or exchange of all or substantially all the property of a corporation other than in the ordinary course of business requires a special resolution passed by two-thirds of votes cast by shareholders at a meeting called to approve such transaction. If such a transaction would affect a particular class or series of shares of the corporation in a manner different from the shares of another class or series of the corporation entitled to vote on such transaction, the holders of such first mentioned class or series of shares, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series.

The BCBCA requires the sale, lease or other disposition of all or substantially all of a corporation's undertaking, other than in the ordinary course of its business, to be authorized by special resolution, being a resolution passed by shareholders where the majority of the votes cast by shareholders entitled to vote on the resolution constitutes a special majority (i.e., two-thirds of the votes cast, unless a greater majority of up to three-quarters is required by the articles). The BCBCA contains a number of exceptions that are not included in the OBCA, such as with respect to dispositions by way of security interests, certain kinds of leases and dispositions to related corporations or entities.

Amendments to the Charter Documents

Any substantive change to the articles of a corporation under the OBCA, such as alteration of the restrictions, if any, on the business that may be carried on by the corporation, a change in the name of the corporation or an increase or reduction of the authorized capital of the corporation requires a special resolution passed by not less than two-thirds of the votes cast by shareholders at a meeting called to approve such change. Other fundamental changes such as an alteration of special rights and restrictions attached to the issued shares or a proposed amalgamation or continuation of a corporation out of the jurisdiction also require a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class entitled to vote at a general meeting of the corporation. The holders of shares of a class or of a series are, in certain situations and unless the articles provide otherwise, entitled to vote separately as a class or series upon a proposal to amend the articles.

Pursuant to the BCBCA, fundamental changes generally require a resolution passed by a special majority of the votes cast by shareholders entitled to vote on the resolution (i.e., two-thirds of the votes cast, unless a greater majority of up to three-quarters is required by the articles), unless the BCBCA or the articles require a different type of resolution to make such change. Accordingly, certain alterations to a BCBCA corporation, such as a name change or certain changes in its authorized share structure, can be approved by a different type of resolution where specified in the articles, subject always to the requirement that a right or special right attached to issued shares must not be prejudiced or interfered with under the BCBCA or under the notice of articles or articles unless the shareholders holding shares of the class or series of shares to which such right or special right is attached consent by a special separate resolution of those shareholders. Gencan has formulated the proposed articles to provide that a subdivision or consolidation of its issued and unissued Common Shares, as well as a name change of the corporation, may be authorized by a resolution of the directors of Gencan.

Rights of Dissent and Appraisal

The OBCA provides that registered shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to: (i) amend its articles under Section 168 of the OBCA to add, change or remove restrictions on the issue, transfer or ownership of shares of a class or a series of shares of a corporation; (ii) amend its articles under Section 168 of the OBCA to add, change or remove any restriction on the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise; (iii) amalgamate with another corporation under Section 175 or 176 of the OBCA; (iv) be continued under the laws of another jurisdiction under Section 181 of the OBCA; or (v) sell, lease or exchange all or substantially all of its property under Subsection 184(3) of the OBCA.

The BCBCA contains a similar dissent remedy, although the triggering events and procedure for exercising this remedy are slightly different from those contained in the OBCA. Pursuant to the BCBCA, the dissent right is also available with respect to a resolution to approve an arrangement, if the terms of the arrangement permit dissent, any other resolution if dissent is authorized by the resolution, and with respect to any court order that permits dissent, but is not available with respect

to an alteration to the articles to add, change or remove restrictions on the issue, transfer or ownership of shares. In addition, under the BCBCA, such dissent must be exercised with respect to all of the shares to which the dissenting shareholder is the registered and beneficial owner (and cause the registered owner of any such shares beneficially owned by the dissenting shareholder to dissent with respect to all such shares).

Oppression Remedies

Pursuant to the OBCA, a registered holder, beneficial holder or former registered holder or beneficial holder of a security of a corporation or its affiliates, a director, former director, officer or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy (each, a complainant), and in the case of an offering corporation, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates:

- any act or omission of a corporation or its affiliates effects or threatens to effect a result;
- the business or affairs of the corporation or any of its affiliates are, have been or are threatened to be carried on or conducted in a manner; or
- the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner,

that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of any security holder, creditor, director or officer of the corporation. On such an application, the court may make such order as it sees fit, including but not limited to, an order restraining the conduct complained of.

The BCBCA contains a similar oppression remedy. The remedy under the BCBCA is not expressly available for "unfairly disregarding the interests" of the shareholder. Also, in British Columbia, the oppression remedy is only available to shareholders (although in connection with an oppression action, the term "shareholder" includes beneficial shareholders and any other person whom a court considers to be an appropriate person to make such an application). Under the OBCA, the complainant can complain not only about acts of the corporation and its directors but also acts of an affiliate of the corporation and the affiliate's directors, whereas under the BCBCA, the shareholder can complain only of oppressive conduct of the corporation. Pursuant to the BCBCA the applicant must bring the application in a timely manner, which is not required under the OBCA, and the court may make an order in respect of the complaint if it is satisfied that the application was brought by the shareholder in a timely manner. As with the OBCA, under the BCBCA the court may make such order as it sees fit, including an order to prohibit any act proposed by the corporation. Pursuant to the OBCA, a corporation is prohibited from making a payment to a successful applicant in an oppression claim if there are reasonable grounds for believing that (i) the corporation is, or after the payment, would be unable to pay its liabilities as they become due, or (ii) the realization value of the corporation's assets would thereby be less than the aggregate of its liabilities. Under the BCBCA, if there are reasonable grounds for believing that the corporation is, or after a payment to a successful applicant in an oppression claim would be, unable to pay its

debts as they become due in the ordinary course of business, the corporation must make as much of the payment as possible and pay the balance when the corporation is able to do so.

Shareholder Derivative Actions

Under the OBCA, a complainant may, with judicial leave, bring an action in the name and on behalf of the corporation or any of its subsidiaries or intervene in an action to which a corporation or any of its subsidiaries is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the corporation or subsidiary.

Similar rights to bring a derivative action are contained in the BCBCA, but these rights extend only to shareholders (although in connection with a derivative action, the term "shareholder" includes beneficial shareholders and any other person whom the court considers to be an appropriate person to make such an application) and directors.

Shareholder Proposals

Both the OBCA and the BCBCA contain provisions with respect to shareholder proposals.

Under the OBCA, a shareholder entitled to vote at a meeting of shareholders may (i) submit to the corporation notice of a proposal and (ii) discuss at the meeting any matter in respect of which such shareholder would have been entitled to submit a proposal. A corporation that solicits proxies shall send the proposal in the information circular or attach the proposal to the circular. If requested by the shareholder, management must also enclose with the information circular a statement by the shareholder in support of the proposal provided such statement meets certain criteria. In addition, a proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than 5% of the shares or 5% of the shares of a class or series of shares of the corporation entitled to vote at the meeting to which the proposal is to be presented. Management is not required to send the proposal or supporting statement with the management information circular where:

- notice of the proposal is submitted (i) less than 60 days before the anniversary date of the previous annual meeting, if the matter is proposed to be raised at an annual meeting, or (ii) less than 60 days before a meeting other than the annual meeting, if the matter is proposed to be raised at a meeting other than the annual meeting;
- it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or security holders;
- it clearly appears that the proposal does not relate in a significant way to the business or affairs of the corporation;
- within two years before the receipt by the corporation of a person's notice of proposal, the person failed to present, in person or by proxy, at a meeting of the corporation's shareholders, a proposal which had been submitted by the person and had been included in a management information circular or a notice of meeting relating to that shareholders' meeting; or

- substantially the same proposal was submitted to shareholders in a management information circular, dissident's information circular, or notice of a meeting relating to a previous meeting of shareholders, and the previous meeting was held within five years before the receipt by the corporation of the person's current notice of proposal, and at that previous meeting, the proposal did not receive the requisite support.

Pursuant to the BCBCA, a proposal may only be submitted by qualified shareholders, which means an owner (whether registered or beneficial) of shares that carry the right to vote at a general meeting who has been such a shareholder for an uninterrupted period of at least two years before the date of signing the proposal, provided that such shareholder has not, within two years before the date of the signing of the proposal, failed to present, in person or by proxy, at any annual general meeting, an earlier proposal submitted by such shareholder in respect of which the corporation complied with its obligations under the BCBCA.

The proposal must meet certain criteria and must be supported by qualified shareholders who, together with the submitter, are registered or beneficial owners of shares that, in the aggregate, constitute at least 1% of the issued shares of the corporation that carry the right to vote at general meetings, or that have a fair market value in excess of Cdn \$2,000. A corporation that receives such a proposal must send the text of the proposal, the names and mailing addresses of the submitter and supporting shareholders, and the text of any supporting statement accompanying the proposal to all of the persons who are entitled to notice of the annual general meeting in relation to which the proposal is made. Such information must be sent in, or within the time for sending of, the notice of the applicable annual general meeting, or in the corporation's information circular, if any, sent in respect of the applicable annual general meeting. If the submitter is a qualified shareholder at the time of the annual general meeting to which its proposal relates, the corporation must allow the submitter to present the proposal, in person or by proxy, at such meeting. If two or more proposals received by the corporation in relation to the same annual general meeting are substantially the same, the corporation needs to comply only with such requirements in relation to the first proposal received and not any others. The corporation may also refuse to process a proposal in certain other circumstances, which are similar to those exceptions provided under the OBCA, but under the BCBCA, a corporation may also refuse to process a proposal that deals with matters beyond the corporation's power to implement.

Requisition of Meeting

The OBCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting to require the directors to call a meeting of shareholders of a corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a corporation holding not less than 5% of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting within four months.

Form of Proxy and Information Circular

The OBCA requires an offering corporation, currently with or prior to sending notice of a meeting of shareholders, to send a form of proxy to each shareholder who is entitled to receive notice of the meeting, and to provide a management information circular containing prescribed information regarding the matters to be dealt with at, and the conduct of, the meeting.

The BCBCA does not contain provisions that require the mandatory solicitation of proxies and delivery of a management information circular as these matters are governed by applicable securities laws.

Place of Meetings

The OBCA requires all meetings of shareholders, subject to the articles and any unanimous shareholder agreement, to be held at the place within or outside Ontario as determined by the directors or, in the absence of such a determination, at the place where the registered office of the corporation is located.

The BCBCA provides that meetings of shareholders must be held in British Columbia, unless (i) the articles provide for a location outside British Columbia, or the articles do not restrict the corporation from approving a location outside British Columbia and the location is approved by the resolution required by the articles for that purpose (or if no resolution is required for that purpose by the articles, by an ordinary resolution), or (ii) the location is approved in writing by the BC Registrar before the meeting is held. The proposed articles contemplate that shareholder meetings can be held within or outside of British Columbia.

Directors' Residency Requirements

The OBCA requires that at least 25% of directors be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be a resident Canadian.

The BCBCA provides that a public corporation must have at least three directors but does not have any residency requirements for directors.

Removal of Directors

The OBCA provides that the shareholders of a corporation may by ordinary resolution at an annual or special meeting remove any director or directors from office. An ordinary resolution under the OBCA requires the resolution to be passed, with or without amendment, at the meeting by at least a majority of the votes cast. The OBCA further provides that where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

The BCBCA provides that the shareholders of a corporation may remove one or more directors by a special resolution or by any other type of resolution or method specified in the articles. If holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a separate special resolution of the

shareholders of that class or series or by any other type of resolution or method specified in the articles.

Appointment of Directors between Meetings

Pursuant to the OBCA, a quorum of directors may generally fill a vacancy among directors, except a vacancy resulting from (i) an increase in the number of directors or (ii) a failure to elect the number of directors required to be elected at any meeting of shareholders. Notwithstanding the foregoing, where a special resolution of shareholders has been passed that empowers the directors of a corporation to determine the number of directors, the directors may, between meetings of shareholders, appoint additional directors if, after such appointment, the total number of directors would not be greater than one and one-third times the number of directors required to have been elected at the last annual meeting of shareholders.

Pursuant to the BCBCA, if a corporation's articles so provide, the directors may appoint one or more additional directors, provided that the number of additional directors so appointed may not exceed one-third of the number of the current directors who were elected or appointed (excluding any such additional directors). Where a quorum of directors exists, the remaining directors are generally entitled to fill a casual vacancy on the board.

Restrictions on Share Transfers

Under the OBCA, only certain limited restrictions on the transfer of shares are permitted if the corporation offers its shares to the public.

The BCBCA does not prohibit share transfer restrictions.

Solvency — Dividends, Repurchases and Redemptions

Under the OBCA, a corporation may not pay dividends or purchase or redeem its shares if there are reasonable grounds for believing (i) it is or would be unable to pay its liabilities as they become due; or (ii) it would not meet a net asset solvency test. The net asset solvency tests for different purposes vary somewhat.

Under the BCBCA, a corporation may not declare or pay dividends or purchase or redeem its shares if there are reasonable grounds for believing that the corporation is insolvent or the action would render the corporation insolvent. Insolvent is defined to mean that a corporation is unable to pay its debts as they become due in the ordinary course of its business. Unlike the OBCA, the BCBCA does not impose a net asset solvency test for these purposes.

Reduction of Capital

Under the OBCA, capital may be reduced by special resolution of shareholders but not if there are reasonable grounds for believing that, after the reduction, (i) the corporation would be unable to pay its liabilities as they become due; or (ii) the realizable value of the corporation's assets would be less than the aggregate of its liabilities.

Under the BCBCA, capital may be reduced by special resolution of shareholders or court order. A court order is required if the realizable value of the corporation's assets would, after the reduction of capital, be less than the aggregate of its liabilities.

Compulsory Acquisition

The OBCA provides a right of compulsory acquisition for an offeror that acquires 90% of the target securities pursuant to a take-over bid or issuer bid, other than securities held at the date of the bid by or on behalf of the offeror. The OBCA also provides that where an offeror acquires 90% or more of the target securities, a security holder who did not accept the original offer may require the corporation to acquire the security holder's securities in accordance with the procedure set out in the OBCA.

The BCBCA provides a substantively similar right, although the BCBCA is limited in its application to the acquisition of shares and there are differences in the procedures and process. The BCBCA provides that where an offeror does not use the compulsory acquisition right when entitled to do so, a shareholder who did not accept the original offer may require the offeror to acquire the shareholder's shares on the same terms contained in the original offer.

Investigation/Appointment of Inspectors

Under the OBCA, shareholders can apply to the court for the appointment of an inspector to conduct an investigation of the corporation where (i) the business of the corporation or any of its affiliates is or has been carried on with intent to defraud any person; (ii) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised, in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards, the interests of a security holder; (iii) the corporation or any of its affiliates was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or (iv) persons concerned with the formation, business or affairs of the corporation or any of its affiliates have in connection therewith acted fraudulently or dishonestly. Unlike the BCBCA, the OBCA does not require an applicant to hold a specified number of shares.

Under the BCBCA, a corporation may by special resolution, appoint an inspector to conduct an investigation of the affairs and management of the corporation and to report in the manner and to the persons the resolution directs. Shareholders holding, in the aggregate, at least 20% of the issued shares of a corporation may apply to the court for the appointment of an inspector. The court must consider whether there are reasonable grounds for believing that (i) the affairs of the corporation are being or have been conducted, or the powers of the directors are being or have been exercised, in a manner that is oppressive or unfairly prejudicial to one or more shareholders; (ii) the business of the corporation is being or has been carried on with intent to defraud any person; (iii) the corporation was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or (iv) persons concerned with the formation, business or affairs of the corporation have, in connection with it, acted fraudulently or dishonestly.

Comparison of Gencan's Existing Articles and By-Laws and the Proposed Articles

The articles of Gencan proposed to be adopted in connection with the Continuance are substantially analogous to the articles and by-laws of Gencan in force today. The proposed articles

have been prepared with a view to corporate governance best practices under the BCBCA. It is customary under the BCBCA to not duplicate in the articles provisions of applicable law contained in such legislation, which results in the articles of British Columbia corporations being less duplicative than the by-laws of corporations existing under the OBCA. The omission in the proposed articles of certain provisions of the current Gencan by-laws, as a result of such matters being governed by the provisions of the BCBCA will not materially affect the substantive rights of Shareholders or the procedural aspects of the Gencan by-laws, except to the extent described below or as a result of the differences in the BCBCA and the OBCA, as discussed above.

Below is a summary of certain key differences between the Corporation's current articles and by-laws and the provisions of the proposed articles under the BCBCA. A full copy of the proposed articles is attached to this Information Circular as Schedule "B".

Advance Notice of Director Nominations

Gencan's existing by-laws do not include advance notice requirements for director nominations which are included in the proposed articles. The proposed articles fix a deadline by which shareholders must notify the Corporation of their intention to nominate directors and sets out the information that shareholders must provide in the notice for it to be valid. These requirements are intended to provide all shareholders with the opportunity to evaluate and review all proposed nominees and vote in an informed and timely manner regarding these nominees.

Residency of Directors

Gencan's existing by-laws set out that the board of directors shall consist of a majority of directors who are resident Canadians, or if the board consists of two or fewer directors, that at least one shall be a resident Canadian. Under the proposed articles, there will be no residency requirements for the board of directors.

Amendments to Articles

Under the OBCA, a corporation's articles are amended by a special resolution approved by two-thirds of the votes cast by shareholders on the resolution, while the corporation's by-laws are amended by ordinary resolution. Because of the dual nature of articles under the BCBCA, which contain provisions from both the articles and by-laws of an OBCA corporation, it is customary for the approval requirements for amendments to articles under the BCBCA to be bifurcated into special resolutions for certain matters, and ordinary resolutions for others. Consistent with other public companies, and to ensure continuity of the rights of shareholders, this bifurcated approach to shareholder approval thresholds for amendments to the proposed articles has been adopted.

Schedule "B"

PROPOSED ARTICLES

GENCAN CAPITAL INC.
(the "Company")

The Company has as its articles the following articles.

| Full name and signature of a Director | Date of signing |
|--|------------------------|
| _____ Print Name: _____ | _____, 2019 |

Continuation number:

GENCAN CAPITAL INC.
(the "Company")

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

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

1.2 *Business Corporations Act and Interpretation Act* Definitions Applicable

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

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

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

2.3 Shareholder Entitled to Certificate or Acknowledgement

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.

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement

If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

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

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

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

3. ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

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

- (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

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

4. SHARE REGISTERS

4.1 Central Securities Register

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

4.2 Closing Register

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

5. SHARE TRANSFERS

5.1 Registering Transfers

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

- (1) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (3) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

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

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

5.5 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as

having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

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

7.3 Sale and Voting of Purchased Shares

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

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

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

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

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

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

- (1) 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;
- (2) 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;
- (3) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (4) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (5) alter the identifying name of any of its shares; or
- (6) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Consolidation or Subdivision of Shares

Subject to the *Business Corporations Act*, the Company may by directors' resolution subdivide or consolidate all or any of its unissued, or fully paid issued, shares.

9.3 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.4 Change of Name

The Company may by directors' resolution authorize an alteration of its Notice of Articles in order to change its name.

9.5 Other Alterations

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

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

The directors may, whenever they think fit, call a meeting of shareholders. Such meeting may be held at such location as the directors may determine.

10.4 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, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

10.5 Record Date for Notice

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

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

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

10.6 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.

10.7 Advance Notice to Elect Directors

If and so long as the Company is a public company, the Company, not less than 56 days before it holds a meeting of shareholders at which a director is to be elected or appointed, must send to each shareholder and director of the Company, an advance notice in accordance with the *Business Corporations Act* of the meeting that:

- (1) gives the date of the meeting,
- (2) invites written nominations for directors signed by shareholders holding in the aggregate not less than 10% of the shares that may be voted at the meeting,
- (3) states that, if any nomination referred to in paragraph (2) is delivered to the registered office of the Company not less than 35 days before the date of the meeting, accompanied by the information as to the nominee required to be furnished in the information circular, the Company will include the name of the

nominee in the form of proxy and the information as to the nominee in the information circular sent by the management of the Company,

- (4) gives the mailing address and delivery address of the registered office of the Company, and
- (5) gives the qualifications for a director provided by the *Business Corporations Act* and by these Articles.

10.8 Failure to Give Notice and Waiver of Notice

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

10.9 Notice of Special Business at Meetings of Shareholders

- (1) If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:
 - (a) state the general nature of the special business; and
 - (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (c) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (d) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.
- (2) A notice given under subsection (1) above will be validly given if sent 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; and
 - (b) otherwise, 10 days.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

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

11.2 Special Majority

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

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

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

11.5 Other Persons May Attend

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

11.6 Requirement of Quorum

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

11.7 Lack of Quorum

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

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

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

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

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

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the

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

11.11 Adjournments

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

11.12 Notice of Adjourned Meeting

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

11.13 Decisions by Show of Hands or Poll

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

11.14 Declaration of Result

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

11.15 Motion Need Not be Seconded

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

11.16 Casting Vote

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

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

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

11.18 Demand for Poll on Adjournment

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

11.19 Chair Must Resolve Dispute

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

11.20 Casting of Votes

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

11.21 Demand for Poll

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

11.22 Demand for Poll Not to Prevent Continuance of Meeting

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

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the

meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

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

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

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

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

- (1) for that purpose, the instrument appointing a representative must:

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

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

12.6 Proxy Provisions Do Not Apply to All Companies

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

12.7 Appointment of Proxy Holders

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

12.8 Alternate Proxy Holders

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

12.9 When Proxy Holder Need Not Be Shareholder

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

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

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

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

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

12.11 Validity of Proxy Vote

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

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

12.12 Form of Proxy

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

[name of company]
(the "Company")

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

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

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder- printed]

12.13 Revocation of Proxy

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

- (1) 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
- (2) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

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

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

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

13. DIRECTORS

13.1 First Directors; Number of Directors

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

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

13.2 Change in Number of Directors

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

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

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director 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.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

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

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

14.3 Failure to Elect or Appoint Directors

If:

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

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

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

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies,

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

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of

directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

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

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

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

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

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

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

15.2 Appointment of Attorney of Company

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

16. DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits

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

16.2 Restrictions on Voting by Reason of Interest

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

16.3 Interested Director Counted in Quorum

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

16.4 Disclosure of Conflict of Interest or Property

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

16.5 Director Holding Other Office in the Company

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

16.6 No Disqualification

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

16.7 Professional Services by Director or Officer

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

16.8 Director or Officer in Other Corporations

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

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

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

17.2 Voting at Meetings

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

17.3 Chair of Meetings

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

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
 - (a) 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;
 - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (c) 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.

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

17.5 Calling of Meetings

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

17.6 Notice of Meetings

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

17.7 When Notice Not Required

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

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

17.8 Meeting Valid Despite Failure to Give Notice

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

17.9 Waiver of Notice of Meetings

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

17.10 Quorum

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

17.11 Validity of Acts Where Appointment Defective

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

17.12 Consent Resolutions in Writing

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

18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

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

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

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees

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

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

18.4 Powers of Board

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

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

18.5 Committee Meetings

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

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

19. OFFICERS

19.1 Directors May Appoint Officers

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

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

19.3 Qualifications

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

19.4 Remuneration and Terms of Appointment

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

20. INDEMNIFICATION

20.1 Definitions

In this Article 21:

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

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding if,

- (1) they acted honestly and in good faith with a view to the best interests of the Company; and
- (2) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, they had reasonable grounds for believing that their conduct was lawful.

Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons

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

20.4 Non-Compliance with *Business Corporations Act*

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

20.5 Company May Purchase Insurance

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

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

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

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

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

21.2 Declaration of Dividends

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

21.3 No Notice Required

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

21.4 Record Date

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

21.5 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 fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties

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

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

21.7 When Dividend Payable

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

21.8 Dividends to be Paid in Accordance with Number of Shares

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

21.9 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.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

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

21.12 Payment of Dividends

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

21.13 Capitalization of Surplus

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

22. DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

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

22.2 Inspection of Accounting Records

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

23. NOTICES

23.1 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:

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

- (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient.

23.2 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 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

23.3 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 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

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

23.5 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:

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

24. SEAL

24.1 Who May Attest Seal

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

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

24.2 Sealing Copies

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

24.3 Mechanical Reproduction of Seal

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

25. SPECIAL RIGHTS AND RESTRICTIONS OF COMMON SHARES

25.1 Voting Rights

The holders of Common shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common share shall confer the right to one vote in person or by proxy at all meetings of shareholders of the Company.

25.2 Dividends

The holders of Common shares shall be entitled to receive dividends declared from time to time as the directors in their sole discretion may deem appropriate, subject to the rights of the holders of the Class A shares and the Class B shares, and dividends may be declared on other classes of shares of the Company without any requirement that proportionate dividends, or any dividends at all, be declared on the Common shares of the Company.

25.3 Liquidation, Dissolution, Winding-Up

In the event of the liquidation, dissolution or winding up of the Company or any other distribution of its assets among its shareholders for the purpose of winding up its affairs or upon a reduction of capital, the holders of the Common shares shall be entitled to receive, after payments to the holders of the Class A shares and the Class B shares of all amounts to which they are entitled, the paid up capital of such shares, and all the residual assets of the Company.

26. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS A SHARES

26.1 Voting Rights

The holders of Class A shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Class A share shall confer the right to one vote in person or by proxy at all meetings of shareholders of the Company.

26.2 Dividends

In each year at the discretion of the directors, and in priority to the holders of the Common shares, the holders of the Class A shares will be entitled to receive and the Company will pay thereon if and when declared by the directors out of the monies of the Company properly applicable to the payment of dividends, a non-fixed, non-cumulative dividend in an amount to be determined by the directors of the Company, with such dividends to be declared and paid on the Class A shares and the Class B shares without preference or distinction as to the class of shares, at the discretion of the directors.

26.3 Liquidation, Dissolution, Winding-Up

In the event of the liquidation, dissolution, or winding-up, or return of capital of the Company, whether voluntary or involuntary, or other distribution of the residual assets of the Company to its shareholders for the purpose of winding-up its affairs, the holders of the Class A shares shall, *pari passu* with the holders of the Class B shares, be entitled to receive, after payments of all declared but unpaid dividends, and in priority to payment on the Common shares, the paid up capital of such shares, and shall not participate further in the residual assets of the Company.

26.4 Redemption of Shares at Holder's Option

Subject to the provisions of these Articles and the *Business Corporations Act*, all or any portion of the issued Class A shares shall be redeemed by the Company from time to time at the holder's option, in accordance with the following rules and procedures:

- (1) the holder shall exercise such option by delivering or mailing to the registered office of the Company a notice in writing (the "Notice") of the exercise by the holder of its right to have the Company redeem the Class A shares held by such holder together with endorsed share certificates representing the shares to be redeemed. The Notice will set out, if less than all of the Class A shares held by a holder are to be redeemed, the number thereof so to be redeemed;
- (2) within thirty days of receiving the Notice, or such greater period of time as agreed upon between the Company and the holder of the Class A shares to be redeemed, the Company shall, provided that the endorsed share certificates representing the shares to be redeemed have been received by the registered office of the Company, pay or cause to be paid, to or to the order of the registered holder of such shares, the Redemption Amount therefor;
- (3) a Class A share in respect of which the Redemption Amount is paid as provided herein, is thereupon redeemed and the certificate representing the share will be cancelled;
- (4) after the date on which a Class A share is redeemed as provided in subparagraph 28.4(3) above, the holder of a Class A share tendered for redemption will not be entitled to exercise any of the rights of a shareholder in respect thereof unless payment of the Redemption Amount is not paid by the Company in accordance with the provisions hereof, in which case the rights of such holder will remain unaffected;
- (5) if less than all the Class A shares represented by a certificate are redeemed, a new certificate for the balance will be issued at the expense of the Company.

26.5 Redemption of Shares at Company's Option

Subject to the provisions of these Articles and the *Business Corporations Act*, all or any of the Class A shares may be redeemed at any time and from time to time by the Company, at its option. If there is more than one holder of Class A shares, the Company shall not be obligated to redeem such shares pro rata according to the number of such shares held by each holder thereof, but may, as the Directors see fit, redeem such shares disproportionately and to the entire exclusion of one or more holders. Such redemption shall be in accordance with the following rules and procedures:

- (1) the Company shall exercise such right of redemption by delivering or mailing to the holder of the Class A shares to be redeemed a notice in writing (the "Notice") of the exercise by the Company of its right to redeem the Class A shares held by such holder. The Notice shall be delivered to such holder or mailed, postage prepaid, at the address of such holder as it appears on the books of the Company. In the event that the address of the holder does not appear on the books of the Company, the Notice shall be mailed to the last address of the holder known to the Company. The Notice will set out the date on which redemption is to take place, and, if less than all the Class A shares held by the holder to whom the Notice is given are to be redeemed, the number thereof so to be redeemed. Notwithstanding

the foregoing, any holder of Class A shares may waive notice of any redemption by an instrument in writing;

- (2) on the date specified for redemption in the Notice, the Company shall, on presentation and surrender at the registered office of the Company of the certificate for a Class A share to be redeemed, pay or cause to be paid, to or to the order of the registered holder of such share, the Redemption Amount therefor;
- (3) a Class A share in respect of which the Redemption Amount is paid as provided herein, is thereupon redeemed and the certificate representing the share will be cancelled;
- (4) if less than all the Class A shares represented by a certificate are redeemed, a new certificate for the balance will be issued at the expense of the Company;
- (5) after the date of redemption specified in the Notice, the holder of a Class A share called for redemption will not be entitled to exercise any of the rights of a shareholder in respect thereof unless payment of the Redemption Amount thereon is not paid on presentation of the certificate therefor in accordance with the provisions hereof, in which case the rights of such holder will remain unaffected;
- (6) if the holder of the Class A share to be redeemed fails to present and surrender the certificate representing such share on the date specified for redemption in the Notice, the Company may deposit the Redemption Amount of such share, in a special account in any chartered bank or trust company in British Columbia to be paid without interest to or to the order of such holder upon presentation and surrender to such bank or trust company of the certificate, and, upon the making of such deposit, every share in respect of which the deposit is made will be deemed to be redeemed and the rights of the holder thereof after such deposit will be limited to receiving, without interest, the Redemption Amount therefor so deposited against presentation and surrender of the certificate for such share.

26.6 Redemption Price of Class A shares

The redemption price in respect of each Class A share will be the paid up capital thereon.

27. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS B SHARES

27.1 Voting Rights

A holder of a Class B share will not, as such, have any right to receive notice of or attend or vote at a general meeting of the Company.

27.2 Dividends

In each year at the discretion of the directors, and in priority to the holders of the Common shares, the holders of the Class B shares will be entitled to receive, and the Company will pay thereon if and when declared by the directors out of the monies of the Company properly applicable to the

payment of dividends, a non-fixed, non-cumulative dividend in an amount to be determined by the directors of the Company, with such dividends to be declared and paid on the Class A shares and the Class B shares without preference or distinction as to the class of shares, at the discretion of the directors.

27.3 Liquidation, Dissolution, Winding-Up

In the event of the liquidation, dissolution, or winding-up, or return of capital of the Company, whether voluntary or involuntary, or other distribution of the residual assets of the Company to its shareholders for the purpose of winding-up its affairs, the holders of the Class B shares shall, *pari passu* with the holders of the Class A shares, be entitled to receive, after payments of all declared but unpaid dividends, and in priority to payment on the Common shares, the paid up capital of such shares, and shall not participate further in the residual assets of the Company.

27.4 Redemption of Shares at Company's Option

Subject to the provisions of these Articles and the *Business Corporations Act*, all or any of the Class B shares may be redeemed at any time and from time to time by the Company, at its option. If there is more than one holder of Class B shares, the Company shall not be obligated to redeem such shares pro rata according to the number of such shares held by each holder thereof, but may, as the Directors see fit, redeem such shares disproportionately and to the entire exclusion of one or more holders. Such redemption shall be in accordance with the following rules and procedures:

- (1) the Company shall exercise such right of redemption by delivering or mailing to the holder of the Class B shares to be redeemed a notice in writing (the "Notice") of the exercise by the Company of its right to redeem the Class B shares held by such holder. The Notice shall be delivered to such holder or mailed, postage prepaid, at the address of such holder as it appears on the books of the Company. In the event that the address of the holder does not appear on the books of the Company, the Notice shall be mailed to the last address of the holder known to the Company. The Notice will set out the date on which redemption is to take place, and, if less than all the Class B shares held by the holder to whom the Notice is given are to be redeemed, the number thereof so to be redeemed. Notwithstanding the foregoing, any holder of Class B shares may waive notice of any redemption by an instrument in writing;
- (2) on the date specified for redemption in the Notice, the Company shall, on presentation and surrender at the registered office of the Company of the certificate for a Class B share to be redeemed, pay or cause to be paid, to or to the order of the registered holder of such share, the Redemption Amount therefor;
- (3) a Class B share in respect of which the Redemption Amount is paid as provided herein, is thereupon redeemed and the certificate representing the share will be cancelled;
- (4) if less than all the Class B shares represented by a certificate are redeemed, a new certificate for the balance will be issued at the expense of the Company;

- (5) after the date of redemption specified in the Notice, the holder of a Class B share called for redemption will not be entitled to exercise any of the rights of a shareholder in respect thereof unless payment of the Redemption Amount thereon is not paid on presentation of the certificate therefor in accordance with the provisions hereof, in which case the rights of such holder will remain unaffected;
- (6) if the holder of the Class B share to be redeemed fails to present and surrender the certificate representing such share on the date specified for redemption in the Notice, the Company may deposit the Redemption Amount of such share, in a special account in any chartered bank or trust company in British Columbia to be paid without interest to or to the order of such holder upon presentation and surrender to such bank or trust company of the certificate, and, upon the making of such deposit, every share in respect of which the deposit is made will be deemed to be redeemed and the rights of the holder thereof after such deposit will be limited to receiving, without interest, the Redemption Amount therefor so deposited against presentation and surrender of the certificate for such share.

27.5 Redemption Price of Class B shares

The redemption price in respect of each Class B share will be the paid up capital thereon.

Schedule "C"

DISSENT RIGHTS

SECTION 185 OF BUSINESS CORPORATIONS ACT (ONTARIO)

Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation under sections 175 and 176;
- (d) be continued under the laws of another jurisdiction under section 181; or

[Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 185 (1) of the Act is amended by striking out "or" at the end of clause (d) and by adding the following clauses: (See: 2017, c. 20, Sched. 6, s. 24)

(d.1) be continued under the *Co-operative Corporations Act* under section 181.1;

(d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or]

- (e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

- (a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
- (b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

- (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or
- (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

- (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
- (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10). R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

- (a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or
- (b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,
 - (i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and
 - (ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

- (a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and
- (b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

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

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a

corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

- (a) has sent to the corporation the notice referred to in subsection (10); and
- (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

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

- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).